Starrex International Ltd.

Consolidated Financial Statements Restated

December 31, 2015 and 2014

Table of Contents
December 31, 2015 and 2014

	Page
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	2
Consolidated Statements of Loss and Comprehensive Loss	3
Consolidated Statements of Changes in Equity	4
Consolidated Statements of Cash Flows	5
Notes to the Consolidated Financial Statements	6 – 35

Independent Auditors' 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, 2015 and 2014, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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, 2015 and 2014, 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, 2015 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 29, 2016 and more extensively describes the reason for the restatement.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
November 24, 2016

CONSOLIDATED STATEMENTS OF FINANICAL POSITION

Expressed in U.S. Dollars

		December 31, 2015		December 31, 2014
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**176,457**	$	1,393,987
Accounts receivable (Note 7 and 9)		**408,932**		785,032
Prepaid expenses		**47,840**		9,725
		633,229		2,188,744
Non-current Assets				
Property and equipment, net of depreciation (Note 5)		**348,821**		857,899
Intangible assets, net of amortization (Note 6)		**738,483**		1,261,409
Goodwill (Note 8)		**621,132**		1,364,554
Note receivable (Note 9)		**1,930,000**		-
Total Assets	**$**	**4,271,665**	$	5,672,606
EQUITY AND LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**313,503**	$	339,412
Deferred revenue		**83,765**		90,607
Notes payable (Note 14)		**100,382**		101,124
Income taxes payable		**32,230**		40,161
		529,880		571,304
Long term Liabilities				
Notes payable (Note 14)		**50,191**		150,204
Deferred tax liability (Note 12)		**283,484**		734,939
Total Liabilities		**863,555**		1,456,447
Capital and Reserves				
Share capital (Note 10)		**6,745,651**		6,678,321
Contributed surplus		**247,226**		148,204
Accumulated other comprehensive loss		**(261,534)**		(261,534)
Deficit		**(3,323,233)**		(2,348,832)
Total Equity		**3,408,110**		4,216,159
Total Equity and Liabilities	**$**	**4,271,665**	$	5,672,606

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

Subsequent Events (Note 20)

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, 2015 and 2014
Expressed in U.S. Dollars

	2015 (Restated See Note 2)	2014
Income		
Revenue	**$ 5,821,520**	$ 2,200,445
Investment income	**76,084**	6,257
	5,897,604	2,206,702
Expenses		
Depreciation and amortization (Notes 5 and 6)	**197,596**	50,544
General and administrative	**663,809**	441,472
Government, regulatory and filing fees	**15,544**	7,090
Management and corporate services (Note 7)	**275,188**	96,279
Interest expense (Note 14)	**12,643**	1,326
Payroll expense	**4,859,027**	1,705,624
Professional fees	**466,062**	381,778
Share based payments (Notes 7 and 11)	**99,022**	134,604
Shareholder services	**11,782**	23,296
Impairment of goodwill (Notes 3 and 8)	**149,301**	960,829
	6,749,974	3,802,842
Loss before provision for income taxes	**(852,370)**	(1,596,140)
Recovery of income taxes (Note 12)	**(3,250)**	-
Net loss from continuing operations	**(849,120)**	(1,596,140)
Loss from discontinued operations, net of tax (Note 19)	**(125,281)**	(55,558)
Net loss for the year	**(974,401)**	(1,651,698)
Items that may be reclassified subsequently to net loss		
Effective of currency translation loss	-	(286,093)
Net comprehensive loss for the year	**$ (974,401)**	$ (1,937,791)
Basic and diluted loss from continuing operations	**$ (0.06)**	$ (0.14)
Basic and diluted loss from discontinued operations	**$ (0.01)**	$ (0.01)
Basis and diluted loss from net comphrehensive loss	**$ (0.07)**	$ (0.15)
Weighted average number of common shares outstanding	**14,457,676**	10,954,559

