Starrex International Ltd.

Consolidated Financial Statements Restated

December 31, 2014 and 2013

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Independent Auditor's Report

To the Shareholders of Starrex International Ltd.

We have audited the accompanying consolidated financial statements of Starrex International Ltd., which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of loss and comprehensive loss, consolidated changes in equity, and consolidated cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Starrex International Ltd. as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Restatement of Financial Statements

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements as at December 31, 2014 and for the year then ended which indicates that these consolidated financial statements have been restated from those on which we originally reported on April 30, 2015 and more extensively describes the reason for the restatements.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
March 18, 2016

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31 2014 (Restated See Note 2)		December 31 2013
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**1,617,154**	$	720,659
Funds held in trust (Note 9)		**-**		895,143
Accounts receivable (Note 8)		**910,710**		-
Prepaid expenses		**11,282**		565
		2,539,146		1,616,367
Non-current Assets				
Property, plant and equipment, net of depreciation (Note 5)		**995,243**		-
Intangible assets (Note 6)		**1,463,352**		-
Goodwill (Note 7)		**1,583,009**		-
Total Assets	**$**	**6,580,750**	$	1,616,367
EQUITY AND LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**393,753**	$	189,632
Deferred revenue		**105,112**		-
Notes payable (Note 13)		**117,313**		-
Income taxes payable (Note 11)		**46,590**		-
		662,768		189,632
Long term liabilities				
Notes payable (Note 13)		**174,250**		-
Deferred tax liability (Note 11)		**852,597**		-
Total Liabilities		**1,689,615**		189,632
Capital and reserves				
Share capital (Note 9)		**7,334,233**		2,318,042
Contributed surplus		**163,631**		15,029
Accumulated other comprehensive income		**123,076**		-
Deficit		**(2,729,805)**		(906,336)
Total Equity		**4,891,135**		1,426,735
Total Equity and Liabilities	**$**	**6,580,750**	$	1,616,367

The accompanying notes are an integral part of these Consolidated Financial Statements.

Approved by the Board:

Signed: “Garrett Clayton”
CEO

Signed: “Deborah Ramirez”
CFO

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the fiscal years ended December 31, 2014 and 2013

	2014 (Restated See Note 2)	2013
Income		
Revenue (Note 8)	**$ 2,448,369**	$ -
Investment income	**6,913**	7,337
	2,455,282	7,337
Expenses		
Depreciation and amortization (Notes 5 and 6)	**191,395**	77
General and administrative	**243,547**	1,163
Government, regulatory and filing fees	**8,225**	14,908
Interest expense	**1,774**	815
Management and corporate services (Note 8)	**123,424**	40,923
Payroll expense	**1,897,796**	-
Professional fees	**421,972**	76,021
Share based payments (Notes 8 and 10)	**246,602**	3,426
Shareholder services	**27,026**	16,052
Impairment of goodwill (Note 7)	**1,070,400**	-
	4,232,161	153,385
Loss before provision for income taxes	**(1,776,879)**	(146,008)
Provision for income taxes (Note 11)	**(46,590)**	-
Net loss for the year	**(1,823,469)**	(146,008)
Items that may be reclassified subsequently to loss		
Cumulative translation gain	**123,076**	-
Net comprehensive loss for the year	**$(1,700,393)**	$ (146,008)
Basic and diluted loss per common share (Note 12)	**$ (0.17)**	$ (0.04)
Weighted average number of common shares outstanding	**10,954,559**	3,730,883

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the fiscal years ended December 31, 2014 and 2013

	Number of Shares	Value	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2012	3,449,566	$ 1,217,644	$ 11,603	$ (760,328)	$ -	$ 468,919
Private Placement, net (Note 9(i))	3,728,000	900,000	-	-	-	900,000
Less: cost of issuance (Note 9(i))	-	(34,428)	-	-		(34,428)
Share for debt settlement (Note 9(ii))	939,304	234,826	-	-	-	234,826
Share based payments (Note 10)	-	-	3,426	-	-	3,426
Net loss for the year	-	-	-	(146,008)	-	(146,008)
Balance, December 31, 2013	**8,116,870**	**2,318,042**	**15,029**	**(906,336)**	**-**	**1,426,735**
Private Placement, net (Note 9(iii))	1,983,957	991,979	-	-	-	991,979
Less: cost of issuance (Note 9(iii))	-	(20,288)	-	-	-	(20,288)
Issuance of shares for acquisitions (restated) (Note 2 and 4)	4,230,000	3,946,500	-	-	-	3,946,500
Share based payments (Note 10)	100,000	98,000	148,602	-	-	246,602
Foreign currency translation gain	-	-	-	-	123,076	123,076
Net loss for the year	-	-	-	(1,823,469)	-	(1,823,469)
Balance, December 31, 2014	**14,430,827**	**$ 7,334,233**	**$ 163,631**	**$ (2,729,805)**	**$ 123,076**	**$ 4,891,135**

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the fiscal years ended December 31, 2014 and 2013

