Starrex

AMENDED AND RESTATED

MANAGEMENT' DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED

DECEMBER 31, 2014

March 18, 2016

CAUTION CONCERNING FORWARD-LOOKING INFORMATION

This management's discussion and analysis ("MD&A") includes certain forward-looking statements that are based upon current expectations which involve risks and uncertainties associated with the Company's business and the economic environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, which are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. The forward-looking statements are not historical facts, but reflect the Company's current expectations regarding future results or events. Forward-looking statements contained in this MD&A are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section "Financial Risk Factors" below. Readers are cautioned that the lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in the forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Introduction

The following management's discussion and analysis ("MD&A") of the consolidated financial statements and results of operations of Starrex International Ltd. for the period ending December 31, 2014, has been restated. This discussion should be read in conjunction with the Company's restated audited annual consolidated financial statements and the notes thereto prepared in accordance with the International Financial Reporting Standards ("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 18, 2016. Unless otherwise indicated, all currency amounts in this MD&A are expressed in Canadian dollars.

Our Business

Starrex International Ltd. is a company focused on the mortgage, real estate and financial sectors with common shares listed on the Canadian Securities Exchange (Symbol: STX). Our primary objective is to acquire, manage and expand companies in mortgage services including mortgage appraisal management, mortgage originations, mortgage servicing and mortgage-backed securitizations.

Company management continues to regularly review and evaluate unsolicited merger and/or acquisition ("M&A") transactions - in diverse financial, resource and industrial business sectors.

Our primary business operations are conducted through our wholly-owned subsidiary, Property Interlink, LLC, a Colorado limited liability company ("Property Interlink"). Property Interlink is a licensed appraisal management company providing objective and comprehensive evaluations of residential real estate. Starrex also has two additional wholly-owned subsidiaries, Olympia Capital Management, Inc. and One Force Staffing, Inc.

Olympia Capital Management, Inc. is a consulting firm specializing in private mortgage conduits, the brokerage of government sponsored enterprise loan sales, warehouse lending and capital market strategies for mortgage bankers.

One Force Staffing, Inc. is an administrative staffing and recruiting company focused on mortgage-related staffing placement, including full branch placements.

Financial Strategy and Industry Regulations

Property Interlink provides residential appraisals to third parties in the United States. In exchange for these contractual services, the Company charges a specific rate, with additional premiums charged for extenuating circumstances with respect to geographic location of the property and size of the property under review. Property Interlink also performs review services for final appraisals. The fee schedules set forth in the internal *Property Interlink, LLC Policies and Procedures* are static and not subject to change, regardless of customer. The only changes made are those stated above.

From time to time, the mortgage industry will pass new regulations or amend existing regulations that impact the appraisal industry with respect to pricing. When this occurs, the Company's compliance personnel provides guidance relative to company-wide rate changes that may be needed to ensure financial viability and shareholder value. These changes are discussed and approved by Senior Management, then implemented accordingly.

One Force Staffing, Inc. provides staffing placement services to the mortgage industry. The entity has a set fee schedule for placement of all levels of personnel, as well as set pricing for branch placements.

All of the business conducted in Olympia Capital Management, Inc. is contractual with specific, individual pricing customized for the customer.

There are no specific regulatory requirements for Olympia Capital Management, Inc. or One Force Staffing, Inc.

Restatement

On February 8, 2016, Starrex International Ltd. announced it would restate its 2014 audited financial statements following discussion with the Ontario Securities Commission (the "OSC") respecting the treatment of the subsidiaries acquired July 9, 2014. During this period, the OSC issued a management cease-trade order prohibiting the Company's Chief Executive Officer and Chief Financial Officer from trading in the securities of Starrex until the 2014 annual audited financial statements, along with the first three quarterly financial statements of 2015 have been restated, filed and subsequently approved by the OSC.

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

To satisfy the requirements of IFRS 13, Fair Value Measurement, the Company engaged a third party expert in the Mergers and Acquisitions Valuation Field, to provide an analysis of the fair value for each acquisition, as well as the subsequent impairment and allocation of the purchase price. This analysis resulted in significant material changes to intangible assets, goodwill, deferred tax liability, share capital, and deficit as well as amortization of intangible assets and impairment of goodwill, which impact the consolidated statement of financial position, consolidated statements of loss and comprehensive loss, consolidated cash flows and changes in equity.

