

Starlo Ventures Ltd.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

Reader's Note:

These unaudited condensed consolidated interim financial statements of Starlo Ventures Ltd. have been prepared by management and have not been reviewed by the Company's auditor.

STARLO VENTURES LTD.**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

AS AT MARCH 31, 2023 AND DECEMBER 31, 2022

(Expressed in Canadian dollars)

	Note	March 31, 2023	December 31, 2022
ASSETS			
Current assets			
Cash		\$ 253,875	\$ 322,742
Receivables		12,222	6,116
Prepaid expenses		4,601	-
Total current assets		270,698	328,858
Non-current assets			
Exploration and evaluation asset	4	2,451	2,451
Total assets		\$ 273,149	\$ 331,309
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	\$ 94,698	69,235
Flow-through share premium liability	7	5,023	5,344
Total liabilities		99,721	74,579
SHAREHOLDERS' EQUITY			
Share capital	5(b)	392,109	359,175
Special warrants	5(b)	-	27,934
Stock option reserve	5(c)	43,685	43,685
Warrant reserve	6	46,375	46,375
Deficit		(308,741)	(220,439)
Total shareholders' equity		173,428	256,730
Total liabilities and shareholders' equity		\$ 273,149	\$ 331,309

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on May 29, 2023

"Craig Rollins"
Director

"Christopher Cooper"
Director

The accompanying notes form an integral part of these consolidated financial statements

STARLO VENTURES LTD.**CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**

(Expressed in Canadian dollars)

	Note	Three months ended March 31, 2023	Three months ended March 31, 2022
Expenses			
Exploration expenses	4, 5(b)	\$ 6,288	\$ 4,044
General and administrative		28,534	8
Management fees	8	9,000	-
Professional Fees	8	44,801	-
Loss Before Other Item		88,623	4,052
Other Item			
Recovery of premium liability on flow-through shares	7	(321)	-
Loss and Comprehensive Loss		\$ 88,302	\$ 4,052
Loss per share			
Basic and diluted		\$ 0.01	\$ 4,052
Weighted average number of common shares outstanding (basic and diluted)		14,060,333	1

The accompanying notes form an integral part of these consolidated financial statements

STARLO VENTURES LTD.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Note	Common shares Number	Share capital	Special Warrants	Warrants reserve	Stock option reserve	Deficit	Total
Balance, December 31, 2021		1	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1
Loss for the period		-	-	-	-	-	(4,052)	-
Balance, March 31, 2021		1	\$ 1	\$ -	\$ -	\$ -	\$ (4,052)	\$ (4,051)
Balance, December 31, 2022		13,235,000	\$ 359,175	\$ 27,934	\$ 46,375	\$ 43,685	\$ (220,439)	\$ 256,730
Warrant conversion on listing	5(b)	812,000	27,934	(27,934)	-	-	-	-
Shares issued for services	5(b)	100,000	5,000	-	-	-	-	5,000
Loss for the period		-	-	-	-	-	(88,302)	(88,302)
Balance, March 31, 2023		14,147,000	\$ 392,109	\$ -	\$ 46,375	\$ 43,685	\$ (308,741)	\$ 173,428

The accompanying notes form an integral part of these consolidated financial statements

STARLO VENTURES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
Operating Activities		
Loss for the period	\$ (88,302)	\$ (4,052)
Adjustments to reconcile loss to net cash used in operating activities:		
Shares issued for services	5,000	-
Changes in non-cash working capital:		
Prepaid expenses	(4,601)	-
Accounts payable and accrued liabilities	25,463	4,044
Accounts receivable	(6,106)	-
Premium liability on flow-through shares	(321)	-
Cash Used in Operating Activities	(68,867)	(8)
Financing Activities		
Issuance of common shares	-	230,000
Cash Provided by Financing Activities	-	230,000
Increase (decrease) in cash for the period	(68,867)	229,992
Cash - beginning of period	322,742	-
Cash – ending of period	\$ 253,875	\$ 229,992

The accompanying notes form an integral part of these consolidated financial statements

STARLO VENTURES LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023**

Expressed in Canadian dollars unless otherwise stated

1. Nature of operations and going concern

Starlo Ventures Ltd. (the “Company” or “Starlo”) was incorporated under the British Columbia Business Corporations Act on November 26, 2021. Starlo has one wholly-owned subsidiary, 1335137 B.C. Ltd which is consolidated with the Company in these statements. The Company is publicly traded and listed on the Canadian Securities Exchange (the “Exchange”) under the symbol “SLO”. The Company is an exploration stage mining company with one exploration property (the Mt. Richards Property) and owned through its wholly-owned subsidiary, located in British Columbia, Canada.