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, 2015 and 2014

Expressed in U.S. Dollars

	Number of Shares	Value	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2014	**8,116,870**	**$ 1,992,829**	**$ 13,600**	**$ (697,134)**	**$ 24,559**	**$ 1,333,854**
Private Placement, net share issuance costs	1,983,957	911,544	-	-	-	911,544
Issuance of shares for acquisitions	4,230,000	3,685,180	-	-	-	3,685,180
Share based payments	100,000	88,768	134,604	-	-	223,372
Translation loss	-	-	-	-	(286,093)	(286,093)
Net loss for the year	-	-	-	(1,651,698)	-	(1,651,698)
Balance, December 31, 2014	**14,430,827**	**$ 6,678,321**	**$ 148,204**	**$ (2,348,832)**	**$ (261,534)**	**$ 4,216,159**
Issuance of shares for acquisitions	50,000	67,330	-	-	-	67,330
Share based payments	-	-	99,022	-	-	99,022
Net loss for the year	-	-	-	(974,401)	-	(974,401)
Balance, December 31, 2015	**14,480,827**	**$ 6,745,651**	**$ 247,226**	**$ (3,323,233)**	**$ (261,534)**	**$ 3,408,110**

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

Starrex International Ltd.

Consolidated Statements of Cash Flows

For the years ended December 31, 2015 and 2014

Expressed in U.S. Dollars

	December 31, 2015 (Restated See Note 2)	December 31, 2014
Cash flows from operating activities		
Net loss for the year	**$ (849,120)**	$ (1,596,140)
Loss from discontinued operations	**(125,281)**	(55,558)
Items not affecting cash:		
Share based payments	**99,022**	134,604
Depreciation and amortization	**197,596**	50,544
Deferred income tax	**(35,480)**	-
Unpaid interest	**12,640**	-
Impairment of goodwill	**149,301**	960,829
Net change in non-cash working capital items relating to operating activities		
Accounts receivable	**512,156**	(307,152)
Prepaid expenses	**(35,205)**	(9,502)
Accounts payable and accrued liabilities	**2,381**	179,317
Income tax payable	**32,230**	-
Deferred revenue	**(6,842)**	90,607
Cash used in operating activities	**(46,602)**	(552,451)
Net change in non-cash working capital items relating to discontinued operations	**(836,841)**	(315,048)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(85,275)**	(68,360)
Purchase of intangible assets	**(135,417)**	-
Cash used in investing activities	**(220,692)**	(68,360)
Cash flows from financing activities		
Principal repayment on notes payable	**(113,395)**	-
Proceeds on private placement	**-**	929,907
Share issue costs	**-**	(18,363)
Funds held in trust	**-**	836,824
Cash acquired in acquistions	**-**	77,252
Cash consideration paid on acquisitions	**-**	(73,106)
Cash (used in) provided by financing activities	**(113,395)**	1,752,514
Effect of foreign exchange on cash	**-**	(161,816)
(Decrease) increase in cash during the year	**(1,217,530)**	654,839
Cash and cash equivalents, beginning of year	**1,393,987**	739,148
Cash and cash equivalents, end of year	**$ 176,457**	$ 1,393,987

Supplemental Cash Flow Information (Note 16)

The accompanying notes form 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 November 24, 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, 2015, the Company determined that it held control of the net assets of One Force Staffing, LLC and Olympia Capital Management, LLC until August 18, 2015. These restated consolidated financial statements reflect that control had not been transferred as at the effective date May 1, 2015.

Immediately before the initial classification as available for sale, the divested entities were measured at the lower of their carrying amount and the fair value less costs to sell. As a result of this assessment, an impairment of goodwill of Olympia Capital Management, LLC was determined to be required in the amount of $149,301. The goodwill impairment should have been reflected as a part of continuing operations and not as a part of discontinued operations as previously reported. The restatement adjustment has no impact on the overall net loss for the year.

2. Restatement of Previously Issued Financial Statements - continued

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

Changes to the consolidated statements of loss and comprehensive loss:

		For the year ended December 31, 2015		Restated Adjustment		Restated for the year ended December 31, 2015
Net loss from continuing operations	$	(699,819)	$	(149,301)	$	**(849,120)**
Loss from discontinued operations	$	(274,582)	$	149,301	$	**(125,281)**
Net comprehensive loss	$	(974,401)	$	-	$	**(974,401)**
Basic and diluted loss per share from continuing operations	$	(0.05)	$	(0.01)	$	**(0.06)**
Basic and diluted loss per share from discontinuing operations	$	(0.02)	$	0.01	$	**(0.01)**

Changes to the consolidated statements of cash flows:

		For the year ended December 31, 2015		Restated Adjustment		Restated for the year ended December 31, 2015
Net loss for the year	$	(699,819)	$	(149,301)	$	**(849,120)**
Loss on discontinued operations	$	(274,582)	$	149,301	$	**(125,281)**
Impairment of goodwill	$	-	$	149,301	$	**149,301**
Net change in non-cash working capital items related to discontinued operations	$	(687,540)	$	(149,301)	$	**(836,841)**

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, 2015.

