

Starmet Ventures Inc.
(formerly SaveCann Solutions Inc.)

Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2023

(Unaudited)

(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of these condensed consolidated interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

November 24, 2023

Starmet Ventures Inc. (formerly SaveCann Solutions Inc.)
Interim Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note	September 30, 2023	December 31, 2022
ASSETS			
Current			
Cash		\$ 51,726	\$ 209,812
Receivables		4,135	3,029
Prepays		13	13
		<u>55,874</u>	<u>212,854</u>
Non-current			
Exploration and evaluation assets	4	<u>1,164,378</u>	<u>176,078</u>
Total Assets		<u>\$1,220,252</u>	<u>\$ 388,932</u>
SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables and accrued liabilities		\$ 3,306	\$ 11,354
Short term loan	7	60,000	-
Due to related parties	6	<u>126,000</u>	<u>127,000</u>
		<u>189,306</u>	<u>138,354</u>
Shareholders' equity			
Share capital	5	1,874,482	959,482
Reserves	5	86,351	86,351
Deficit		<u>(929,887)</u>	<u>(795,255)</u>
		<u>1,030,946</u>	<u>250,578</u>
Total Shareholders' Equity		<u>\$1,220,252</u>	<u>\$ 388,932</u>

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors:

"Ohad David"
Director

"Nir Eliyahu"
Director

The accompanying notes are an integral part of these condensed interim financial statements.

Starmet Ventures Inc. (formerly SaveCann Solutions Inc.)
Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three months Ended September 30, 2023	Three months Ended September 30, 2022	Nine months Ended September 30, 2023	Nine months ended September 30, 2022
EXPENSES				
Share Based Compensation (Note 5 & 6)	\$ -	\$ 12,000	\$ -	\$ 162,000
Legal	5,510	16,190	8,224	28,123
Consulting fees (Note 6)	31,000	32,000	97,000	92,000
Filing fees and other	3,739	9,291	14,940	9,291
Interest income	(5,209)	-	(5,505)	-
Accounting and Audit (Note 6)	6,000	16,800	19,500	33,075
Office and administration	308	23	473	307
	<u>41,348</u>	<u>86,305</u>	<u>134,632</u>	<u>324,797</u>
Net loss and comprehensive loss for the period	\$ (41,348)	\$ (86,305)	\$ (134,632)	\$ (324,797)
Loss per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding	16,701,991	15,761,861	16,526,151	13,656,910

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Starmet Ventures Inc. (formerly SaveCann Solutions Inc.)
Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share capital	Reserves	Deficit	Shareholders' Equity
Balance, December 31, 2021	12,205,774	\$ 510,250	\$ 48,500	\$ (347,517)	\$ 211,233
Shares cancelled	(500,000)	-	-	-	-
Shares issued at \$0.10	2,620,000	262,000	-	-	262,000
Shares issued for services	1,500,000	150,000	-	-	150,000
Special Warrants issued	-	-	61,100	-	61,100
Special Warrants issue costs	-	-	(23,868)	-	(23,868)
Net loss for the period	-	-	-	(324,797)	(324,797)
Balance, September 30, 2022	15,825,774	\$ 922,250	\$ 85,732	\$ (672,314)	335,668
Share-based payments	-	-	37,851	-	37,851
Conversion of special warrants	611,000	37,232	(37,232)	-	-
Net loss for the period	-	-	-	(122,941)	(122,941)
Balance, December 31, 2022	16,436,774	\$ 959,482	\$ 86,351	\$ (795,255)	250,578
Shares issued for mineral claim units	6,100,000	915,000	-	-	915,000
Net loss for the period	-	-	-	(134,632)	(134,632)
Balance, September 30, 2023	22,536,774	\$ 1,874,482	\$ 86,351	\$ (929,887)	\$1,030,946

The accompanying notes are an integral part of these condensed interim financial statements.

