Management's Discussion and Analysis of Financial Condition and Operations

Basis of Presentation and Statement of Compliance with IFRS

Starrex Mining Corporation Ltd. (the "**Company**" or "**Starrex**") has prepared its financial statements, and all financial disclosures in this document, in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accounting policies, which are detailed in Note 3 to the financial statements as at 31 December 2013, have been applied consistently to all periods presented in those financial statements.

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

This management's discussion and analysis ("MD&A") should be read in conjunction with the Company's audited annual financial statements as at and for the period ended 31 December 2013, which have been prepared using IFRS, and the provisions of National Instrument 51-102. Copies of all relevant financial documents, including interim Company filings to date, may also be referenced on the regulatory filings website -- **www.sedar.com**. This MD&A has been prepared as at March 17, 2014. Unless otherwise indicated, all currency amounts in this MD&A are expressed in Canadian dollars.

Company Overview

Company management continued to regularly review and evaluate unsolicited merger and/or acquisition ("M&A") transactions - in diverse financial, resource and industrial business sectors - and in the fourth quarter completed a private placement transaction that resulted in the appointment of new officers and directors of the Company.

The Company delisted from the NEX board of the TSX Venture Exchange.

The Company obtained listing approval and the common shares now trade on the Canadian Securities Exchange (Symbol : STX) -- and continues to maintain a non-registered listing status on the U.S. OTC BB (Symbol : STXMF).

Significant Events and Status

Starrex completed a private placement with the principals of a successful U.S. real estate financing business with experienced management at the helm. The Company's due diligence process was completed, and regulatory approval was achieved for a listing on the Canadian Securities Exchange.

Mr. Garrett Clayton, the President and Chief Executive Officer of Amcap Mortgage Ltd. ("Amcap"), became the new President of Starrex and a director. Ronald Mann became Secretary and Acting Chief Financial Officer and is a nominee for election as a director at the Annual General and Special Meeting of Shareholders to be held on April 17, 2014. Amcap is a private company based in Houston, Texas, and is a mortgage banking entity registered with the Texas Department of Savings and Mortgage Lending. In addition to Texas, Amcap holds licenses to conduct business in ten states and maintains lending offices in Texas, Colorado, New Mexico, Utah, North Dakota and Pennsylvania. Among other financial business activities, Amcap receives applications for, processes and funds mortgages which meet The U.S. Department of Housing and Urban Development ("HUD") criteria. Amcap then packages the approved mortgages and sells them to large US banks.

Under Mr. Clayton's leadership, Amcap has grown from a business of US$5-million per month to US$1.2-billion per annum in loan originations. As of Amcap's 31 December 2012 audited financial statements, Amcap had current assets of over US$69-million, and partner capital of over US$13-million. Net income aggregated of US$1.8-million. Amcap currently funds approximately 800 loans per month, which represents over US$100-million in monthly volume.

The management of Starrex and Amcap have agreed to develop a business within Starrex on a basis similar to that of Amcap. These discussions resulted in the principals of Amcap investing, by way of a private placement completed in December 2013, approximately Cdn$800,000 in Starrex common shares at $0.25 per share.

Concurrently with completion of the private placement, the Company further converted its long-term debt in the amount of $234,826 into an aggregate of 939,304 new common shares at $0.25 per share. In addition, as part of the private placement completed in December 2013, a director of the Company invested a further $100,000 at $0.25 per share.

Financial Condition

During the period under review (the fiscal year ended 31 December 2013), the Company's current asset position increased to $1,616,367 from $794,734 at the prior year-end, reflecting the gross proceeds of $900,000 received from the private placement, netted by generally modest expenditures to cover general office expenses and share issuance costs. Accounts payable comprising routine office operating expenses increased from $91,066 at the prior year-end to $189,632 currently.

Overview of Financial Performance

During the period under review (the fiscal year ended 31 December 2013), the Company increased its working and operating capital position -- which is currently held largely in cash, short-term bank-issued financial instruments, and other cash-equivalent securities. Operating expenses during the period under review remained largely limited to basic administrative overhead costs, which only nominally impact the Company's cash position on an annual basis, and costs of the private placement and of the change of stock exchange listing.