	2014	2013
	(Restated See	
Cash flows from operating activities	Note 2)	
Net loss for the year	**$ (1,823,469)**	(146,008)
Items not affecting cash:		
Share based payments	**246,602**	3,426
Depreciation and amortization	**191,395**	77
Impairment of goodwill	**1,070,400**	-
Net change in non-cash working capital items relating to operating activities		
Accounts receivable	**(768,456)**	-
Prepaid expenses	**(10,498)**	685
Accounts payable and accrued liabilities	**28,222**	98,566
Deferred revenue	**100,816**	-
Income taxes payable	**46,590**	-
Cash used in operating activities	**(918,398)**	(43,254)
Cash flows from investing activities		
Purchase of intangible assets	**(63,980)**	-
Cash used in investing activites	**(63,980)**	-
Cash flows from financing activities		
Proceeds on private placement	**991,979**	900,000
Share issue costs	**(20,288)**	(34,428)
Funds held in trust	**895,143**	(895,143)
Cash acquired in acquisitions	**89,619**	-
Cash consideration paid on acquisitions	**(56,540)**	-
Cash provided by financing activities	**1,899,913**	(29,571)
Effect of foreign exchange on cash	**(21,040)**	-
Increase (decrease) in cash during the year	**896,495**	(72,825)
Cash and cash equivalents, beginning of year	**720,659**	793,484
Cash and cash equivalents, end of year	**$ 1,617,154**	720,659

Supplemental disclosure of cash flow information (Note 16)

The accompanying notes are an integral part of these Consolidated Financial Statements

1. Business of the Company

Nature of Business

Starrex International Ltd., formerly Starrex Mining Corporation Limited ("Starrex" or the "Company") was incorporated on October 2, 1982 pursuant to the Canada Business Corporation Act under the name Starrex Mining Corporation Limited. The Company's address is 199 Bay Street, Suite 2200, Toronto, Ontario M5L 1G4. The Company's primary business is to acquire, manage and grow companies in the United States active in mortgage, real estate, and other financial sectors.

These restated consolidated financial statements were approved by the Board of Directors on March 18, 2016.

2. Restatement of Previously Issued Financial Statements

Subsequent to the original issuance of the Company's audited consolidated financial statements as at December 31, 2014, the Company determined that the share consideration issued in exchange for the acquisitions complete July 9, 2014 (Note 4) was incorrectly measured using the concurrent financing price of $0.50 (Note 9(iii)). These restated consolidated financial statements reflect an increased value allocated to the share consideration issued in exchange for the acquisition based on the trading price of the Company's stock on the close date of the acquisitions, being $0.95 per share. Furthermore, the original issuance of the December 31, 2014 consolidated financial statements included an unallocated purchase price as management had not yet completed the measurement and recognition of identifiable assets and liabilities included in the purchase price allocation. These restated consolidated financial statements include the finalized purchase price allocation which resulted in the recognition of additional intangible assets (Note 6) and amortization related thereto as well as goodwill (Note 7). The restatement of the Company's consolidated financial statements reflects corrections in intangible assets, goodwill, deferred tax liability, share capital, and deficit as well as amortization of intangible assets and impairment of goodwill.

The following tables reflect the corrections to the Company's consolidated financial statements.

Changes to the consolidated statements of financial position:

		As previously reported December 31, 2014		Restatement Adjustment		Restated December 31, 2014
Intangible assets	$	241,515	$	1,221,837	$	1,463,352
Goodwill	$	-	$	1,583,009	$	1,583,009
Unallocated purchase price	$	1,828,330	$	(1,828,330)	$	-
Total assets	$	5,604,234	$	976,516	$	6,580,750
Deferred tax liability	$	412,325	$	440,272	$	852,597
Total liabilities	$	1,249,343	$	440,272		1,689,615
Share capital	$	5,633,233	$	1,701,000	$	7,334,233
Deficit	$	(1,565,049)	$	(1,164,756)	$	(2,729,805)
Total equity	$	4,354,891	$	536,244	$	4,891,135
Total equity and liabilities	$	5,604,234	$	976,516	$	6,580,750

2. Restatement of Previously Issued Financial Statements - continued

Changes to the consolidated statements of loss and comprehensive loss:

		As previously reported December 31, 2014		Restatement Adjustment		Restated December 31, 2014
Depreciation and amortization	$	97,039	$	94,356	$	191,395
Impairment of goodwill	$	-	$	1,070,400	$	1,070,400
Net loss for the year	$	(658,713)	$	(1,164,756)	$	(1,823,469)
Net comprehensive loss	$	(535,637)	$	(1,164,756)	$	(1,700,393)
Basic and diluted loss per common share	$	(0.06)	$	(0.11)	$	(0.17)

Changes to the consolidated statements of cash flows:

		As previously reported December 31, 2014		Restatement Adjustment		Restated December 31, 2014
Net loss for the year	$	(658,713)	$	(1,164,756)	$	(1,823,469)
Depreciation and amortization	$	97,039	$	94,356	$	191,395
Impairment on goodwill	$	-	$	1,070,400	$	1,070,400

3. Significant Accounting Policies

Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2014.

The accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. Significant Accounting Policies

Principles of Consolidation

These consolidated financial statements include the Company and its wholly-owned subsidiaries One Force Staffing, Inc., Property Interlink, LLC and Olympia Capital Management, Inc., which were acquired July 9, 2014, and Heinen & Associates LLC, a wholly-owned subsidiary of Property Interlink, LLC, which was acquired on November 19, 2014. All subsidiaries are 100% owned and controlled by the Company. Subsidiaries are entities controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated upon consolidation.

Business Combinations

A business acquisition is a transaction or other event in which control over one or more businesses is obtained. A business is an integrated set of activities and assets that are capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits. A business consists of inputs and processes applied to those inputs that have the ability to create outputs that provide a return to the Company and its shareholders. A business need not include all of the inputs and processes that were used by the acquiree to produce outputs if the business can be integrated with the inputs and processes of the Company to continue to produce outputs. If the integrated set of activities and assets is in the research and development stage, and thus, may not have outputs, the Company considers other factors to determine whether the set of activities and assets is a business.

