



## **STARREX INTERNATIONAL LTD.**

### **PRESS RELEASE**

#### **FOR IMMEDIATE RELEASE:**

#### **STARREX FILES RESTATED Q3 2015 INTERIM FINANCIAL STATEMENTS AND REVISED MD&A AND UPDATES PREVIOUS DISCLOSURE**

**April 11, 2016 – Toronto, Ontario** - Starrex International Ltd. (“**Starrex**” or the “**Company**”) (CNSX: STX) filed on Friday, April 8, 2016 restated interim financial statements and a revised management’s discussion and analysis (“**MD&A**”) for the third-quarter ended September 30, 2015 which can be found on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Company’s profile. This followed the filing on Friday, March 18, 2016 of restated audited financial statements and a revised MD&A for the Company for the year ended December 31, 2014 (see press release dated March 18, 2016) and the filings on Thursday, March 24, 2016 and Friday, April 1, 2016 of restated interim financial statements and revised MD&As for the first and second quarters ended March 31, 2015 and June 30, 2015, respectively (see press releases dated March 28 and April 4, 2016).

On December 9 and 16, 2015, after discussions with the staff of the Ontario Securities Commission (“**OSC**”), Starrex announced that it would restate and re-file (i) its first, second and third quarter unaudited interim financial statements for the periods ended March 31, June 30 and September 30, 2015; and (ii) the corresponding interim MD&As. Following additional discussions with the staff of the OSC respecting the treatment of the acquisitions of subsidiaries, Property Interlink, LLC, One Force Staffing, Inc. and Olympia Capital Management, Inc., acquired by Starrex on July 9, 2014 (the “**Acquisitions**”), Starrex announced on February 8, 2016 that it would restate and refile its 2014 audited annual financial statements. The restatement and refile of the 2015 interim financial statements were delayed pending completion of the restatement of the 2014 audited annual financial statements.

Subsequent to the original issuance of the Company’s audited consolidated financial statements as at and 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 CAD \$0.50 per share. The restated 2014 annual 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 CAD \$0.95 per share. Furthermore, the original issuance of the 2014 annual 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 2014 annual 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 2014 annual 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.

Subsequent to the restatement of the Company's 2014 audited annual consolidated financial statements, the Company also released restated unaudited condensed interim consolidated financial statements for the periods ended March 31, 2015 and June 30, 2015. Both of the aforementioned interim restatements required the Company to issue restated condensed interim consolidated financial statements as at and for the period ended September 30, 2015.

The following tables reflect the corrections to the Company's unaudited condensed interim consolidated financial statements as at and for the period ended September 30, 2015.

Changes to the condensed interim consolidated statements of financial position:

	<b>As previously reported September 30, 2015</b>	<b>Adjustment</b>	<b>Restated September 30, 2015</b>
Other current assets	\$ 1,020,085	\$ (1,020,085)	\$ -
Notes receivable - current	\$ -	\$ 965,000	\$ 965,000
Property, plant and equipment, net of depreciation	\$ 365,916	\$ 1,599	\$ 367,515
Intangible assets	\$ 492,055	\$ 288,864	\$ 780,919
Goodwill	\$ 829,692	\$ (255,693)	\$ 573,999
	\$	\$ -	\$
<b>Total assets</b>	<b>\$ 4,457,226</b>	<b>\$ (20,315)</b>	<b>\$ 4,436,911</b>
Accounts payable and accrued liabilities	\$ 222,130	\$ (196,854)	\$ 25,276
Deferred revenue	\$ -	\$ 232,566	\$ 232,566
Income taxes payable	\$ -	\$ 40,161	\$ 40,161
Notes payable - current	\$ -	\$ 102,010	\$ 102,010
Notes payable - long term	\$ 205,764	\$ (102,010)	\$ 103,754
Deferred tax liability	\$ 355,420	\$ 15,522	\$ 370,942
<b>Total liabilities</b>	<b>\$ 783,313</b>	<b>\$ 91,396</b>	<b>\$ 874,709</b>
Share capital	\$ 5,138,672	\$ 1,606,979	\$ 6,745,651
Contributed surplus	\$ 148,203	\$ 99,024	\$ 247,227
Accumulated other comprehensive income	\$ (181,294)	\$ (80,240)	\$ (261,534)
Deficit	\$ (1,431,668)	\$ (1,737,474)	\$ (3,169,142)
<b>Total equity</b>	<b>\$ 3,673,913</b>	<b>\$ (111,711)</b>	<b>\$ 3,562,202</b>
<b>Total equity and liabilities</b>	<b>\$ 4,457,226</b>	<b>\$ (20,315)</b>	<b>\$ 4,436,911</b>