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.

Principles of Consolidation

These consolidated financial statements include the Company and its wholly-owned subsidiary, Property Interlink, LLC, a wholly-owned subsidiary of Property Interlink, LLC, One Force Staffing, LLC, Olympia Capital Management, LLC, which were acquired July 9, 2014, and Heinen & Associates, LLC a wholly-owned subsidiary of Property Interlink, LLC, which was acquired November 19, 2014 and Brownlee Appraisal Services Inc. which was acquired June 1, 2015. One Force Staffing, LLC and Olympia Capital Management, LLC were divested August 18, 2015 (Note 19). All subsidiaries at year end are 100% owned and 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.

3. Significant Accounting Policies - continued

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.

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.

3. Significant Accounting Policies - continued

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 $149,301 (2014 - $960,829) has been recorded in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2015.

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) Significant judgement is involved in the assessment of the recoverable amount of the note receivable (Note 9). The original repayment terms have not been met and as at December 31, 2015 no principal repayments have been collected by the Company.

   Subsequent to year end, the terms of the agreement have been amended (Note 20) providing for interest only payments due and quarterly commencing July 14, 2016 with principal and any outstanding interest being fully due April 14, 2017.

d) 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

On January 1, 2015, Starrex International Ltd., the parent company, changed its functional currency from the Canadian dollar ("CAD") to the U.S. dollar ("USD"). This reflects the fact that the majority of the Company's business is influenced by an economic environment denominated in U.S. currency, as well, the Company earns revenues in U.S. dollars. The change in accounting treatment was applied prospectively. In conjunction with the change in functional currency, the Company changed its presentation currency from CAD to USD.

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.

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, LLC provides consulting services to the mortgage and 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, LLC 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.

d) Recruitment Services

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

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

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 and proprietary software over its estimated useful life of 5 years on a straight-line basis. The Company amortized 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 and cash equivalents are 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, 2015 and 2014:

All of the Company's financial instruments recorded at fair value through profit and loss 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
Accounts receivable	Loans and receivables
Notes 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 are 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 financial assets measured at amortized cost are 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.

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.

3. Significant Accounting Policies - continued

Income taxes - continued

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 11. 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 issues 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.

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, 2018 and is to be applied retrospectively.

3. Significant Accounting Policies - continued

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

IFRS 16, Leases, ("IFRS 16") was issued by the IASB in January, 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying assets has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. An entity applies IFRS 16 for annual periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 Revenue from Contracts with Customers has also been applied. A lessee shall either apply IFRS 16 with full retrospective effort or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

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, LLC

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 $1,123,983.

The following sets forth the 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	$	1,123,983
Allocation of purchase price:		
Cash and cash equivalents	$	73,853
Property, plant and equipment		317,888
Accounts receivable		53,934
Accounts payable		(123,065)
Deferred income tax		(305,723)
Intangible assets		454,137
Goodwill		560,790
Effect of currency translation		92,169
	$	1,123,983

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 $1,123,983.

The following sets forth the 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	$	1,123,983
Allocation of purchase price:		
Accounts receivable	$	18,007
Property, plant and equipment		300,485
Deferred income tax		(178,122)
Intangible assets		208,434
Goodwill		683,010
Effect of currency translation		92,169
	$	1,123,983

(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 $1,123,983.

The following sets forth the 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	$	1,123,983
Allocation of purchase price:		
Cash	$	3,399
Accounts receivable		14,748
Accounts payable		(17,122)
Intangible assets		324,585
Deferred income tax		(251,095)
Property, plant and equipment		295,402
Goodwill		661,897
Effect of currency translation		92,169
	$	1,123,983

4. Business Combinations - continued

(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, LLC a United States based entity. All of the membership interest of Heinen & Associates, LLC were exchanged in consideration of $630,025, which was satisfied by: (i) payment of $48,737 in cash; (ii) issuance of a promissory note by Property Interlink, LLC in the aggregate amount of $243,688 (*Note 14*); (iii) rental reimbursement obligation of $24,369; and (iv) issuance of 450,000 common shares of Starrex with a fair value of $313,231.