The following information has been prepared in accordance with IFRS. All monetary references in this document are to Canadian dollars unless otherwise indicated.

Effects of restatement

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

Changes to the consolidated statements of financial position:

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

Changes to the consolidated statements of loss and comprehensive loss:

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

Changes to the consolidated statements of cash flows:

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

The Company reclassified the unallocated purchase price to accurately reflect the recognition of assets and liabilities identified in the purchase price allocation, as well as the adjustment to the fair value of the shares issued as consideration on July 9, 2014.

Share capital increased by $1,701,000 reflecting the difference between the original fair value estimate of $0.50 and the final valuation of $.95 per share for those securities issued for the acquisition of Property Interlink, LLC, One Force Staffing, Inc. and Olympia Capital Management, Inc.

Included in the purchase price allocation are intangible assets attributable to employee non-compete agreements as well as established customer relationships in the acquired subsidiaries. In determining the fair value for customer relationships, the Company engaged a valuation firm and utilized the multi-period excess earnings method.

Values attributable to employee non-compete agreements were determined based upon the contractual parameters included in the agreements, applying those parameters to the discounted cash flow models used for determining future projections and applying a probability factor of the employee successfully competing in the marketplace. These amounts are amortized over four to five years.

The overall adjustment to the deficit is entirely due to the impairment of goodwill and amortization of intangible assets for the year ended December 31, 2014.

Significant Events and Status

Starrex completed a private placement during the third quarter to facilitate the purchase and provide operating capital for acquisitions. The Company's due diligence process was completed, and regulatory approval was achieved for a listing on the Canadian Securities Exchange.

On July 9, 2014, the Company closed three acquisitions. Pursuant to the Plan of Merger Agreement, the Company acquired all of the issued and outstanding shares of Property Interlink, LLC, a Colorado limited liability company, in exchange for the issuance of 1,260,000 common shares of the Company with a fair value of CDN $1,197,000. Property Interlink, LLC is an appraisal management company licensed in 7 states as at December 31, 2014.

Pursuant to the Plan of Merger Agreement, the Company acquired all of the issued and outstanding shares of One Force Staffing, Inc., a Texas corporation in exchange for the issuance of 1,260,000 common shares of the Company with a fair value of CDN $1,197,000. One Force Staffing, Inc. is an administrative staffing and recruitment company focused on mortgage related staffing placement, including full branch placements.

Pursuant to the Plan of Merger Agreement, the Company acquired all of the issued and outstanding shares of Olympia Capital Management, Inc., a Florida Corporation, in exchange for the issuance of 1,260,000 common shares of the Company with a fair value of CDN $1,197,000. Olympia Capital Management, Inc. is a consulting firm specializing in private mortgage conduits, GSE sales, warehouse lending, and capital market strategies for mortgage bankers.

On November 19, 2014, Property Interlink, LLC, a subsidiary of Starrex International Ltd. completed the acquisition of Heinen & Associates, a United States based entity. All of the membership interest of

Heinen & Associates, LLC were exchanged in consideration of $723,010 (US $775,000), which was satisfied by: (i) payment of $56,540 (US $50,000) in cash; (ii) issuance of promissory note by Property Interlink, LLC in the aggregate amount of $282,700 (US $250,000); (iii) rental reimbursement obligation of $28,270 (US $25,000); and (v) issuance of 450,0000 common shares of Starrex with a fair value of $355,500. This acquisition increased the footprint of Property Interlink, LLC and incrementally increased revenue. The financial model of Heinen & Associates, Inc. supports higher net margins than that of Property Interlink, LLC alone. It is Management's plan to adopt this model at the Property Interlink, LLC level, which will result in significant increases in overall net income to the Company.

Board and Management

Dr. Deborah Ramirez became Chief Financial Officer and Ronald Mann assumed the position of Chief Operations Officer during the fourth quarter.

Financial Condition

Overview of Financial Performance

During the period under review (the fiscal year ended 31 December 2014), the Company's current asset position increased by $922,779. This is primarily due to gross proceeds of $991,979 received from the private placement completed during the year and the increase in accounts receivable, which were $910,710 at December 31, 2014, compared to NIL at December 31, 2013.

