

Starrex International Ltd.
Condensed Interim Financial Statements
Six Months Ended June 30, 2014
(Unaudited)

Management's Responsibility for Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Starrex International Ltd (the "Company" or "Starrex") are the responsibility of the Board of Directors.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the end of the reporting period. In the opinion of management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(Signed): "Ronald K. Mann"
Director and Acting CFO

Toronto, Canada
August 29, 2014

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. These unaudited condensed interim financial statements as at, and for the six months ended, June 30, 2014 have not been reviewed by the Company's auditors.

Starrex International Ltd.
Condensed Interim Statements of Financial Position
(Unaudited)

	June 30	December 31
	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,242,133	\$ 720,659
Funds held in trust	7,031	895,143
Prepaid expenses	13,546	565
Total assets	\$ 1,262,710	\$ 1,616,367
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 61,562	\$ 170,512
GST/HST payable	-	19,120
	61,562	189,632
Capital and reserves		
Share capital (note 4)	2,318,042	2,318,042
Contributed surplus (note 5)	27,116	15,029
Deficit	(1,144,010)	(906,336)
Total equity	1,201,148	1,426,735
Total equity and liabilities	\$ 1,262,710	\$ 1,616,367

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

Starrex International Ltd.**Condensed Interim Statements of Comprehensive Loss****For the periods ended June 30****(Unaudited)**

	Three Months Ended		Six Months Ended	
	2014	2013	2014	2013
Income				
Investment income	\$ 2,655	\$ 1,588	\$ 4,088	\$ 2,946
Expenses				
Administrative (note 3)	142,352	23,846	229,376	38,984
Share based payments (note 5)	10,683	618	12,087	618
Interest expense	37	-	299	-
Depreciation	-	4	-	7
	153,072	24,468	241,762	39,609
Net loss and comprehensive loss for the period	\$ (150,417)	\$ (22,880)	\$ (237,674)	\$ (36,663)

Basic and diluted net loss per share (note 7)	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.01)
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The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Starrex International Ltd.

Condensed Interim Statements of Changes in Equity

For the periods ended June 30

(Unaudited)

	Share Capital		Contributed Surplus	Deficit	Total
	Number Of Shares	Value			
Balance, December 31, 2012	3,449,566	\$1,217,723	\$11,603	\$(760,328)	\$468,919
Share based payments	-	-	618	-	618
Net comprehensive loss for the period	-	-	-	(36,663)	(36,663)
Balance June 30, 2013	3,449,566	\$1,217,723	\$12,221	\$(796,991)	\$ 432,874
Balance, December 31, 2013	8,116,870	\$2,318,042	\$15,029	\$(906,336)	\$1,426,735
Share based payments	-	-	12,087	-	12,087
Net comprehensive loss for the period	-	-	-	(237,674)	(237,674)
Balance, June 30, 2014	8,116,870	\$2,318,042	\$27,116	\$(1,144,010)	\$1,201,148

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

Starrex International Ltd.
Condensed Interim Statements of Cash Flows
For the periods ended June 30
(Unaudited)

	Three Months Ended		Six Months Ended	
	2014	2013	2014	2013
Cash flow from operating activities				
Net comprehensive loss for the period	\$ (150,417)	\$ (22,880)	\$ (237,674)	\$ (36,663)
Items not affecting cash:				
Share based payments	10,683	618	12,087	618
Depreciation	-	4	-	7
	(139,734)	(22,258)	(225,587)	(36,038)
Other sources (uses) of cash from operations:				
Accounts payable and accrued liabilities	(107,619)	(5,872)	(108,950)	(12,276)
GST/HST payable	(19,382)	-	(19,120)	-
Prepaid expenses	(12,981)	-	(12,981)	-
	(279,716)	(28,130)	(366,638)	(48,314)
Cash flow from financing activities				
Received from trust	1,848	-	888,112	-
	1,848	-	(888,112)	-
Increase (decrease) in cash and cash equivalents	(277,868)	(28,130)	(521,474)	(48,314)
Cash and equivalents beginning of period	1,520,001	773,300	720,659	793,484
Cash and equivalents end of period	\$1,242,133	\$745,170	\$1,242,133	\$745,170
Supplemental disclosure of cash flow information:				
Interest received	\$ 2,655	\$ 1,588	\$ 4,088	\$ 3,075

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

Starrex International Ltd.

Notes to Condensed Interim Financial Statements

June 30, 2014

(Unaudited)

1. Business of the Company

Nature of Business

Starrex International Ltd. (formerly Starrex Mining Corporation Limited) (“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 180 Dundas St W, #1801, Toronto, Ontario, M5G1Z8. It is a Canadian company whose primary business is to acquire, manage, and grow companies in the United States active in mortgage, real estate, and other financial sectors.