In accordance with IFRS 3, Business combinations are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the purchase consideration over such fair value being recorded as goodwill and allocated to cash generating units. Cash generating units are the smallest identifiable group of assets, liabilities and associated goodwill that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-controlling interest in an acquisition may be measured at either fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net identifiable assets.

If the fair value of the net assets acquired exceeds the purchase consideration, the difference is recognized immediately as a gain in the consolidated statement of loss and comprehensive loss.

Acquisition related costs are expensed during the period in which they are incurred, except for the cost of debt or equity instruments issued in relation to the acquisition which is included in the carrying amount of the related instrument.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will not exceed one year from the acquisition date.

3. Significant Accounting Policies - continued

Business Combinations - continued

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

Use of Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Areas where estimates are significant to these consolidated financial statements are as follows:

a) Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangible assets with definite lives (software, trade name and customer relationships) and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss. The assessment of fair values requires the use of estimates and assumptions related to future operating performance and discount rates, differences in these estimates and assumptions could have a significant impact on the consolidated financial statements. An impairment charge of $1,070,400 (2013 – Nil) has been recorded in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2014.

b) Significant judgment is involved in the determination of useful life for the computation of depreciation of equipment and amortization of intangible assets. No assurance can be given that actual useful lives will not differ significantly from current assumptions.

c) Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of acquisition date fair values often requires management to make assumptions and estimates about future events. The assumptions with respect to fair value of intangible assets requires a high degree of judgment and include estimates for future operating performance, discount rates, technology migration factors and terminal value rates.

3. Significant Accounting Policies - continued

Functional Currency

The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency. Each subsidiary determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The functional currency of Starrex International Ltd, the parent Company, is the Canadian dollar, the functional currency of the Company's wholly-owned subsidiaries is the U.S. dollar.

Transactions denominated in foreign currency (other than the functional currency) are recorded on initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at the end of each reporting period into the functional currency at the exchange rate at that date. Exchange differences, other than those capitalized to qualifying assets or recorded in equity in hedging transactions, are recognized in profit or loss. Non-monetary assets and liabilities measured at cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

At each reporting period, assets and liabilities of the Company's subsidiaries are translated into Canadian dollars at the prevailing exchange rates in effect at the end of the reporting period. The consolidated statements of loss and comprehensive loss are translated at the average exchange rate in effect during the period. Translation adjustments that arise from the Company's functional currency to its presentation currency are recorded in the other comprehensive loss component of equity.

Revenue Recognition

a) Appraisal Services

Property Interlink LLC manages appraisal companies and maintains all of the ordering, tracking, administrative duties, and details and ensures the timeliness of appraisals that are handled during a real estate mortgage transaction.

Customers initiate appraisal requests with Property Interlink LLC. Revenue is recognized from appraisal services when the requested appraisal report is provided to the customer and collection is reasonably assured.

b) Consulting Services

Olympia Capital Management Inc. provides consulting solutions to the mortgage banking industry. Consulting services consist primarily of due diligence reviews and advice on secondary market considerations.

Revenue is recognized in the period in which the services are rendered to the customer and collection is reasonably assured.

c) Conduit Fees

Olympia Capital Management Inc. provides conduit services to the mortgage banking industry.

Conduit services consist primarily of connecting buyers of mortgage back-securities to sellers.

Revenue is recognized in the period in which the services are rendered to the customer and collection is reasonably assured.

3. Significant Accounting Policies - continued

Revenue Recognition - continued

d) Recruitment Services

One Force Staffing provides staffing and recruitment services which includes contract and temporary employment, temp-to-hire, and direct hire placements across multiple fields.

Revenue is recognized in the period in which the services are rendered to the customer and collection is reasonably assured.

Intangible Assets

The Company's intangible assets consist of:

- Software licensed, acquired or developed;
- Proprietary software
- Non-compete employment agreement
- Customer relationships

The Company amortizes licensed software over its estimated useful life of 5 years on a straight-line basis. The Company has not begun amortization of proprietary software as its development has not been completed as at December 31, 2014. The Company amortizes non-compete employment agreements over the life of the agreement of 4-5 years. The Company amortizes its customer relationships over their estimated useful life of 5-10 years.

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets acquired through business combinations are initially recognized at fair value, based on an allocation of the purchase price. The intangible assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization methods of the intangible assets are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally generated intangible assets
The Company recognizes expenditures on research activities as an expense in the year in which it incurs the expenditures. It recognizes an internally-generated intangible asset arising from development if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset for use or sale;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditures attributable to the intangible asset during its development.

3. Significant Accounting Policies - continued

Financial Instruments

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Fair value through profit or loss
Financial assets at fair value through profit or loss ("FVTPL") are measured at their fair value with changes in fair value recognized in profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; (cash is measured within level 1 of the hierarchy);
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) for substantially the full term of the asset or liability; and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data and unobservable inputs supported by little or no market activity.