The following sets forth the 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:		
Promissory note	$	243,688
Heinen rental reimbursement		24,369
Cash payment		48,737
Fair value of 450,000 Starrex common shares issued November 19, 2014		313,231
	$	630,025

Allocation of purchase price:		
Property, plant and equipment	$	94291
Intangible assets		147,402
Goodwill		381,542
Effect of currency translation		6,790
	$	630,025

4. Business Combinations - continued

(e) 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 $67,330, which was satisfied by the issuance of 50,000 common shares of Starrex with a fair value of $67,330.

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:

Brownlee Appraisal Services Inc.		
Consideration Paid:		
Fair value of 50,000 Starrex common shares issued June 1, 2015	$	67,330
Allocation of purchase price:		
Intangible assets	$	33,439
Deferred income tax		(13,242)
Goodwill		47,133
	$	67,330

5. Property and Equipment

		Furniture & Equipment		Leasehold Improvements		Total
Cost						
As at January 1, 2014	$	11,313	$	-	$	11,313
Additions		753,199		173,831		927,030
As at December 31, 2014		764,512		173,831		938,343
Additions		83,075		2,200		85,275
Disposals		(449,851)		(103,830)		(553,681)
As at December 31, 2015	**$**	**397,736**	**$**	**72,201**	**$**	**469,937**
Accumulated depreciation						
As at January 1, 2014	$	11,313	$	-	$	11,313
Expense		57,283		14,242		71,525
Effect of currency translation		1,086		(3,480)		(2,394)
As at December 31, 2014		69,682		10,762		80,444
Disposals		(74,515)		(10,592)		(85,107)
Expense		108,201		17,578		125,779
As at December 31, 2015	**$**	**103,368**	**$**	**17,748**	**$**	**121,116**
Net book value						
As at December 31, 2014	$	694,830	$	163,069	$	857,899
As at December 31, 2015	**$**	**294,368**	**$**	**54,453**	**$**	**348,821**

6. Intangible Assets

	Business Software & Website (1)	Proprietary Software (2)	Non-Compete Agreements (3)	Customer Relationships (4)	Total
Cost					
As at January 1, 2014	$ -	$ -	$ -	$ -	$ -
Additions	169,281	55,151	360,195	774,363	1,358,990
As at December 31, 2014	$ 169,281	$ 55,151	$ 360,195	$ 774,363	$ 1,358,990
Additions	-	135,417	-	33,439	$ 168,856
Disposals	(102,168)	-	(217,352)	(315,667)	$ (635,187)
As at December 31, 2015	**$ 67,113**	**$ 190,568**	**$ 142,843**	**$ 492,135**	**$ 892,659**
Accumulated depreciation					
As at January 1, 2014	$ -	$ -	$ -	$ -	$ -
Expense	16,373	-	40,351	62,148	118,872
Effect of currency translation	(126)	-	(8,663)	(12,502)	(21,291)
As at December 31, 2014	$ 16,247	$ -	$ 31,688	$ 49,646	$ 97,581
Disposals	(15,887)	-	(35,253)	(51,199)	(102,339)
Expense	20,704	28,451	42,980	66,799	158,934
As at December 31, 2015	**$ 21,064**	**$ 28,451**	**$ 39,415**	**$ 65,246**	**$ 154,176**
Net Book Value					
As at December 31, 2014	$ 153,034	$ 55,151	$ 328,507	$ 724,717	$ 1,261,409
As at December 31, 2015	**$ 46,049**	**$ 162,117**	**$ 103,428**	**$ 426,889**	**$ 738,483**

(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.

(3 & 4) The purchase price allocation of the acquisitions dated July 9, 2014, November 19, 2014, and June 1, 2015, included values for non-compete agreements for key employees in each of the subsidiaries as well as values for the existing customer relationships. These values have been included in the intangible assets.

7. Related Party Transactions

AmCap Mortgage Ltd.