Overall total assets increased by $4,964,383 from the previous year. Property, plant and equipment were acquired in July which resulted in an increase in fixed assets of $995,243 after depreciation. The Company also acquired $1,463,352 in intangible assets through the acquisition of four businesses during the year as well as $1,583,009 in goodwill net of $1,070,400 of impairment recorded during the year.

Selected Financial Information		**Dec 31, 2014**		**, Dec 31, 2013**
Total Assets	$	6,580,750	$	1,511,142
Total Liabilities	$	1,689,615	$	177,287
Total Shareholders' Equity	$	4,891,135	$	1,333,855

The Company incurred a loss before provision for income taxes of $1,776,879 for the year ended December 31, 2014, compared to $146,008 for the corresponding period in the previous year. A large contribution to the increase is the result of impairment of goodwill of $1,070,400 for the year ended December 31, 2014. On a per share basis, for the year ended December 31, 2014, the Company's losses from continuing operations were $0.17, compared to $0.04 from the previous year.

				2014				
Quarterly Results		**Dec 31**		**Sept 30**		**Jun 30**		**March 31**
Total income	$	1,377,054	$	1,074,822	$	2,655	$	1,297
Net loss and comprehensive loss	$	(1,256,224)	$	(206,495)	$	(150,417)	$	(87,257)
Basic and diluted loss per share	$	(0.09)	$	(0.02)	$	(0.02)	$	(0.02)

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, which includes income from the wholly owned subsidiaries for the period under review increased to $2,448,369 from last year's $7,377. Total expenses before impairment of goodwill for the period under review was $3,161,761 compared to $153,385 the prior year. The expenses for each period were largely attributable to 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 seventeen cents (0.17) per share, compared with four cents (0.04) per share for the prior year.

Liquidity and Capital Resources

At the end of the period under review, current assets aggregated $2,539,146, a significant increase from $1,616,367 reported at the prior year-end. This increase is due to the accounts receivable accounts of $910,710 as at December 31, 2014 in the wholly-owned subsidiaries..

Current liabilities for the current reporting period were $662,768, compared with $189,632 at the prior year end. The increase of $473,136 reflects the Company's increased activity in Property Interlink, LLC. Included in this amount is $105,112 in deferred revenue attributable to appraisal services. Deferred revenue in Property Interlink, LLC is prepaid amounts for appraisals that were not completed as of December 31, 2014.

Included in the long term liabilities of the Company is a promissory note associated with the acquisition of Heinen & Associates effective November 19, 2014. This promissory note, in the aggregate principal amount of $282,700 carries an interest rate of 4.5% per annum with semi-annual principal payments of $58,005 and applicable interest starting May 1, 2015, and ending May 1, 2017.

Cash Flow Statement

The Company used $918,398 for operating and investing activities during 2014, compared to $43,254 in 2013. Accounts receivable comprise $768,456 of this amount.

Share Capital Analysis

As at December 31, 2014, the share capital of the Company continued to be comprised exclusively common shares. As a result of the third quarter private placement (1,983,957 common shares, at $0.50 per share, for gross proceeds of $991,979) and subsequent acquisitions, the number of issued and outstanding common shares of the Company increased from 8,116,870 at the end of the prior year to 14,430,827 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.

Segmented Information

The Company organizes its reporting structure into three reportable segments. For management purposes, the Company is organized into segments based on their products and services provided. Management monitors the operating results of each segment separately for the purpose of making decisions about resource allocation and performance assessment. Selected financial information as at December 31, 2014 is presented as follows:

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

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

AmCap Mortgage Ltd.

AmCap Mortgage Ltd., a customer related by common management, the Chief Executive Officer, accounted for $591,060 (2013 - NIL) in revenue to the Company. Amcap is a mortgage originations company with branches situated across the United States. These branches place orders for residential mortgage appraisals through Property Interlink, LLC, which are mostly prepaid and are posted in deferred revenue. Additionally, Amcap utilizes the services of One Force Staffing, Inc. for staff placement in their corporate offices as well as satellite branches, as needed. Amcap also, on occasion, utilizes Olympia Capital Management, Inc. for consulting services.

Key Management Compensation

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

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

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

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

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

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

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

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.

Foreign Currency Risk

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

Disclosure Controls and Procedures

The Company's Chief Executive Officer and 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 2014 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 and 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 2014, 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 business nature.

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 2014 include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated 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 Starrex International 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: Deborah M. Ramirez, Chief Financial Officer
March 18, 2016