The following is a summary of the accounting model the Company has elected to apply to each of its significant categories of financial instruments outstanding at December 31, 2014 and 2013:

All of the Company's financial instruments are level 1 instruments. The Company's financial instruments are comprised of the following:

Financial Assets	**Classification**
Cash and cash equivalents	Fair Value Through Profit and Loss
Funds held in trust	Fair Value Through Profit and Loss
Accounts Receivable	Loans and receivables

Financial Liabilities	**Classification**
Accounts payable and accrued liabilities	Other financial liabilities
Notes payable	Other financial liabilities

3. Significant Accounting Policies - continued

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between the asset's carrying value and its fair value. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment of non-financial assets

The non-financial assets of the Company are comprised of property and equipment, intangible assets and goodwill.

For non-financial assets excluding goodwill, the Company assesses at each reporting date whether there is an indication that an asset or Cash Generating Unit ("CGU") may be impaired. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If any indication exists, then the Company estimates the asset's recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Goodwill is reviewed for impairment annually or more frequently if there are indications that impairment may have occurred. Goodwill impairment is tested at either the individual or group CGU level and is determined based upon the recoverable amount of the individual CGU or group of CGUs compared to the individual CGI or group of CGUs respective carrying amount(s). The recoverable amount is the higher of fair value less costs to sell and the value in use. Value in use is generally determined using the discounted cash flow method. If the impairment loss exceeds the carrying amount of goodwill, the goodwill is written off completely. Any impairment loss left over is allocated to the remaining assets of the individual CGU or group of CGU's.

Cash and Cash Equivalents

Cash and cash equivalents include deposits held with banks and other short-term highly liquid investments with original maturities of one year or less. All short-term highly liquid investments can be converted into cash at any time and are not subject to a penalty.

3. Significant Accounting Policies - continued

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Stock-based compensation

The Company has in effect a stock option plan ("the Plan") which is described in note 10. The Plan allows Company employees, directors and officers to acquire shares of the Company for a specified option amount set on the date of grant. Stock options awarded are accounted for using the fair value-based method. Fair value is calculated using the Black-Scholes model and is recorded as stock-based compensation expense over the vesting period of the options. Consideration paid on the exercise of stock options is credited to share capital. The contributed surplus associated with the options is transferred to share capital upon exercise.

Loss per share

Basic loss per common share is calculated by dividing the loss attributed to shareholders for the year by the weighted average number of common shares outstanding in the year. Diluted loss per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

Standards issued or amended which will be adopted in future periods

IFRS 9, Financial Instruments (“IFRS 9”) was initially issued by the IASB on November 12, 2009 and issued in its completed version in July 2014, and will replace IAS 39, "Financial Instruments: Recognition and Measurement" (“IAS 39”). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for financial years beginning on or after January 1, 2018.

3. Significant Accounting Policies - continued

Standards issued or amended which will be adopted in future periods - continued

IFRS 15, Revenue from Contract with Customers ("IFRS 15") was issued by the IASB in May 2014 and clarifies the principles for recognizing revenue from contracts with customers. IFRS 15 will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (i.e. service revenue and contract modifications) and improve guidance for multiple-element arrangements. IFRS 15 is effective for periods beginning on or after January 1, 2017 and is to be applied retrospectively.

The Company is currently assessing the effects of these new standards and intends to adopt them on their effective dates.

4. Business Combinations

(a) Acquisition of Property Interlink

On July 9, 2014, the Company completed the acquisition of Property Interlink, LLC, a Colorado limited liability company. The Company acquired all of the issued and outstanding shares of Property Interlink, LLC in exchange for the issuance of 1,260,000 common shares of the Company with a fair value of $1,197,000 determined based on the trading price of the Company's shares on July 9, 2014.

Revenue and expenses for Property Interlink, LLC for the period from acquisition to December 31, 2014 have been presented in note 18.

The following sets forth the final allocation of the purchase price to assets acquired and liabilities assumed, based on estimates of fair value, including a summary of major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration Paid:		
Fair value of 1,260,000 Starrex common shares issued July 9, 2014	$	1,197,000
Allocation of purchase price:		
Cash and cash equivalents	$	85,676
Property, plant and equipment		368,780
Accounts receivable		62,568
Accounts payable		(142,767)
Deferred income tax		(354,666)
Intangible assets		526,841
Goodwill		650,568
	$	1,197,000

The intangible assets consist of $410,419 allocated to acquired customer relationships, along with $116,422 allocated to non-compete employment agreements associated with the acquisition.

4. Business Combinations - continued

(b) Acquisition of One Force Staffing, Inc.

On July 9, 2014, the Company completed the acquisition of One Force Staffing, Inc., a Texas corporation. The Company acquired all of the issued and outstanding shares of Once Force Staffing, Inc. in exchange for the issuance of 1,260,000 common shares of the Company with a fair value of $1,197,000 determined based on the trading price of the Company's shares on July 9, 2014.

Revenue and expenses for One Force Staffing, Inc. for the period from acquisition to December 31, 2014 have been presented in note 18.

The following sets forth the final allocation of the purchase price to assets acquired and liabilities assumed, based on estimates of fair value, including a summary of major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration Paid:		
Fair value of 1,260,000 Starrex common shares issued July 9, 2014	$	1,197,000
Allocation of purchase price:		
Accounts receivable	$	20,890
Property, plant and equipment		348,590
Deferred income tax		(206,638)
Intangible assets		241,803
Goodwill		792,355
	$	1,197,000

The intangible assets consists of $141,711 allocated to acquire customer relationships, along with $100,092 allocated to non-compete employment agreements associated with the acquisition.

(c) Acquisition of Olympia Capital Management, Inc.