These condensed consolidated interim financial statements (the “Financial Statements”) have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. Starlo is an exploration stage mining company which incurred a loss of \$88,302 for the three months ended March 31, 2023, and as at March 31, 2023 had an accumulated deficit of \$308,741. The Company is expected to incur operating losses for the foreseeable future. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. The Company estimates it has sufficient funds to operate for the next 12 months. These financial statements do not include adjustments that may be necessary if the going concern principal is not appropriate.

The head office & principal address of the Company is located at Suite 1400, 400 Burrard Street, Vancouver, BC, V6C 3A6.

2. Basis of presentation and significant accounting policies***Statement of Compliance***

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed consolidated interim financial statements do not include all the necessary annual disclosures in accordance with IFRS, and should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2021.

The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company’s most recent audited annual financial statements for the year ended December 31, 2021.

Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value, as explained in the accounting policies set out below. The financial statements are presented in Canadian Dollars, which is also the Company’s functional currency, including its subsidiary.

Accounting pronouncements not yet adopted

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are not expected to have a significant impact on the Company’s financial statements.

STARLO VENTURES LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023**

Expressed in Canadian dollars unless otherwise stated

3. Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company's significant accounting judgments and estimates have been applied in these financial statements:

Judgments

- The Company's ability to continue as a going concern involves critical judgement based on historical experience. Significant judgements are used in the Company's assessment of its ability to continue as a going concern which is described in Note 1.
- Management makes judgments related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

Estimates

- In calculating the fair value of the share-based compensation and warrants, management makes estimates related to the Company's share price volatility and expected life of the instruments. To the extent that these estimates are not correct, the value of these instruments within equity may differ.
- In calculating the fair value of the flow-through shares and warrants, management makes estimates related to the Company's share price volatility and expected life of the instruments. To the extent that these estimates are not correct, the value of these instruments within equity may differ.
- The assessment of indicators of impairment for the mineral properties and the related determination of the recoverable amount and write-down of the properties where applicable. To the extent that these estimates are not correct, the value of the mineral properties may differ.

4. Exploration and Evaluation Asset

The Company's exploration and evaluation asset consists of 19 mineral tenures in British Columbia that were staked on January 24, 2022 for \$2,451 which make-up the Mt. Richards Property.

The breakdown of exploration expenses incurred is as follows:

	For the three months ended March 31, 2023 \$	For the three months ended March 31, 2022 \$
Exploration expenditures		
Sampling and other exploration	5,000	4,044
Field expenses	1,288	-
	6,288	4,044

STARLO VENTURES LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2023

Expressed in Canadian dollars unless otherwise stated

5. Share Capital and Reserves

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

Share transactions during the three months ended March 31, 2023

On March 20, 2023, the Company issued 100,000 common shares with a fair value of \$5,000 to C.J. Greig Holdings Ltd., in consideration of and upon the successful listing of the Company on the Exchange.

Share transactions during the year ended December 31, 2023

On December 20, 2022, the Company issued 75,000 common shares with a fair value of \$3,750 to C.J. Greig Holdings Ltd., in consideration of and upon the successful completion of National Instrument 43-101 – Standards of Disclosure for Mineral Projects compliant technical report.

On May 19, 2022, the Company issued 1,620,000 units at \$0.05 per unit (each unit consisting of one common share of the Company and one warrant) (the “NFT Private Placement”), for proceeds of \$81,000. Each warrant entitles the holder to purchase one common share at a price of \$0.10 per share for a period of five years. No costs were incurred in connection with this financing.