AmCap Mortgage Ltd., a customer related by common management, the Chief Executive Officer, accounted for $4,572,737 (2014 - $534,974) in revenue to the Company. As at December 31, 2015, $82,173 (2014 – $494,598) 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 $120,050 in management fees in 2015 (2014 - $96,279) to the Chief Operations Officer for services provided. These fees are included in management and corporate services. At December 31, 2015 all amounts had been paid accordingly.

ii) The Company incurred $120,045 in management fees in 2015 and issued Nil (2014 – 100,000) common shares valued at $NIL (2014 - $88,768) to the Chief Financial Officer for services provided. These fees are included in management and corporate services and share based payments, respectively. At December 31, 2015 all amounts had been paid.

iii) The Company issued 100,000 stock options (2014 – 650,000) to various Directors and Consultants of the Company valued at $95,316 (2014 – $94,207) and included in share based payments in the consolidated statements of loss and comprehensive loss.

iv) The Company issued Nil shares (2014 – 1,214,837) to various Directors and Officers of the Company as consideration for a non-brokered private placement.

v) The Company incurred $35,093 in management fees in 2015 (2014 - $Nil) to the Senior Vice President for services provided. These fees are included in management and corporate services. At December 31, 2015 all amounts have been paid accordingly.

8. Goodwill

The Company's goodwill impairment testing determined that the carrying value of the goodwill of Olympia Capital Management, LLC exceeded its fair value less cost to sell and as a result the Company recorded a goodwill impairment charge of $149,301. For the year ended December 31, 2014, $960,829 goodwill impairment was determined based on the carrying value of the goodwill included in each of the Company's reportable segments (Note 18) exceeded their value in use. The change in goodwill for the years ended December 31, 2015 and 2014 was as follows:

8. Goodwill - continued

	Property Interlink, LLC	One Force Staffing Inc.	Olympia Capital Management, Inc.	Total
Acquisitions July 9, 2014	$ 560,790	$ 683,010	$ 661,897	$ 1,905,697
Initial impairment	(152,992)	(436,121)	(141,149)	(730,262)
Acquisition November 19, 2014	381,542		-	381,542
Impairment	(225,534)	-	-	(225,534)
Additional impairment	(5,033)	-	-	(5,033)
Effective currency translation	15,226	17,314	5,604	38,144
Balance, December 31, 2014	573,999	264,203	526,352	1,364,554
Acquisition June 1, 2015	47,133	-	-	47,133
Impairment	-	-	(149,301)	(149,301)
Divestitures	-	(264,203)	(377,051)	(641,254)
Balance, December 31, 2015	**$ 621,132**	**$ -**	**$ -**	**$ 621,132**

The recoverable amount was determined based on a value in use calculation which uses cash flow projections covering 3 years and Weighted Average Cost of Capital ("WACC") rates as follows:

Reportable Segment:	2015 WACC	2014 WACC
Property Interlink, LLC.*	30.0%	28.2%
One Force Staffing, LLC.	N/A	30.6%
Olympia Capital Management, LLC	N/A	37.8%

*The operations of Heinen and Associates and Brownlee Appraisal Services Inc. are included in the reportable segment of Property Interlink, LLC, the WACC applied to Heinen and Associates was 30.0% (2014 – 38.8%), respectively.

9. Notes receivable

The Company entered into agreements effective May 1, 2015, to divest Olympia Capital Management, Inc. and One Force Staffing, Inc.which closed on August 18, 2015. 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. As at and 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).

Subsequent to year end, the Company has amended the terms of the notes receivable (Note 20), The amended terms are as follows; interest only payments shall be due and payable quarterly commencing July 14, 2016, with principal and any outstanding interest coming fully due April 14, 2017. Upon the occurrence and during the continuance of any event of default the note receivable shall bear interest at a rate of 8%. As at December 31, 2015, the note receivable is classified in non-current assets on the consolidated statements of financial position.

During the year ended December 31, 2015, the Company recorded interest income of $76,084 (2014 – $Nil) of which $50,392 (2014 - $Nil) is outstanding and included in accounts receivable on the statement of financial position at year end.

