Starrex International Ltd.

Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2016 and 2015

(Unaudited)

Management's Consolidated Responsibility for
Condensed Interim Consolidated Financial Statements

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

The unaudited condensed interim consolidated 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 audited consolidated financial statements as at December 31, 2015. 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 unaudited condensed interim consolidated 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 consolidated 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 consolidated financial statements and (ii) the unaudited condensed interim consolidated 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 consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated 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 consolidated 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 consolidated 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): *"Dr. Deborah M. Ramirez"*
Chief Financial Officer

Toronto, Canada
May 30 , 2016

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. These unaudited condensed interim consolidated financial statements as at, and for the three months ended, March 31, 2016, have not been reviewed by the Company's auditors.

Starrex International Ltd.

Condensed Interim Consolidated Statements of Financial Position (Unaudited)

		March 31 2016		December 31 2015
Current Assets				
Cash and cash equivalents	**$**	**114,349**	$	176,457
Accounts receivable (Note 6)		**450,287**		408,932
Prepaid expenses		**76,839**		47,840
		641,475		633,229
Non-current Assets				
Property, plant and equipment, net of depreciation (Note 4)		**327,616**		348,821
Intangible assets, net or amortization (Note 5)		**710,722**		738,483
Goodwill (Note 6)		**621,132**		621,132
Note receivable (Note 7)		**1,930,000**		1,930,000
Total Assets	**$**	**4,230,945**	$	4,271,665
EQUITY AND LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**422,653**	$	313,503
Deferred revenue		**179,806**		83,765
HST/GST payable		**607**		-
Notes payable (Note 12)		**101,103**		100,382
Income taxes payable		**32,230**		32,230
		736,400		529,880
Long term liabilities				
Notes payable (Note 12)		**51,116**		50,191
Deferred tax liability		**283,484**		283,484
Total liabilities		**1,070,999**		863,555
Capital and reserves				
Share capital (Note 9)		**6,745,651**		6,745,651
Contributed surplus		**247,226**		247,226
Accumulated other comprehensive income		**(261,534)**		(261,534)
Deficit		**(3,571,398)**		(3,323,233)
Total equity		**3,159,945**		3,408,110
Total equity and liabilities	**$**	**4,230,945**	$	4,271,665

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

Starrex International Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the periods ended March 31, 2016

(Unaudited)

	2016		2015
Income			
Investment income	**24,059**	$	196
Operating income	**1,311,931**		1,335,342
	1,335,990		1,335,538
Expenses			
Administrative	**260,158**		56,964
Professional fees	**181,797**		66,501
Payroll expense	**1,086,588**		1,173,018
Interest expense	**1,646**		1,818
Depreciation and amortization	**53,966**		118,261
	1,584,155		1,416,562
Net income (loss) from continuing operations before Provision for income taxes	**-**		-
Net income (loss) from continuing operations	**(248,165)**		(81,024)
Loss from discontinued operations	-	$	(191,012)
Net comprehensive loss for the period	**(248,165)**	$	(272,036)
Basic and diluted net loss from continuing operations	**(0.02)**	$	(0.01)
Basic and diluted net loss from discontinued operations	**-**	$	(0.01)
Weighted average number of common shares outstanding	**14,472,471**		14,457,676

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three-month period ended March 31, 2016

(unaudited) Expressed in U.S. Dollars

	Number of Shares	Value	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2012	3,449,566	1,049,677	10,002	(655,403)	-	404,276
Net comprehensive loss for the period	-	-	-	(11,881)	-	(11,881)
Balance, March 31, 2013	**3,449,566**	**1,049,677**	**10,002**	**(667,284)**	**-**	**392,395**
Balance, December 31, 2013	8,116,870	1,998,152	12,955	(781,262)	-	1,229,846
Share based payments	-	-	1,210	-	-	1,210
Net comprehensive loss for the period	-	-	-	(75,216)	-	(75,216)
Balance, March 31, 2014	**8,116,870**	**1,998,152**	**14,165**	**(856,478)**	**-**	**1,155,840**
Balance, December 31, 2014	**14,430,827**	**6,678,321**	**148,204**	**(2,348,832)**	**(261,534)**	**4,216,159**
Net comprehensive loss for the period				(272,036)		**(272,036)**
Balance, March 31, 2015	**14,430,827**	**6,678,321**	**148,204**	**(2,620,868)**	**(261,534)**	**3,944,123**
Balance, December 31, 2015	**14,480,827**	**6,745,651**	**247,226**	**(3,323,233)**	**(261,534)**	**3,408,110**
Net comprehensive loss for the period	-	-	-	(248,165)	-	**(248,165)**
Balance, March 31, 2016	**14,480,827**	**6,745,651**	**247,226**	**(3,571,398)**	**(261,534)**	**3,159,945**

The accompanying notes are an integral part of these consolidated financial statements.