These unaudited condensed interim financial statements were approved by the Board of Directors on August 29, 2014.

2. Basis of Presentation and Statement of Compliance

(a) Statement of compliance

The Company has prepared these unaudited condensed interim financial statements in accordance with IAS 34, *Interim Financial Reporting*, employing all of the same accounting policies and methods of computation as disclosed in the annual financial statements as at December 31, 2013.

The notes to these unaudited condensed interim financial statements are intended to provide a description of events and transactions that are significant to an understanding to the changes in the Company's financial position and performance since December 31, 2013. Certain disclosures that appear in the annual financial statements have not been reproduced in these unaudited condensed interim financial statements and, in this regard only, these unaudited condensed interim financial statements do not conform in all respects to the requirements of IFRS for annual financial statements. Accordingly, these unaudited condensed interim financial statements should only be read in conjunction with the annual financial statements as at December 31, 2013.

(b) Basis of presentation

These unaudited condensed interim 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 unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Significant accounting estimates and judgments

The preparation of these unaudited condensed interim financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the end of reporting period date and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. These unaudited condensed interim financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the unaudited condensed interim 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.

(d) Functional currency

The presentation and functional currency of the Company is the Canadian dollar.

Starrex International Ltd.

Notes to Condensed Interim Financial Statements

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3. Related Party Transactions

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 by the Company:

- i) The Company incurred \$25,000 + HST in management fees in 2014 to the Secretary / Acting CFO for services provided to the Company. All amounts have been paid accordingly.
- ii) During the period, the Company issued 700,000 stock options to various Directors and Consultants of the Company.

4. Share Capital

Authorized

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

Issued

	Number of common shares	Amount
Balance, December 31, 2012	3,449,566	1,217,644
Private placement, net	3,600,000	833,572
Finders' fees on private placement	128,000	32,000
Debt settlement	939,304	234,826
Balance, December 31, 2013 and June 30, 2014	8,116,870	\$ 2,318,042

Starrex International Ltd.

Notes to Condensed Interim Financial Statements

June 30, 2014

(Unaudited)

5. 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 totalling 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. The fair values of stock options granted have been determined using the Black-Scholes model and are added to contributed surplus as follows:

	June 30	December 31
	2014	2013
Balance, beginning of period	\$ 16,433	\$ 15,029
Compensation expense related to stock options granted	10,683	1,404
Balance, end of period	\$ 27,116	\$ 16,433

Details of options outstanding:

	Common Shares Under Option	Number of Options Vested	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 16, 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 remaining options will vest as to 50% 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.

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

	June 30	June 30
	2014	2013
Dividend yield	Nil	Nil
Risk free interest rate (%)	1.71	1.15-1.30
Expected stock volatility (%)	84.88	76.86
Expected life (years)	5	5

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6. Income Taxes

Unrecognized deferred tax assets

Deferred income 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 income tax assets have not been recognized in respect of the following items:

	June 30 2014	December 31 2013
Capital losses	\$ 2,170,530	\$ 2,170,530
Non-capital losses	902,873	670,400
Share issuance costs	27,540	27,540
Equipment and other	300	300

The capital losses may be carried forward indefinitely but may only be used to offset capital gains. The non-capital losses will expire between 2104 and 2034. Share issuance costs will be amortized annually from 2014 to 2017. The equipment and other amount 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 Company can utilize the benefits therefrom.

7. Net Loss per Share

Basic and diluted loss per share has been calculated based on the weighted average number of common shares outstanding during the six month period ending June 30, 2014 of 8,166,870 (2013 – 3,449,566).

8. Capital Disclosures

The Company's objective when managing capital is 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 shareholders' equity as capital, which totals \$1,201,148 as at June 30, 2014 (December 31, 2013 - \$1,426,735). The Company manages its capital structure and makes adjustments to it, 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 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 risk management strategy during the six months ended June 30, 2014.

9. Financial Risk Factors

The Company's financial instruments consist of loans and receivables and other financial liabilities as further explained in note 3(a) of the annual financial statements at December 31, 2013. As of June 30, 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 a variety of financial instrument related risks:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and

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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 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. As at June 30, 2014, the Company had cash and cash equivalents of \$1,242,133 available to settle current financial liabilities of \$76,141.

Market Risk

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

10. Subsequent Events

On July 9, 2014, Starrex International Ltd. completed the acquisition of three United States based entities: Olympia Capital Management, Inc., One Force Staffing, Inc., and Property Interlink, LLC. All three entities were acquired for aggregate consideration of \$1,890,000, satisfied by the issuance to the vendors of an aggregate of 3,780,000 common shares of Starrex, issued at a deemed price of \$0.50 per share.

On July 9, 2014, Starrex International Ltd. closed a private placement at \$0.50 per share for 1,983,957 shares for gross proceeds of \$991,979.