10. Share Capital

Authorized

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

	Number of common shares		Amount
Balance, January 1, 2014	8,116,870	$	1,992,829
Private placement, net share issuance costs (i)	1,983,957		911,544
Acquisition of One Force Staffing (Note 4 (b))	1,260,000		1,123,983
Acquisition of Olympia Capital Management (Note 4 (c))	1,260,000		1,123,983
Acquisition of Property Interlink (Note 4 (a))	1,260,000		1,123,983
Acquisition of Heinen & Associates (Note 4 (d))	450,000		313,231
Issuance of shares to management (Note 7 (ii))	100,000		88,768
Balance, December 31, 2014	14,430,827		6,678,321
Acquisition of Brownlee Appraisal Services, Inc. (Note 4 (e))	50,000		67,330
Balance, December 31, 2015	**14,480,827**	**$**	**6,745,651**

i) During July 2014, the Company completed a private placement of 1,983,957 common shares, at CAD $0.50 per share, for gross proceeds of $930,576. The Company incurred issuance costs of $19,032.

11. 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, 2014	50,000	0.17
Granted	700,000	0.23
Outstanding, December 31, 2014	750,000	0.23
Cancelled	(100,000)	0.18
Granted	100,000	1.23
Outstanding, December 31, 2015	**750,000**	**0.33**

	Common Shares Under option	Number of Options Vested		Exercise Price	Expiry Date
Granted May 21, 2013	50,000 [(1)]	50,000	$	0.14[(5)]	May 21, 2018
Granted April 17, 2014	550,000 [(2)]	550,000	$	0.18[(6)]	April 17, 2019
Granted May 29, 2014	50,000 [(3)]	50,000	$	0.41[(7)]	May 29, 2019
Granted August 25, 2015	100,000 [(4)]	100,000	$	1.23[(8)]	September 1, 2020

(1) A Director of the Company holds these options. One half of the options vested May 21, 2014. The remaining options vested on May 21, 2015.
(2) Directors of the Company hold these options. They are fully vested.
(3) A Consultant of the Company holds these options. They are fully vested.
(4) An Executive Officer of the Company holds these options. They are fully vested.
(5) The exercise price is CAD $0.20.
(6) The exercise price is CAD $0.25.
(7) The exercise price is CAD $0.57.
(8) The exercise price is CAD $1.70.

11. Share-based payments - continued

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

	2015	2014
Dividend yield	**Nil**	Nil
Risk free interest rate (%)	**0.64**	1.03 -1.06
Expected stock volatility (%)	**101**	80.32 – 100.76
Expected life (years)	**5**	5

The Company incurred $99,022 in share based payment expense for options vested in 2015 (2014 - $134,604).

12. Income Taxes

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

		5		2014
Current tax provision				
Current expense	$	32,230	$	-
Deferred tax recovery		(35,480)		-
	$	(3,250)	$	-

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:

		2015		2014
Loss before recovery of income taxes	$	(852,370)	$	(1,596,140)
Expected income tax recovery	$	(225,878)	$	(422,977)
Difference in foreign tax rates		5,660		(38,807)
Tax rate changes and other adjustments		(190,750)		(247,851)
Non-deductible expenses		38,750		364,275
Unrealized foreign exchange		2,390		(466)
Change in tax benefits not recognized		366,578		345,826
Income tax expense	$	(3,250)	$	-

Deferred Tax

The following table summarizes the components of deferred tax:

		2015		2014
Property and equipment	$	(120,956)	$	(393,226)
Intangible assets		(162,528)		(341,713)
Net deferred tax liability	$	(283,484)	$	(734,939)

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.

12. Income Taxes - continued

Deferred Tax - continued

Movement in net deferred tax liabilities:

	2015	2014
Balance, beginning of year	$ (734,939)	$ -
Recognized in discontinued operations	402,733	-
Recognized in net comprehensive loss	35,480	-
Recognized in goodwill	13,242	(734,939)
Balance, end of year	$ (283,484)	$ (734,939)

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:

	2015	2014
Deferred income tax assets		
Canadian net capital loss carried forward	$ 1,568,210	$ 1,870,997
Canadian non-capital losses carried forward	$ 1,490,100	$ 1,056,812
Share issuance costs	$ 15,050	$ 30,325
Other temporary differences	$ -	$ -

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.

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

2026	$ 33,960
2027	34,770
2029	57,440
2030	50,340
2031	51,590
2032	76,190
2033	107,520
2034	401,450
2035	676,840
	$ 1,490,100

13. Net Loss per Share

Basic and diluted loss per share has been calculated based on the weighted average number of common shares outstanding of 14,457,676 (2014 – 10,954,559). 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.