On May 19, 2022, the Company also closed a financing issuing 2,000,000 units at \$0.05 per unit (each unit consisting of one flow-through share of the Company and one half warrant)(the “FT Private Placement”), for proceeds of \$100,000. Each whole warrant issued as part of the unit entitles the holder to purchase one common share of the Company at a price of \$0.10 per share for a period of five years from the date of the financing. No costs were incurred in connection with this financing.

On April 4, 2022, the Company closed a private placement financing issuing 9,540,000 shares at \$0.025 per share for proceeds of \$238,500. No costs were incurred in connection with this financing.

On April 4, 2022, the Company repurchased and cancelled one common share for gross proceeds of \$1.

Special Warrants

During the year ended December 31, 2022, the Company issued a total of 612,000 special warrants (the “Special Warrants”) at \$0.05 for gross proceeds of \$30,600. Each Special Warrant entitles the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one previously unissued common share of the Company.

The Special Warrants converted into shares on a 1:1 basis on March 27, 2023 commensurate with the listing of the Company on the Exchange.

In connection with the issuance of Special Warrants, the Company paid cash warrant issuance costs of \$2,666, which included a portal fee of 5% of the aggregate amount of gross proceeds, as well as payment processing fees. The Company also issued 200,000 compensation warrants, which converted on March 27, 2023. The compensation warrants have been assigned a fair value of \$10,000 using the black-scholes valuation model and have been capitalized as financing costs against the special warrants.

As at March 31, 2023, there are no special warrants or compensation warrants outstanding.

STARLO VENTURES LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023**

Expressed in Canadian dollars unless otherwise stated

c) Stock Options

Pursuant to the Company's stock option plan (the "Stock Option Plan"), the Company's board of directors may, from time to time, grant directors, officers, employees and consultants non-transferable options to purchase common shares, provided that the number of common shares served for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to 5 years from the date of the grant. The exercise price of any option granted pursuant to the Stock Option Plan shall be determined by the board of directors when granted, but shall not be less than the market price.

On November 8, 2022, the Company issued 1,315,000 stock options with an exercise price of \$0.10. All stock options issued vested upon grant and expire five years from the date of grant.

The following weighted average assumptions were used to estimate the grant date fair value using the Black Scholes model:

	October 30, 2022
Expected dividend yield	0.00%
Expected stock price volatility	100%
Risk-free interest rate	3.64%
Expected life of the options	5.00 years
Grant date fair value per option	\$0.033

The fair value share-based payment recognized by the Company during the three months ended March 31, 2023 was \$nil.

A continuity schedule of the stock options as of March 31, 2023 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding, December 31, 2022	1,315,000	\$ 0.10	4.61
Issued	-	-	-
Outstanding, March 31, 2023	1,315,000	\$ 0.10	4.61

As at March 31, 2023, the Company had the following stock options outstanding and exercisable:

Date Issued	Expiry Date	Exercise Price	Number of Options Outstanding
November 8, 2022	November 8, 2027	\$0.10	1,315,000

STARLO VENTURES LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023**

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6. Warrants

Pursuant to the completion of the NFT Private Placement, on May 19, 2022, the Company issued 1,620,000 transferable warrants with an exercise price of \$0.10 per share for a period of five years from the date of closing the financing (note 5 (b)). All warrants vested after a four-month period and are exercisable on September 20, 2022. The warrants were assigned a fair value of \$28,674 upon issuance which was recorded within the Warrants reserve.

Pursuant to the completion of the FT Private Placement, on May 19, 2022, the Company issued 1,000,000 non-transferable warrants with an exercise price of \$0.10 per share for a period of five years from the date of closing the financing (note 5 (b)). All warrants vested after a four-month period and are exercisable on September 20, 2022. The warrants were assigned a fair value of \$17,700 upon issuance.

The following weighted average assumptions were used to estimate the grant date fair value of these warrants using the Black Scholes model:

	May 19, 2022
Expected dividend yield	0.00%
Expected stock price volatility	100%
Risk-free interest rate	2.79%
Expected life of the warrants	5.00 years
Grant date fair value per warrant	\$0.014

The warrants outstanding as at March 31, 2023 had a remaining average life of 4.13 years.