On July 9, 2014, the Company completed the acquisition of Olympia Capital Management, Inc., a Florida corporation. The Company acquired all of the issued and outstanding shares of Property Interlink, LLC in exchange for the issuance of 1,260,000 common shares of the Company with a fair value of $1,197,000 determined based on the trading price of the Company's shares on July 9, 2014

Revenue and expenses for Olympia Capital Management, Inc. for the period from acquisition to December 31, 2014 have been presented in note 18.

4. Business Combinations - continued

The following sets forth the final allocation of the purchase price to assets acquired and liabilities assumed, based on estimates of fair value, including a summary of major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration Paid:		
Fair value of 1,260,000 Starrex common shares issued July 9, 2014	$	1,197,000
Allocation of purchase price:		
Cash	$	3,943
Accounts receivable		17,109
Accounts payable		(19,864)
Intangible assets		376,549
Deferred income tax		(291,293)
Property, plant and equipment		342,694
Goodwill		767,862
	$	1,197,000

The intangible assets consists of $224,492 allocated to acquire customer relationships, along with $152,057 allocated to non-compete employment agreements associated with the acquisition.

(d) Acquisition of Heinen & Associates

On November 19, 2014, Property Interlink, LLC, a wholly-owned subsidiary of Starrex International Ltd. completed the acquisition of Heinen & Associates, a United States based entity. All of the membership interest of Heinen & Associates, LLC were exchanged in consideration of $723,010 (US $775,000), which was satisfied by: (i) payment of $56,540 (US $50,000) in cash; (ii) issuance of a promissory note by Property Interlink, LLC in the aggregate amount of $282,700 (US $250,000 – See Note 11); (iii) rental reimbursement obligation of $28,270 (US $25,000); and (v) issuance of 450,000 common shares of Starrex with a fair value of $355,500 determined based on the trading price of the Company's shares on November 19, 2014.

Revenue and expenses for Heinen & Associates, LLC for the period from acquisition to December 31, 2014 have been integrated with Property Interlink, LLC and presented in note 18.

The following sets forth the final allocation of the purchase price to assets acquired and liabilities assumed, based on estimates of fair value, including a summary of major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

4. Business Combinations - continued

(d) ***Acquisition of Heinen & Associates - continued***

Consideration Paid:		
Promissory note	$	282,700
Heinen rental reimbursement		28,270
Cash payment		56,540
Fair value of 450,000 Starrex common shares issued November 19, 2014		355,500
	$	723,010
Allocation of purchase price:		
Property, plant and equipment	$	109,386
Intangible assets		171,000
Goodwill		442,624
	$	723,010

The intangible assets consists of $121,711 allocated to acquire customer relationships, along with $49,289 allocated to non-compete employment agreements associated with the acquisition.

5. Property and Equipment

		Furniture & Equipment		Leasehold Improvements		Total
Cost						
As at December 31, 2012	$	13,124	$	-	$	13,124
Additions		-		-		-
As at December 31, 2013		13,124		-		13,124
Additions		875,882		201,660		1,077,542
As at December 31, 2014	$	889,006	$	201,660	$	1,090,666
Accumulated depreciation						
As at December 31, 2012	$	13,047	$	-	$	13,047
Expense		77		-		77
As at December 31, 2013		13,124		-		13,124
Expense		63,240		15,723		78,963
Effect of currency translation		6,643		(3,307)		3,336
As at December 31, 2014	$	83,007	$	12,416	$	95,423
Net book value						
As at December 31, 2013	$	-	$	-	$	-
As at December 31, 2014	$	805,999	$	189,244	$	995,243

6. Intangible Assets

	Business Software & Website (1)	Proprietary Software (2)	Non-Compete Agreements (3)	Customer Relationships (4)	Total
Cost					
As at December 31, 2012	$ -	$ -	$ -	$ -	$ -
Additions	-	-	-	-	-
As at December 31, 2013	$ -	$ -	$	$	$ -
Additions	196,382	63,980	417,860	898,333	1,576,555
As at December 31, 2014	$ 196,382	$ 63,980	$ 417,860	$ 898,333	$ 1,576,555
Accumulated depreciation					
As at December 31, 2012	$ -	$ -	$ -	$ -	$ -
Expense	-	-	-	-	-
As at December 31, 2013	$ -	$ -	$ -	$ -	$ -
Expense	18,076	-	36,761	57,596	112,433
Effect of currency translation	770	-	-	-	770
As at December 31, 2014	$ 18,846	$ -	$ 36,761	$ 57,596	$ 113,203
Net Book Value					
As at December 31, 2013	$ -	$ -	$ -	$ -	$ -
As at December 31, 2014	$ 177,536	$ 63,980	$ 381,099	$ 840,737	$ 1,463,352

(1) The Company has engaged software development companies to develop appraisal management software, general business software, and a website to be used by the Company to generate further revenues.

(2) Property Interlink, LLC engaged a software development company to develop proprietary software in support of Property Interlink's appraisal activities. As the software is not yet complete, no depreciation has been recorded.

(3 & 4) The purchase price allocation of the acquisitions dated July 9, 2014, and November 19, 2014, included values for non-compete agreements for key employees in each of the subsidiaries as well as values for the existing customer relationships (note 4). These values have been included in the intangible assets.