14. Note Payable

On November 19, 2014, Property Interlink, LLC, a subsidiary of Starrex International Ltd. completed the acquisition of Heinen & Associates (Note 4(d)), consideration included the issuance of a promissory note in the aggregate amount of $250,000. The promissory note has an interest rate of 4.5% per annum with semi-annual principal payments of $50,000 and applicable interest starting May 1, 2015 and ending May 1, 2017.

As of December 31, 2015, $100,382 of the outstanding balance is due within 1 year and $50,191 of the balance is due after 1 year. During the year ended December 31, 2015, the Company recorded interest expense of $12,643 (2014 – $1,326) which is unpaid and included in the value of the note payable on the statement of financial position at year end.

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 $3,408,110 as at December 31, 2015 (2014 - $4,216,159).

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

		2015		2014
Operating cash flows include:				
Interest received	**$**	**25,693**	$	6,257
Non-cash financing activities:				
Shares issued on business acquisitions	**$**	**67,330**	$	3,685,180
Shares issued to management	**$**	**-**	$	88,768

17. Financial Risk Factors

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, notes receivable, accounts payable and accrued liabilities, income taxes payable and note payable. As at December 31, 2015, 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, 2015 no allowance for doubtful accounts was recorded. The Company is also subject to credit risk on its note receivable.

Subsequent to year end, the Company amended the terms of the note receivable (Note 20). Information relevant to assessing the fair value of the notes receivable is included in Note 9.

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, 2015 the Company had cash and cash equivalents of $176,457 (2014 - $1,393,987) available to settle current financial liabilities of $529,880 (2014 - $571,304).

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, 2015, the Company held immaterial amounts of cash and cash equivalents in CDN currency and considers foreign currency low risk.

17. Financial Risk Factors- continued

Foreign Currency Risk - continued

The following table summarizes the Company's exposure to the CDN dollar:

		December 31, 2015		December 31, 2014
Cash and cash equivalents	**$ CDN**	**723**	$ CDN	16,982
Accounts receivable		**589**		589
Accounts payable and accrued liabilities		**(105,120)**		(77,275)
Total	**$ CDN**	**(103,808)**	$ CDN	(59,704)

18. Segmented Disclosures

The Company organizes its reporting structure into two 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 two reportable operating segments are as follows:

i) 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. Heinen & Associates LLC, which was acquired during the 2014 year and Brownlee Appraisal Services, Inc., which was acquired during the current year, are integrated with the Property Interlink segment.

ii) Starrex International Ltd, or Corporate, manages the wholly-owned subsidiaries, as well as shareholder services and corporate governance.

18. Segmented Disclosures- continued

Select financial information as at December 31, 2015 is presented as follows:

	Property Interlink, LLC	Corporate	Total
Current assets	$ 421,918	$ 211,311	$ 633,229
Note receivable	-	1,930,000	1,930,000
Property and equipment	348,821	-	348,821
Intangible assets	738,483	-	738,483
Goodwill	621,132	-	621,132
Total Assets	$ 2,130,354	$ 2,141,311	$ 4,271,665
Current liabilities	$ 409,078	$ 120,802	$ 529,880
Long-term liabilities	333,675	-	333,675
Total liabilities	$ 742,753	$ 120,802	$ 863,555
Revenues	$ 5,821,520	$ 76,084	$ 5,897,604
Expenses	$ 5,895,336	$ 854,638	$ 6,749,974
Operating loss from continuing operations before provision for income tax	$ (73,816)	$ (778,554)	$ (852,370)

18. Segmented Disclosures- continued

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

	Property Interlink, LLC	Corporate	Total
Current assets	$ 314,297	$ 1,349,211	$ 1,663,508
Property and equipment	380,987	-	380,987
Intangible assets	656,689	-	656,689
Goodwill	574,999	-	574,999
Total Assets	$ 1,926,972	$ 1,349,211	$ 3,276,183
Current liabilities	$ 262,011	$ 234,973	$ 496,984
Long-term liabilities	557,047	-	557,047
Total liabilities	$ 819,058	$ 234,973	$ 1,054,031
Revenues	$ 2,200,444	$ 6,258	$ 2,206,702
Expenses	$ 1,831,269	$ 1,971,574	$ 3,802,843
Operating income (loss) from continuing operations before provision for income tax	$ 369,175	$ (1,965,316)	$ (1,596,140)

Net assets from discontinued operations from the divestiture of One Force Staffing, LLC and Olympia Capital Management, LLC are $1,994,007 for the year ended December 31, 2014.