Starmet Ventures Inc. (formerly SaveCann Solutions Inc.)
Interim Statements of Cash flows
(Expressed in Canadian Dollars)

	Nine Months ended September 30, 2023	Nine Months ended September 30, 2022
OPERATING ACTIVITIES		
Net loss for the period	\$ (134,632)	\$ (324,797)
Items not involving cash:		
Consulting fee paid by issuance of common shares	-	162,000
Changes in non-cash working capital items:		
Receivables	(1,106)	-
Trade payables and accrued liabilities	(8,048)	12,870
Due to related parties	(1,000)	100,400
Cash used in operating activities	<u>(144,786)</u>	<u>(49,527)</u>
INVESTING ACTIVITIES		
Exploration and evaluation assets	(73,300)	(34,909)
Cash used in investing activities	<u>(73,300)</u>	<u>(34,909)</u>
FINANCING ACTIVITIES		
Shares issued for cash	-	250,000
Short term loan received	60,000	-
Warrants issued for cash, net	-	37,232
Cash provided by financing activities	<u>60,000</u>	<u>287,232</u>
Change in cash	(158,086)	202,796
Cash, beginning of the period	<u>209,812</u>	<u>160,051</u>
Cash, end of the period	<u>\$ 51,726</u>	<u>\$ 362,847</u>

Non Cash Activities:

Shares issued for the acquisition of mineral claims	\$ 915,000	\$ -
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Starmet Ventures Inc. (formerly SaveCann Solutions Inc.)

Notes to the Condensed Interim Financial Statements
For the Nine Months Ended September 30, 2023 and 2022
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Starmet Ventures Inc. (formerly SaveCann Solutions Inc.) (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on March 19, 2019.

The Company is in the business of the exploration and development of natural resource properties in Canada and the USA.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2023, the Company has not generated any revenues from operations, had working capital deficit of \$133,432 (December 31, 2022 – surplus of \$74,500) and a deficit of \$929,887 (December 31, 2022 - \$795,255).

The common shares of the Company commenced trading on October 18, 2022 on the Canadian Securities Exchange under the trading symbol STAR.

The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS issued by the IASB.

These condensed interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies applied by the Company in the condensed interim financial statements are the same as those applied by the Company in its most recent annual financial statements for the year ended December 31, 2022.

These condensed interim financial statements are presented in Canadian Dollars, which is also the Company’s functional currency, unless otherwise indicated.

These condensed interim financial statements were authorized for issuance on November 24, 2023 by the directors of the Company.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

Accounting standards adopted during the period

There were no accounting standards adopted during the period that would have resulted in any significant difference in the condensed interim financial statements.

Accounting standards issued but not yet effective

IAS 1 – Presentation of Financial Statements

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning after January 1, 2022. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

4. EXPLORATION AND EVALUATION ASSETS

	JPL and Ear Falls Projects
Balance – January 1, 2021	\$ 99,417
Acquisition costs	12,576
Deferred costs during the year	
Exploration costs:	
Field work	9,829
Claim fees	11,233
Geological and Geophysical Surveys	6,304
Travel and accommodation	1,282
Total expenditures	528
Balance – December 31, 2021	\$ 141,169
Acquisition costs	16,113
Deferred costs during the year	
Exploration costs:	
Claim fees	12,354
National Instrument 43-101 report	6,442
Balance – December 31, 2022	\$ 176,078
Acquisition costs	20,330
Deferred costs during the year	
Exploration costs:	
Claim fees and Notice of intent to hold	12,970
Acquisition of 302 claim units in Ear Falls, Ontario	955,000
Balance – September 30, 2023	\$ 1,164,378

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4. EXPLORATION AND EVALUATION ASSETS (continued)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many mining properties. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing. The exploration and evaluation assets in which the Company has committed to earn an interest are located in Nevada, USA and Ontario, Canada.

JPL Project, Nevada, USA

On August 11, 2020, the Company entered into an exploration lease and option agreement to acquire a 100% interest in the JPL Project (the “Property”) consisting of certain unpatented mining claims in Nevada, USA. Following the exercise of the option, the Property will remain subject to a 3% production royalty. The Company shall be entitled to purchase ownership of the Property at any time through a one-time cash payment of \$1,000,000 USD.

The Company’s obligations under the agreement include cash payments as follows:

- (i) \$10,000 USD on or before the closing date (paid at the Canadian equivalent of \$13,367);
- (ii) \$10,000 USD on or before August 11, 2021 (paid at the Canadian equivalent of \$12,575);
- (iii) \$12,500 USD on or before August 11, 2022 (paid at the Canadian equivalent of \$16,113);
- (iv) \$15,000 USD on or before August 11, 2023; (paid the Canadian equivalent of \$20,330);
- (v) \$17,500 USD on or before August 11, 2024; and
- (vi) \$20,000 USD on or before August 11, 2025 and each succeeding anniversary of the effective date.

Ear Falls, Ontario, Canada

On September 26, 2023, the Company acquired 302 mineral claims located near Ear Falls in the province of Ontario. The Claims cover approximately 6,040 hectares. The Claims are located between 1 km and 16 km (depending on the claim block) from Ear Falls, Ontario, and are easily accessible year-round by way of well-maintained highway and logging roads and feature good outcrop exposure.