Results of Operations

During the period under review -- investment income remained nominal due to the continuing low market interest rate environment for Canadian government and chartered bank securities. Revenue, largely investment income, for the period under review increased to $7,377 from last year's $5,939. Operating and administration expenses for the period under review aggregated $153,385 compared with $113,161 the prior year. The expenses for each period were largely attributable to the office and personnel costs, as well as the costs of the private placement and of the stock exchange listing. The reported net loss per share for the current reporting period was four cents (0.04) per share, compared with three cents (0.03) per share for the prior year.

Liquidity and Capital Resources

At the end of the period under review, current assets aggregated $1,616,367, a significant increase from $794,734 reported at the prior year-end. Current liabilities for the current reporting period were $189,632, compared with $325,892 at the prior year end. The aggregates largely comprised accounts payable and accrued liabilities in the normal course of business. The loan to a related party was settled during the year through the issuance of common shares.

Cash Flow Statement

Taking into account the variable maturities and timing of short-term government and chartered bank fixed-income investments which comprised the primary free cash asset position of the Company at the end of each period under review, the cash flow position of the Company remained substantially unchanged compared with the prior year end. In addition, $895,143 of proceeds from the private placement were received in trust and remained in trust at the end of the period under review.

Share Capital Analysis

As at the date of this MD&A, the share capital of the Company continued to be comprised exclusively common shares. As a result of the fourth quarter private placement (3,600,000 common shares at $0.25 per share for aggregate proceeds of $900,000), a shares-for-debt settlement (939,304 common shares at $0.25 per share for an aggregate amount of $234,826) and finder’s fees (128,000 common shares at a deemed price of $0.25 per share for aggregate amount of $32,000), the number of issued and outstanding common shares of the Company increased from 3,449,566 at the end of the prior year to 8,116,870 at the end of the period under review. There are minimal dilutive securities outstanding or committed for issue, including, without limitation, senior or convertible securities and share purchase warrants or options issued requiring the future issuance of new share capital by the Company.

Accounting Policies

The Company has accepted and employs the now mandated IFRS accounting policy on reporting its financial condition in accordance with IFRS standards, with all amounts stated in Canadian dollars. The ongoing significant accounting policies are more particularly described herein and in those provided with the audited financial statements for the year ended 31 December 2013.

Quarterly Information

Due to the passive status of the Company's limited state of business activities, comparisons between the Company's current quarterly period and the seven prior quarterly periods are not considered meaningful.

Segmented Information

The statements and projections herein are limited to one reportable operating segment which, for the purposes of this MD&A, is limited to the Company's presently largely passive investment positions. There is no current need to differentiate between geographic areas of business operations until more material expenditures or investments are required from the Company for business activities which will require the commitment of material Company cash resources in different businesses or for clearly differentiated purposes in different geographic or political jurisdictions.

Use of Financial Instruments

The Company has not entered into any conventional or other financial instruments designed to minimize its investment risk, currency risk or commodity risk. No off-balance sheet arrangements have been established nor are there any pending plans to do so. The limited scale of the Company's current and foreseeable operations does not warrant consideration of any special financial undertakings or instruments.

Transactions with Related Parties

Other than completion of the shares-for-debt transaction and private placement with a director completed in December 2013, the Company's related party transactions have dealt exclusively with routine, intermittent payments of modest administrative fees for essential corporate services rendered by the Company's former Chief Executive Officer until his retirement from that office on December 9, 2013. The fees are generally paid annually and are more particularly described in the Notes to the audited Financial Statements for the year ended 31 December 2013. The remuneration to directors is based on payments of $250 for each director's meeting attended in person or by way of telephone conference calls, plus out-of-pocket expenses incurred in connection with their attendance at such meetings, or as otherwise incurred in furtherance of their duties as directors. No director or corporate officer is currently indebted to the Company nor have they been indebted to the Company during 2013. The Company has no pension plan for directors, corporate officers or employees.

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 benefits for other stakeholders and to ensure sufficient resources are available to meet day-to-day operating expenses.

The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and will make adjustments to it, if and when necessary, in order to have funds available to support its corporate activities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the modest current business and financial 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 risk management strategy during the year.