19. Discontinued Operations

Starrex International Ltd. reached an agreement to divest Olympia Capital Management, Inc., a consulting and software solutions corporation, along with One Force Staffing, Inc., a staffing and recruitment agency, with an effective date of May 1, 2015 in exchange for promissory notes receivable of $1,100,000 and $830,000, respectively.

In addition, after further analysis of the dates on the approval on the divestiture agreements for One Force Staffing, Inc. and Olympia Capital Management, Inc., the Company determined that control had not been transferred as at the effective date May 1, 2015. The Company held control of the net assets of One Force Staffing, Inc. and Olympia Capital Management, Inc. until August 18, 2015.

All revenue and expenses associated with our Olympia Capital Management, Inc. and One Force Staffing, Inc. operations have been classified as discontinued operations. Our operating results from discontinued operations in Olympia Capital Management, Inc. and One Force Staffing, Inc. are summarized as follows:

For the year ended December 31, 2015	Olympia Capital Management, Inc.	One Force Staffing, Inc.	Total
Income			
Revenue	**$ 94,434**	**$ 124,006**	**$ 218,440**
Investment income	**-**	**-**	**-**
	94,434	**124,006**	**218,440**
Expenses			
Depreciation	**28,526**	**16,901**	**45,427**
Amortization	**25,788**	**15,902**	**41,690**
General and administrative	**52,319**	**36,638**	**88,957**
Payroll expense	**177,313**	**87,496**	**264,809**
Professional fees	**-**	**49,388**	**49,388**
	283,946	**206,325**	**490,271**
Operating loss from discontinued operations before for provision for income tax	**(189,511)**	**(82,319)**	**(271,830)**
Income tax on operations	**72,275**	**28,812**	**101,087**
Operating loss from discontinued operations	**(117,236)**	**(53,507)**	**(170,743)**
(Loss) gain on disposal of subsidiaries before provision for income tax	**(8,233)**	**53,696**	**45,463**
Provison for income taxes	**-**	**-**	**-**
(Loss) gain on disposal of subsidiaries	**(8,233)**	**53,696**	**45,463**
(Loss) income from discontinued operations	**$ (125,470)**	**$ 189**	**$ (125,281)**

The carrying value of Olympia Capital Management Inc., was $1,108,233 at the date of sale. Proceeds on the sale were $1,100,000 resulting in a loss on disposition of $8,233. The carrying value of One Force Staffing, Inc. was $776,304 at the date of sale. Proceeds on the sale were $830,000 resulting in a gain on disposition of $53,696.

19. Discontinued Operations – continued

For the year ended December 31, 2014	Olympia Capital Management, Inc.	One Force Staffing, Inc.	Total
Income			
Revenue	$ 518,833	$ 214,399	$ 733,232
Investment income	-	-	-
	518,833	214,399	733,232
Expenses			
Depreciation	23,642	28,207	51,849
Amortization	54,253	33,751	88,004
General and administrative	90,593	64,803	155,396
Payroll expense	369,870	82,589	452,459
	538,358	209,350	747,708
Operating (loss) income from discontinued operations	(19,525)	5,049	(14,476)
Income tax on operations	(20,021)	(21,061)	(41,082)
Operating loss from discontinued operations	(39,546)	(16,012)	(55,558)
Gain on disposal of subsidiares before provision for income tax	-	-	-
Provison for income taxes	-	-	-
Loss from discontinued operations	$ (39,546)	$ (16,012)	$ (55,558)

20. Subsequent Events

On April 15, 2016, the Company amended the notes receivable, in the amounts of $1,100,000 and $830,000, outstanding for the divestitures of One Force Staffing, LLC and Olympia Capital Management, LLC, respectively. The amended notes carry a 5% interest rate compounded monthly, with interest payments due quarterly commencing July 14, 2016, with the full principal balance and any outstanding interest due April 14, 2017. Upon the occurrence and during the continuance of any event of default the notes receivable shall bear interest at a rate of 8%.