Starrex International Ltd.
Condensed Interim Consolidated Statements of Cash Flows
For the periods ended March 31, 2016 and 2015
(Unaudited)

		March 31, 2016		March 31, 2015
Cash flows from operating activities				
Net Comprehensive Loss for the period	**$**	**(248,165)**	$	(272,036)
Items not affecting cash:				
Depreciation and amortization		**53,966**		146,326
Unpaid interest		**-**		1,874
Net change in non-cash working capital items relating to operating activities				
Prepaid expenses		**(28,999)**		(7,248)
Accounts receivable		**(41,355)**		(75,179)
Accounts payable and accrued liabiliities		**109,150**		180,182
GHT/HST payable		**607**		-
Deferred revenue		**96,041**		(90,607)
Deferred tax		**-**		-
Cash generated from (used in) operating activities		**135,444**		(116,688)
Investing activities				
Purchase of property, plant and equipment		**-**		(47,680)
Capitalized assets		**(5,000)**		-
Cash generated from (used in) investing activities		**(5,000)**		(47,680)
Financing activities				
Principal repayment on notes payable		**1,646**		-
Cash provided by financing activities		**1,646**		-
Effect of foreign exchange of cash		**-**		(3,481)
(Decrease) increase in cash and equivalents		**(62,109)**		(164,368)
Cash and cash equivalents, beginning of period		**176,457**		1,393,987
Cash and cash equivalents, end of period	**$**	**114,349**	$	1,229,619

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

1. Business of the Company

Nature of Business

Starrex International Ltd., formerly Starrex Mining Corporation Limited ("Starrex" or 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 199 Bay Street, Suite 2200, Toronto, Ontario M5L 1G4. The Company's 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 consolidated financial statements were approved by the Board of Directors on May 30, 2016.

2. Significant Accounting Policies

a. *Statement of compliance*

The Company has prepared these unaudited condensed interim consolidated financial statements in accordance with International Accounting Standard 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, 2015. The notes to these unaudited condensed interim consolidated 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, 2015. Certain disclosures that appear in the annual financial statements have not been produced in the unaudited condensed interim consolidated financial statements and, in this regard only, these unaudited condensed interim consolidated financial statements do not conform in all respects to the requirements of International Financial Reporting Standard ("IFRS") for annual financial statements. Accordingly, these unaudited condensed interim consolidated financial statements should be read in conjunction with the annual financial statements as at December 31, 2015.

b. *Standards issues or amended which will be adopted in future periods*

IFRS 9, Financial Instruments ("IFRS 9") was initially issued by the IASB on November 12, 2009 and issued in its completed version in July 2014, and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for financial years beginning on or after January 1, 2018.

IFRS 15, Revenue from Contract with Customers ("IFRS 15") was issued by the IASB in May 2014 and clarifies the principles for recognizing revenue from contracts with customers. IFRS 15 will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (i.e. service revenue and contract modifications) and improve guidance for

2. Significant Accounting Policies – continued

b. Standards issues or amended which will be adopted in future periods - continued

multiple-element arrangements. IFRS 15 is effective for periods beginning on or after January 1, 2018 and is to be applied retrospectively.