Financial Risk Factors

The Company is exposed in varying degrees, though considered modest for the size of the Company, to a variety of financial instrument related risks; as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and cash equivalents. This risk is managed through the use of a major chartered bank which is a high credit quality financial institution as determined by rating agencies.

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 capital in order to meet its liquidity requirements.

Market Risk

The only significant market risk exposure to which the Company is currently exposed is interest rate risk. The Company's exposure to interest rate risk relates to its ability to earn interest income on otherwise inactive cash balances at variable rates. The fair value of the Company's cash and cash equivalents are relatively unaffected by normal changes in short-term interest rates.

Disclosure Controls and Procedures

The Company's Chief Executive Officer and Acting Chief Financial Officer (the "**Disclosure Committee**") are responsible for establishing and maintaining the Company's disclosure controls and procedures, including adherence to the Disclosure Policy adopted by the Company. The Disclosure Policy requires all staff employees to keep the Disclosure Committee fully apprised of all material information affecting the Company so that the Disclosure Committee may discuss and evaluate such information and determine the appropriateness and timing for public release, if so decided. Access to such material information by the Disclosure Committee is facilitated by the modest size of the Company's senior management group and the regular communications engaged in between them.

The Disclosure Committee, after evaluating the effectiveness of the Company's disclosure controls and procedures as of the end of the 31 December 2013 annual auditing period, has concluded that the Company's disclosure controls and procedures were adequate and effective to ensure that material information relating to the Company would have become known to them.

The Company's Disclosure Committee is also responsible for the design of internal controls over financial reporting. The fundamental issue has been determined as ensuring that all transactions are properly authorized and identified and entered into a well designed and clearly understood system on a timely basis to minimize risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with generally accepted accounting principles, unauthorized receipts and expenditures, or the inability to provide assurance that unauthorized acquisition or dispositions of assets can be detected.

The relatively small size of the Company makes the described identification and authorization process reasonably efficient and is considered an effective process for reviewing internal controls over financial reporting. To the extent possible, given the Company's modest business operations, and utilizing professional outsourcing for part or most of the process, the internal control procedures provide for the clear separation of duties for receiving, approving, coding and handling of invoices, entering transactions into the accounts, writing cheques and completing and recording wire requests. As of 31 December 2013, the Company's Disclosure Committee has concluded that the Company's system of internal controls is adequate and reasonably comparable to those of issuers of a similar size and largely inactive business nature. There have been no changes during the most recent audited reporting period, being the fiscal year ended 31 December 2013, in the Company's internal controls over its financial reporting that have affected or would reasonably be expected to affect its financial reporting.

Critical Accounting Estimates

The preparation of financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the financial reporting date and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements at 31 December 2013 include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and also in future periods when the revision affects both current and future periods.

Outlook

The Company will evaluate, for the purpose of closing acquisitions in the financial sector compatible with the existing business of Amcap Mortgage Ltd. both in the United States and Canada, diverse equity and investment offering proposals. In-house reviews of all proposed business combinations concentrate on the record of integrity and industry experience of the target company's principals and senior management -- including hard evidence establishing their longer term personal and financial commitments to any future merged entity.

On Behalf of the Board:
Per: Ronald Mann, Secretary
17 March 2014

Forward-Looking Statements

Certain statements contained or incorporated in this MD&A which deal with the Company's financial condition and operating results, including information, analyses and projections as to future corporate developments which are currently in the planning stage, and on the projected operating financial performance of the Company, constitute forward-looking statements. Such forward-looking statements, made with special reference to the Company's ongoing merger and acquisition negotiations, involve known and unknown risks and uncertainties that could cause actual events and results to differ materially from those estimated or anticipated and which may have been implied or expressed in such forward-looking statements. No conclusions as to the successful outcome of the ongoing and planned business projects and diversification negotiations in which the Company is involved are intended nor implied nor can they be foreseen or predicted prior to definitive corporate announcements as to their outcome.

Furthermore, the forward-looking statements contained in this MD&A are made as of the date hereof and the Company does not undertake any obligations to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events, or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.