

**MATERIAL CHANGE REPORT**  
Form 51-102F3  
Section 7.1 of National Instrument 51-102

**Item 1 Name and Address of Company**

Starrex International Ltd.  
199 Bay Street, Suite 2200,  
Toronto, Ontario M5L 1G4

**Item 2 Date of Material Change**

Friday, March 18, 2016

**Item 3 News Release**

A new release was issued via Marketwired on Friday, March 18, 2016.

**Item 4 Summary of Material Change**

Management of Starrex International Ltd. (“**Starrex**” or the “**Company**”) filed on SEDAR at [www.sedar.com](http://www.sedar.com) and with the applicable securities commissions the amended and restated audited financial statements and revised management discussion and analysis (“**MD&A**”) for the year ended December 31, 2014 (collectively, the “**Restatements**”).

**Item 5 Full Description of Material Change**

Management of Starrex filed with the applicable securities commissions the Resatements which can be found on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Company’s profile.

On February 8, 2016, Starrex announced it would restate its 2014 audited financial statements following discussions with the Ontario Securities Commission (the “**OSC**”) respecting the treatment of the subsidiaries, Property Interlink, LLC, One Force Staffing, Inc. and Olympia Capital Management, Inc., acquired by Starrex on July 9, 2014 (the “**Acquisitions**”).

Subsequent to the original issuance of the Company’s audited consolidated financial statements for the year ended December 31, 2014, the Company determined that the share consideration issued in exchange for the Acquisitions was incorrectly measured using the concurrent financing price of \$0.50. The Restatements 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 closing 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 Restatements include the finalized purchase price allocation which resulted in the recognition of additional intangible assets and amortization related thereto as well as goodwill. The Restatements reflect 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 of the Acquisitions, 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 for the year ended December 31, 2014.

Changes to the consolidated statements of financial position:

	<b>As previously reported December 31, 2014</b>	<b>Restatement Adjustment</b>	<b>Restated December 31, 2014</b>
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)	\$ -
<b>Total assets</b>	<b>\$ 5,604,234</b>	<b>\$ 976,516</b>	<b>\$ 6,580,750</b>
Deferred tax liability	\$ 412,325	\$ 440,272	\$ 852,597
<b>Total liabilities</b>	<b>\$ 1,249,343</b>	<b>\$ 440,272</b>	<b>\$ 1,689,615</b>
Share capital	\$ 5,633,233	\$ 1,701,000	\$ 7,334,233
Deficit	\$ (1,565,049)	\$ (1,164,756)	\$ (2,729,805)
<b>Total equity</b>	<b>\$ 4,354,891</b>	<b>\$ 536,244</b>	<b>\$ 4,891,135</b>
<b>Total equity and liabilities</b>	<b>\$ 5,604,234</b>	<b>\$ 976,516</b>	<b>\$ 6,580,750</b>

Changes to the consolidated statements of loss and comprehensive loss:

	<b>As previously reported December 31, 2014</b>	<b>Restatement Adjustment</b>	<b>Restated December 31, 2014</b>
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:

	<b>As previously reported December 31, 2014</b>	<b>Restatement Adjustment</b>	<b>Restated December 31, 2014</b>
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 Acquisitions.

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.

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As previously announced, the OSC issued a management cease trade order (“**MCTO**”) prohibiting the Company’s Chief Executive Officer and Chief Financial Officer from trading, directly or indirectly, in the securities of Starrex until two full business days following the receipt by the OSC and filing of the Restatements, along with restatements of the first three quarterly financial statements of 2015 and related MD&A’s. Starrex expects to file one set of the 2015 restated interim financial statements and related MD&A’s in each of the next three weeks.

Starrex intends to satisfy the provisions of the Alternative Information Guidelines as set out in National Policy 12-203 for as long as Starrex remains in default, including the issuance of further bi-weekly default status reports, each of which will be issued in the form of a press release. A general cease trade order may be issued if Starrex fails to file such default status reports on a timely basis. The MCTO does not affect the ability of persons who are not insiders of Starrex to trade its securities.

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51 -1 02**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Inquiries in respect of the material change referred to herein may be made to:

Ronald Mann, Secretary, Chief Operating Officer and Investor Relations Officer

tel: (647) 981-2782

email: [rmann@starrexintl.com](mailto:rmann@starrexintl.com)

**Item 9 Date of Report**

This report is dated as of the 21<sup>st</sup> day of March, 2016.