7. Goodwill

The Company's annual goodwill impairment testing determined that the carrying value of the goodwill included in each of the Company's reportable segments (Note 18) exceeded their value in use and as a result the Company recorded a goodwill impairment charge of $1,070,400. The change in goodwill for the year ended December 31, 2014 was as follows:

	Property Interlink, LLC	One Force Staffing Inc.	Olympia Capital Management, Inc.	Total
Acquisitions July 9, 2014	$ 650,568	$ 792,355	$ 767,862	$ 2,210,785
Initial impariment	(172,560)	(485,855)	(157,245)	(815,660)
Acquisition November 19, 2014	442,624	-	-	442,624
Impairment	(249,179)	-	-	(249,179)
Additional impairment	(5,561)	-	-	(5,561)
Balance, December 31, 2014	$ 665,892	$ 306,500	$ 610,617	$ 1,583,009

The impairment was determined based on a value in use calculation which uses cash flow projections covering periods from 4 to 10 years and Weighted Average Cost of Capital ("WACC") rates as follows:

Reportable Segment:	WACC
Property Interlink, LLC*	28.2%
One Force Staffing Inc.	30.6%
Olympia Capital Management, Inc.	37.8%

*The operations of Heinen and Associates is included in the reportable segment of Property Interlink, LLC, the WACC applied to Heinen and Associates was 38.8%.

8. Related Party Transactions

AmCap Mortgage Ltd.

AmCap Mortgage Ltd., a customer related by common management, the Chief Executive Officer, accounted for $591,060 (2013 - $NIL) in revenue to the Company. As at December 31, 2014, $573,779 (2013 – $NIL) is included in accounts receivable on the consolidated statement of financial position.

Key Management Compensation

The Company had the following transactions with officers and directors of the Company and private companies controlled by officers and directors of the Company for management consulting and other services required:

i) The Company incurred $106,373 in management fees in 2014 (2013 - $NIL) to the Secretary and Chief Operations Officer for services provided. These fees are included in management and corporate services. At December 31, 2014 all amounts had been paid accordingly.

ii) The Company incurred $17,051 in management fees in 2014 and issued 100,000 common shares valued at $98,000 (2013 - $NIL) to the Chief Financial Officer for services provided. These fees are included in management and corporate services and share based payments. At December 31, 2014 all amounts had been paid.

8. Related Party Transactions - continued

Key Management Compensation - continued

iii) The Company issued 1,214,837 shares (2013 – 400,000 shares for $100,000) to various Directors and Officers of the Company as consideration for a non-brokered private placement (Note 7(iii)).

iv) The Company issued 650,000 stock options (2013-50,000 options) to various Directors and Consultants of the Company valued at $104,084 (2013 – $8,473) and included in share based payments in the consolidated statements of loss and comprehensive loss.

v) The Company incurred $Nil in management fees in 2014 (2013 - $15,000) to the President for services provided to the Company prior to his resignation in December 2013. The former President continues to be a director of the Company. These fees are included in management and corporate services. At December 31, 2014 the amount of $Nil (2013 - $31,000) was payable on account of these fees.

vi) During the year ended December 31, 2013, the Company settled a loan through the issuance of 939,304 common shares to a corporation controlled by a director and officer of the Company (Note 9(ii)).

9. Share Capital

Authorized

The Company is authorized to issue an unlimited number of common shares.

	Number of common shares		Amount
Balance, December 31, 2012	3,449,566	$	1,217,644
Private placement, net (i)	3,600,000		833,572
Finders' fees on private placement (i)	128,000		32,000
Debt settlement (ii)	939,304		234,826
Balance, December 31, 2013	8,116,870		2,318,042
Private placement, net (iii)	1,983,957		971,691
Acquisition of One Force Staffing (Note 4)	1,260,000		1,197,000
Acquisition of Olympia Capital Management (Note 4)	1,260,000		1,197,000
Acquisition of Property Interlink (Note 4)	1,260,000		1,197,000
Acquisition of Heinen & Associates (Note 4)	450,000		355,500
Issuance of shares of management (iv)	100,000		98,000
Balance, December 31, 2014	14,430,827	$	7,334,233

(i) During December 2013, the Company completed a private placement of 3,600,000 common shares, at $0.25 per share, for gross proceeds of $900,000. The proceeds were received in trust and a balance of $895,143 remained in trust as at December 31, 2013. The Company incurred issuance costs of $34,428 and paid a finders' fee by issuing 128,000 common shares which is equal to 4% of the common shares issued to subscribers that were sourced by the finder. A value of $32,000, based on $0.25 per share, has been attributed to this finder's fee.

9. Share Capital - continued

(ii) Coincident with the private placement during December 2013, the Company closed a share for debt transaction whereby it issued 939,304 common shares, at $0.25 per share, in settlement of a loan payable in the amount of $234,826.

(iii) During July 2014, the Company completed a private placement of 1,983,957 common shares, at $0.50 per share, for gross proceeds of $991,979. The Company incurred issuance costs of $20,288.

(iv) During December 2014, the Company issued 100,000 common shares as compensation to a member of management, valued at $98,000 and included in share based payments in the consolidated statements of loss and comprehensive loss.

10. Share-Based Payments

The Company has a stock option plan (the "Plan") that enables its directors, officers, employees, consultants, and advisors to acquire common shares of the Company. Options are granted at the discretion of the Board of Directors. Under the terms of the plan, options totaling up to 10% of the common shares outstanding from time to time are issuable. The vesting period and expiration period are fixed at the time of grant at the discretion of the Board of Directors.