The Acquisition was in exchange for a total of 6,100,000 common shares of the Company at a deemed price of \$0.15 and \$40,000 in cash.

A 2% net smelter return royalty has been granted by the Company to one of the vendors, half of which the Company may repurchase for an amount of \$1 million in cash (representing 1.0% of the net smelter return and resulting in a remaining Royalty at a rate of 1.0% of the net smelter return).

5. SHARE CAPITAL

The Company has authorized an unlimited number of common shares and preferred shares. No preferred shares have been issued.

During the period ended September 30, 2023, the Company:

issued 6,100,000 common shares at a deemed price of \$0.15 per share in exchange for 302 new mineral claim units.

During the period ended September 30, 2022, the Company:

cancelled 500,000 common shares issued in exchange for consulting services during the year ended December 31, 2020.

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Notes to the Condensed Interim Financial Statements
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5. SHARE CAPITAL (continued)Stock Options

During the year ended December 31, 2020, the Company adopted a stock option plan providing for the grant to the Company's officers, directors, employees and permitted consultants and management company employees of options to purchase common shares of the Company. Under the Stock Option Plan, the Company may grant options to purchase up to 10% of the issued and outstanding shares of the Company.

On June 28, 2022, the Company granted a director 500,000 stock options exercisable at a price of \$0.10 for five years from the date of listing of the Company's common shares on the Canadian Securities Exchange.

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price \$
Balance, December 31, 2020 and 2021	1,000,000	0.065
Granted	500,000	0.10
Balance, December 31, 2022 and September 30, 2023	1,500,000	0.077

As at September 30, 2023, the following options were outstanding:

Number of options outstanding	Exercise price \$	Expiry date	Weighted average life remaining
1,000,000	0.065	January 24, 2025	1.32
500,000	0.10	October 18, 2027	4.05
1,500,000			2.23

The share-based payments expense recognized during the year ended December 31, 2022 was \$37,851 (2021 - \$Nil) calculated using the Black-Scholes Option Pricing Model on the grant date using the following weighted average assumptions:

	Year ended December 31, 2022
Risk-free interest rate	3.22%
Expected life (in years)	5
Expected volatility	100%
Dividend rate	0%

6. RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the period ended September 30, 2023, the Company incurred \$30,000 (2022 - \$30,000) in consulting fees to a company controlled by a former director. As at September 30, 2023, the Company owed \$60,000 (December 31, 2022 - \$60,000) to this company.

6. RELATED PARTY TRANSACTIONS (continued)

During the period ended September 30, 2023, the Company incurred \$30,000 (2022 - \$30,000) in consulting fees to a former director and officer of the company. As at September 30, 2023, the Company owed \$60,000 (December 31, 2022 - \$60,000) to this former director.

During the period ended September 30, 2023, the Company incurred \$7,000 (2022 - \$2,000) in consulting fees to a company controlled by a director of the company. As at September 30, 2023, the Company owed \$Nil (December 31, 2022 - \$2,000) to this company.

During the period ended September 30, 2023, the Company incurred \$14,000 (2022 - \$19,425) in consulting fees to a company controlled by an officer of the company. As at September 30, 2023, the Company owed \$6,000 (December 31, 2022 - \$5,000) to this company.

7. SHORT TERM LOAN

During the period ended September 30, 2023, the Company secured a short term loan with a principal amount of \$60,000 from three corporations. The loan bears interest at 12% per annum and matures at the earliest of (a) September 4, 2024 (b) Once the Company has more than USD \$1,000,000 in its bank account.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Trade payables and due to related parties are due within the current operating period.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(d) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

(e) *Commodity Price Risk*

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the market price of the primary minerals identified in its mineral properties. Mineral prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in the prices of the primary minerals or in the share prices of junior mineral exploration companies in general, could have a negative impact on the Company's ability to raise additional capital. Sensitivity to commodity price risk is remote since the Company has not established any reserves or production.

(f) *Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. The Company is exposed to foreign exchange risk because the Company's financial instruments are denominated in both Canadian dollars and US dollars, and all current exploration occurs within the United States.

9. CAPITAL DISCLOSURE AND MANAGEMENT

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the period.

10. SEGMENTED INFORMATION

Industry information

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets.

Geographic information

The Company operates in both Canada and the USA. The Company's exploration and evaluation assets are located in Canada and the USA.