A continuity schedule of the warrants as of March 31, 2023 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2022	2,620,000	\$0.10
Issued	-	-
Outstanding, March 31, 2023	2,620,000	\$0.10

As at March 31, 2023, the Company had the following warrants outstanding and exercisable:

Date Issued	Expiry Date	Exercise Price	Number of Warrants Outstanding
May 19, 2022	May 19, 2027	\$0.10	2,620,000

STARLO VENTURES LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023**

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7. Flow-through shares

Other liabilities consist of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share issuances:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Balance, beginning of period	5,344	-
Settlement of flow-through share liability by incurring expenditures	(321)	-
Balance, end of period	5,023	-

On May 19, 2022 the Company issued 2,000,000 flow-through units at a price of \$0.05 per share for gross proceeds of \$100,000. The premium paid by investors on the flow-through shares was calculated as \$17,700. Accordingly, \$17,700 was recorded as other liabilities. The flow-through premium is derecognized through other income as the qualifying expenditures are incurred.

At March 31, 2023, the Company incurred \$321 (2022 - \$12,356) in other income relating to the issuance and had a remaining commitment to incur exploration expenditures in relation to its May 2022 flow-through financing of \$5,023 (2022 - \$5,344).

8. Related party transactions

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. Related parties of the Company include the members of the Board of Directors, officers of the Company, close family members of these individuals, and any companies controlled by these individuals. Core Connections Ltd ("Core") is considered a related party of the Company as it is controlled by the Chief Executive Officer and a director of the Company.

On April 1, 2022, the Company entered into an administrative services agreement with Core to pay for rent and other administrative services. During the three months ended March 31, 2023, the Company paid or accrued \$9,000 to Core under the agreement (2022 - \$nil), these expenses are included under management fees in the statement of loss and comprehensive loss. As at March 31, 2023 accounts payable and accrued liabilities includes \$nil (December 31, 2022 - \$nil) owing to Core.

During the three months ended March 31, 2023, the Company paid or accrued legal fees of \$18,000 (2022 - \$nil) to a director of the company, these expenses are included under professional fees in the statement of loss and comprehensive loss. As at March 31, 2023 accounts payable and accrued liabilities includes \$10,500 (December 31, 2022 - \$3,675) owing to a director for legal fees.

During the three months ended March 31, 2023, the Company paid or accrued CFO fees of \$8,500 (2022 - \$nil) to a company controlled by a significant shareholder of the Company, these expenses are included in general and administrative expenses in the statement of loss and comprehensive loss. As at March 31, 2023 accounts payable and accrued liabilities includes \$8,925 (December 31, 2022 - \$4,200) owing for CFO services.

During the year ended December 31, 2022, officers, directors, and a Company controlled by an officer and director subscribed to 5,760,000 common shares of the Company for aggregate proceeds of \$167,000.

STARLO VENTURES LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023**

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During the year ended December 31, 2022, the Company granted 1,290,000 stock options to officers and directors of the Company with a fair value of \$28,736.

During the year ended December 31, 2022, a significant shareholder of the Company subscribed to 5,200,000 common shares for proceeds of \$145,000 and was granted 425,000 stock options with a fair value of \$14,127.

Compensation of key management personnel:

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company considers its Board of Directors, as well as the CEO and CFO to be key management personnel.

During the three months ended March 31, 2023 and 2022 the Company's compensation cost for key management personnel was as follows:

	Three months ended March 31, 2023 \$	Three months ended March 31, 2022 \$
Management fees	9,000	-
Professional fees	26,500	-
Share based compensation	-	-
Total	35,500	-

9. Financial Instruments

As at March 31, 2023, the Company's financial instruments consist of cash, accounts receivable and accounts payable. The Company classifies cash and receivables as financial assets held at amortized cost. The Company classifies accounts payable as financial liabilities, and these are held at amortized cost. The fair value of all of the Company's financial instruments approximates their carrying value.

The Company's financial instruments consists of cash which is considered to be Level 1 and, receivables and accounts payable which are considered to be Level 2 within the fair value hierarchy (as discussed below).

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the three months ended March 31, 2023.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial assets are cash. The Company holds its cash in a

STARLO VENTURES LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2023**

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bank account with a highly rated Canadian financial institution, therefore minimizing the Company's credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has sufficient funds as of March 31, 2023 to cover its liabilities. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

(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 value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation and until March 31, 2023; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.