Details of options outstanding:

	Number of options	Weighted average exercise price $
Outstanding, January 1, 2013	-	-
Granted	50,000	0.20
Outstanding, December 31, 2013	50,000	0.20
Granted	700,000	0.27
Outstanding, December 31, 2014	750,000	0.27

	Number of Options	Number of Options Vested	Weighted Average Exercise Price	Expiry Date
Granted May 21, 2013	50,000 [(1)]	25,000	$ 0.20	May 21, 2018
Granted April 17, 2014	650,000 [(2)]	650,000	0.25	April 17, 2019
Granted May 29, 2014	50,000 [(3)]	50,000	0.57	May 29, 2019

(1) A Director of the Company holds these options. The options vest 50% on May 21, 2014 and 50% on May 21, 2015.
(2) Directors of the Company hold these options. The options are fully vested.
(3) A Consultant of the Company holds these options. The options are fully vested.

10. Share-Based Payments – continued

The following weighted average assumptions were used to calculate the fair value of the stock options granted during the period:

	2014	2013
Dividend yield	**Nil**	Nil
Risk free interest rate (%)	**1.03-1.06**	1.15 – 1.30
Expected stock volatility (%)	**80.32 - 100.76**	76.86
Expected life (years)	**5**	5

The Company incurred $148,602 in share based payment expense for options vested in 2014 (2013 - $3,426) and incurred $98,000 in share based payment expense for shares issued to management.

11. Income Taxes

The following table shows the components of the current and deferred income tax expense:

		2014		**2013**
Current tax provision				
Current expense	$	46,590	$	-
Deferred tax expense		-		-
	$	46,590	$	-

The reconciliation of the combined Canadian federal, provincial statutory income tax rate of 26.5% (2013 – 26.5%) to the effective tax rate is as follows:

		2014		**2013**
Loss before recovery of income taxes	$	(1,776,879)	$	(146,008)
Expected income tax recovery	$	(470,870)	$	(38,690)
Difference in foreign tax rates		(108,640)		-
Tax rate changes and other adjustments		(287,530)		8,040
Non-deductible expenses		466,890		910
Undeducted share issue costs		-		(1,825)
Unrealized foreign exchange		21,920		-
Change in tax benefits not recognized		424,820		31,565
Income tax expense	$	46,590	$	-

11. Income Taxes - continued

Deferred Tax

The following table summarizes the components of deferred tax:

	2014	2013
Property and equipment	$ (456,179)	$ -
Intangible assets	(396,418)	
Net deferred tax liability	$ (852,597)	$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax liabilities:

	2014	2013
Balance, beginning of year	$ -	$ -
Recognized in goodwill	(852,597)	-
Balance, end of year	$ (852,597)	$ -

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2014	2013
Deferred income tax assets		
Canadian net capital loss carried forward	$ 2,170,530	$ 2,170,530
Canadian non-capital losses carried forward	$ 1,226,000	$ 670,400
Share issuance costs	$ 35,180	$ 27,540
Other temporary differences	$ -	$ 300

The Canadian non-capital loss carry forwards expire as noted in the table below. The net capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. Share issue and financing costs will be fully amortized in 2018. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

11. Income Taxes - continued

Unrecognized Deferred Tax Assets - continued

The Company's Canadian non-capital income tax losses expire as follows:

2014	$ 47,160
2015	53,590
2026	47,010
2027	48,120
2029	79,500
2030	69,670
2031	71,050
2032	105,460
2033	148,820
2034	555,620
	$ 1,226,000

12. Net Loss per Share

Basic and diluted loss per share has been calculated based on the weighted average number of common shares outstanding of 10,954,559 (2013 - 3,730,883). Stock options were excluded from the calculation of the weighted average number of diluted common shares outstanding because their effect would have been anti-dilutive.

13. Note Payable

On November 19, 2014, Property Interlink, LLC, a subsidiary of Starrex International Ltd. completed the acquisition of Heinen & Associates (Note 3), consideration included the issuance of a promissory note in the aggregate amount of $282,700 (US $250,000). The promissory note has an interest rate of 4.5% per annum with semi-annual principal payments of $58,005 (US $50,000) and applicable interest starting May 1, 2015 and ending May 1, 2017.

As of December 31, 2014, $117,313 (US $101,132) of the outstanding balance is due within 1 year and $174,250 (US $150,203) of the balance is due after 1 year. During the year ended December 31, 2014, the Company recorded interest expense of $1,475 (2013 – NIL) which is unpaid and included in the value of the note payable on the statement of financial position at year end.

14. Commitments

On November 19, 2014, Property Interlink, LLC, completed the acquisition of Heinen & Associates (Note 3), which included a clause in which Property Interlink, LLC took over Heinen & Associates' lease agreement for office space. The lease agreement expires May 31, 2015. The minimum annual lease payments to the expiration of the lease are $14,881 (US $12,828).

15. Capital Disclosures

The Company's objectives when managing capital are to maintain its ability to continue as a going concern in order to provide return for shareholders and to ensure sufficient resources are available to meet day to day operating requirements.

The Company considers the items included in equity as capital, which totals $4,891,135 as at December 31, 2014 (2013 - $1,426,735).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements and there has been no change in the overall capital management strategy during the year.

16. Supplemental Cash Flow Information

		2014		2013
Operating cash flows include:				
Interest received	**$**	**6,913**	$	6,862
Non-cash financing activities:				
Shares issued on business acquisitions	**$**	**3,946,500**	$	-
Shares issued to management	**$**	**98,000**	$	-
Shares issued for debt	**$**	**-**	$	234,826
Shares issued for finder's fee	**$**	**-**	$	32,000

17. Financial Risk Factors

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and note payable. As at December 31, 2014, the carrying values and fair values of the Company’s financial instruments are approximately the same.