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Changes to the condensed interim consolidated statements of loss and comprehensive loss:

	<b>As previously reported three months ended September 30, 2015</b>	<b>Restatement Adjustment</b>	<b>Restated three months ended September 30, 2015</b>
Amortization	\$ 3,357	\$ 30,705	\$ 34,062
Depreciation	\$ 14,611	\$ 6,178	\$ 20,789
Share based payments	\$ -	\$ 95,316	\$ 95,316
Net loss from continuing operations	\$ (107,391)	\$ (133,338)	\$ (240,729)
Loss from discontinued operations	\$ -	\$ -	\$ -
Net comprehensive loss	\$ (107,391)	\$ (133,338)	\$ (240,729)
Basic and diluted loss per share from continuing operations	\$ (0.01)	\$ (0.01)	\$ (0.02)
Basic and diluted loss per share from discontinuing operations	\$ -	\$ -	\$ -

Changes to the condensed interim consolidated statements of cash flows:

	<b>As previously reported September 30, 2015</b>	<b>Restatement Adjustment</b>	<b>Restated September 30, 2015</b>
Net loss for the year	\$ (137,872)	\$ (205,616)	\$ (343,488)
Loss on discontinued operations	\$ -	\$ (476,822)	\$ (476,822)
Stock based compensation	\$ -	\$ 99,023	\$ 99,023
Depreciation and amortization	\$ -	\$ 157,746	\$ 157,746
Unpaid interest	\$ -	\$ 10,144	\$ 10,144
Accounts receivable	\$ 519,998	\$ (347,170)	\$ 172,828
Accounts payable and accrued liabilities	\$ (248,053)	\$ (251,638)	\$ (499,691)
Deferred revenue	\$ -	\$ (141,959)	\$ (141,959)
Income taxes payable	\$ 40,161	\$ (40,161)	\$ -
Cash generated from (used in) operating activities from discontinued operations	\$ -	\$ 387,418	\$ 387,418
Disposal of assets	\$ 491,986	\$ (491,986)	\$ -
Acquisition of subsidiaries	\$ 573,355	\$ (573,355)	\$ -
Purchase of property, plant and equipment	\$ (110,896)	\$ 35,377	\$ (75,519)
Purchase of intangible assets	\$ -	\$ (125,417)	\$ (125,417)
Divestiture of subsidiary	\$ (1,985,085)	\$ 1,985,085	\$ -
Issuance of share capital	\$ 57,869	\$ (57,869)	\$ -
Principal repayment on notes payable	\$ (85,723)	\$ 39,200	\$ (46,523)

These unaudited condensed interim consolidated financial statements as at and for the period ended September 30, 2015 include adjustments previously disclosed in the restated 2014 annual audited consolidated financial statements, as well as in the unaudited condensed interim consolidated financial statements as at and for the periods ended March 31, 2015 and June 30, 2015. Specifically, the Company reclassified the unallocated purchase price allocation, as well as the adjustment to the fair value of the shares issued as consideration for the Acquisitions on July 9, 2014.

Starrex has now completed all of its previously identified refiling obligations. 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 of all filings that the Company is required to make under Ontario securities law or other order of the Director of the OSC. The MCTO did not affect the ability of persons who are not insiders of Starrex to trade its securities. As Starrex has completed all of its previously identified refiling obligations, there is no known default in respect of any of its filing obligations and, accordingly, Starrex does not intend to issue any further bi-weekly default status reports.

***For further information please contact Ronald Mann, Secretary, Chief Operating Officer and Investor Relations Officer of Starrex, at (647) 981-2782, email address: rmann@starrexintl.com.***

***This news release contains forward-looking information. All information (other than statements of historical fact) that address activities, events or developments that Starrex believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking information is subject to a variety of risks and uncertainties beyond Starrex’s ability to control or predict that may cause actual events or results to differ materially from those described in such forward-looking information. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Starrex disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although Starrex believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and, accordingly, undue reliance should not be placed on forward-looking information due to the inherent uncertainty thereof.***

***This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The Company’s securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.***

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