The Company is exposed, in varying degrees, to the following financial instrument related risks:

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. For financial assets, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. In the normal course of business, the Company is exposed to credit risk from its customers and the related accounts receivable are subject to normal industry credit risk. As at December 31, 2014 no allowance for doubtful accounts was recorded.

17. Financial Risk Factors - continued

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available working capital to meet its liquidity requirements. At December 31, 2014 the Company had cash and cash equivalents of $1,617,154 (2013 - $720,659) available to settle current financial liabilities of $662,768 (2013 - $189,632).

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash maintained at financial institutions is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities that are denominated in a foreign currency. As at December 31, 2014, the Company held material amounts of cash and cash equivalents in USD currency and considers foreign currency risk high.

The following table summarizes the Company's exposure to the U.S. dollar:

		December 31, 2014		December 31, 2013
Cash and cash equivalents	$USD	1,379,455	$USD	-
Accounts receivable		803,321		-
Accounts payable and accrued liabilities		(100,105)		-
Total	$USD	2,082,671	$USD	-

18. Segmented Disclosures

The Company organizes its reporting structure into three reportable segments. For management purposes, the Company is organized into segments based on their products and services provided. Management monitors the operating results of each segment separately for the purpose of making decisions about resource allocation and performance assessment.
The three reportable operating segments are as follows:

i) Property Interlink manages appraisal companies and maintains all of the ordering, tracking, administrative duties, and details and ensures the timeliness of appraisals that are handled during a real estate mortgage transaction. Heinen & Associates LLC, which was acquired during the year, is integrated with the Property Interlink segment.

ii) One Force Staffing provides staffing and recruitment services which includes contract and temporary employment, temp-to-hire, and direct hire placements across multiple fields.

iii) Olympia Capital Management provides consulting, efficiency analysis, and cutting edge software solutions to the mortgage banking industry throughout the U.S.

18. Segmented Disclosures- continued

Selected financial information as at December 31, 2014 is presented as follows:

	One Force Staffing Inc.	Olympia Capital Management, Inc.	Property Interlink, LLC	Corporate	Total
Current assets	$ 202,576	$ 406,648	$ 364,616	$ 1,565,306	$ 2,539,146
Property and equipment	313,860	274,406	406,977	-	995,243
Intangible assets	251,431	415,093	796,828	-	1,463,352
Goodwill	306,500	610,617	665,892	-	1,583,009
Total Assets	$ 1,074,367	$ 1,706,764	$ 2,234,313	$ 1,565,306	$ 6,580,750
Current liabilities	$ 22,395	$ 17,402	$ 316,161	$ 306,810	$ 662,768
Long-term liabilities	206,638	291,293	528,916	-	1,026,847
Total liabilities	$ 229,033	$ 308,695	$ 845,077	$ 306,810	$ 1,689,615
Revenues	$ 214,399	$ 518,832	$ 1,715,138	$ 6,913	$ 2,455,282
Impairment of goodwill	$ 485,855	$ 157,245	$ 427,300	$ -	$ 1,070,400
Expenses	$ 688,126	$ 684,579	$ 2,059,164	$ 800,292	$ 4,232,161
Net loss	$ (499,291)	$ (185,731)	$ (429,688)	$ (708,759)	$ (1,823,469)

19. Subsequent events

Acquisition of Brownlee Appraisal Services Inc.

On June 1, 2015, Property Interlink, LLC, a wholly-owned subsidiary of Starrex International Ltd. completed the acquisition of Brownlee Appraisal Services, Inc., a United States based entity. All of the membership interest of Brownlee Appraisal Services, Inc. were exchanged for consideration of $84,500, which was satisfied by the issuance of 50,000 common shares of Starrex with a fair value of $84,500.

Due to the complexities in identifying certain intangible assets such as customer lists and intellectual property, and assigning fair values, the Company has yet to finalize its assessment of the purchase price allocation. The allocation of the consideration paid will be adjusted once a valuation of certain intangible assets has been finalized.

19. Subsequent events - continued

Acquisition of Brownlee Appraisal Services Inc. - continued

The following sets forth the preliminary allocation of the purchase price to assets acquired and liabilities assumed, based on estimates of fair value, including a summary of major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Brownlee Appraisal Services, Inc.		
Consideration Paid:		
Fair value of 50,000 Starrex common shares issued	$	84,500
Allocation of purchase price:		
Intangible assets	$	84,500
	$	84,500

Divestiture of Olympia Capital Management Inc. and One Force Staffing Inc.

In August 2015, the Company completed the divestiture of Olympia Capital Management, Inc. and One Force Staffing, Inc. through an asset sale. Promissory notes for $1,100,000 and $830,000 were received for Olympia Capital Management and One Force Staffing, Inc., respectively. The promissory notes carry a 5% interest rate compounded monthly. The promissory notes are repayable in equal installments of $965,000 commencing November 30, 2015 with the full balance due May 31, 2016. Subsequent to year end the Company has not received any principal repayments on the promissory notes. As a result the Company is in the process of renegotiating the repayment terms. As at December 31, 2014, Olympia Capital Management, Inc. and One Force Staffing Inc. were each a separate reportable segment (Note 18).

Issuance of Stock options

On August 25, 2015, the Company granted 100,000 stock options to a member of management with an exercise price of CAD $1.70 that expire on September 1, 2020 and vest immediately.