IFRS 16, Leases ("IFRS 16") was issued by the IASB in January 2016 and brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance lease is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations and is effective for period beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

The Company is currently assessing the effects of these new standards and intends to adopt them on their effective dates.

c. ***Basis of presentation***

These unaudited condensed interim consolidated 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 consolidated financial statements have been prepared using the accrual basis of accounting.

d. ***Principles of Consolidation***

These unaudited condensed interim consolidated financial statements include the Company and its wholly-owned subsidiary, Property Interlink, LLC, a wholly-owned subsidiary of Property Interlink, LLC, One Force Staffing, LLC, Olympia Capital Management, LLC which were acquired July 9, 2014, and Heinen & Associates LLC, a wholly-owned subsidiary of Property Interlink, LLC, which was acquired on November 19, 2014 and Brownlee Appraisal Services Inc. which was acquired on June 1, 2015. One Force Staffing, LLC and Olympia Capital Management, LLC, were divested May 1, 2015 (Note 16). All subsidiaries at year end are 100% owned and controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the unaudited condensed interim consolidated financial statements from the date control is obtained until the date control ceases. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated upon consolidation.

e. ***Accounting Estimates and Judgments***

The preparation of these unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to these unaudited condensed interim consolidated financial statements are as follows:

2. Significant Accounting Policies – continued

e. Accounting Estimates and Judgments – continued

i. Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangible assets with definite lives (software, trade name and customer relationships) and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss. The assessment of fair values requires the use of estimates and assumptions related to future operating performance and discount rates, differences in these estimates and assumptions could have a significant impact on the unaudited condensed interim consolidated financial statements. No impairment has been recorded for the periods ended March 31, 2016 and 2015.

ii. Significant judgment is involved in the determination of useful life for the computation of depreciation of equipment and amortization of intangible assets. No assurance can be given that actual useful lives will not differ significantly from current assumptions.

iii. Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of acquisition date fair values often requires management to make assumptions and estimates about future events. The assumptions with respect to fair value of intangible assets requires a high degree of judgment and include estimates for future operating performance, discount rates, technology migration factors and terminal value rates.

f. *Functional currency*

On January 1, 2015, Starrex International Ltd., the parent company, changed its functional currency from the Canadian dollar ("CAD") to the U.S. dollar ("USD"). This reflects the fact that the majority of the Company's business is influenced by an economic environment denominated in U.S. currency, as well, the Company earns revenues in U.S. dollars. The change in accounting treatment was applied prospectively. In conjunction with the change in functional currency, the Company changed its presentation currency from CAD to USD.

Transactions denominated in foreign currency (other than the functional currency) are recorded on initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at the end of each reporting period into the functional currency at the exchange rate at that date. Exchange differences, other than those capitalized to qualifying assets or recorded in equity in hedging transactions, are recognized in profit or loss. Non-monetary assets and liabilities measured at cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

(Unaudited) (stated in United States dollars)

3. Business Combinations

Acquisition of Brownlee Appraisal Services, Inc.

On June 1, 2015, Property Interlink, LLC, a wholly-owned subsidiary of Starrex International Ltd. completed the acquisition of Brownlee Appraisal Services, Inc., a United States based entity. All of the membership interest of Brownlee Appraisal Services, Inc. were exchanged for consideration of $67,330, which was satisfied by the issuance of 50,000 common shares of Starrex with a fair value of $67,330.

The following sets forth the final allocation of the purchase price to assets acquired and liabilities assumed, based on estimates of fair value, including a summary of major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration Paid:		
Fair value of 50,000 Starrex common shares issued June 1, 2015	$	67,330
Allocation of purchase price:		
Intangible assets	$	33,439
Deferred income tax		(13,242)
Goodwill		47,133
	$	67,330

(Unaudited) (stated in United States dollars)

4. Property and Equipment

	Furniture & Equipment	Leasehold Improvements	Total
Cost			
As at January 1, 2015	764,512	173,831	938,343
Additions	83,075	2,200	85,275
Disposals	(449,851)	(103,830)	(553,681)
As at December 31, 2015 and March 31, 2016	**$ 397,736**	**$ 72,201**	**$ 469,937**
Accumulated depreciation			
As at January 1, 2015	69,682	10,762	80,444
Disposals	(74,515)	(10,592)	(85,107)
Expense	108,201	17,578	125,779
As at December 31, 2015	103,368	17,748	121,116
Expense	18,626	2,579	21,205
As at March 31, 2016	**$ 121,994**	**$ 20,327**	**$ 142,321**
Net book value			
As at December 31, 2015	$ 294,368	$ 54,453	$ 348,821
As at March 31, 2016	**$ 275,742**	**$ 51,874**	**$ 327,616**

(Unaudited) (stated in United States dollars)

5. Intangible Assets

	Business Software & Website (1)	Proprietary Software (2)	Non-Compete Agreements (3)	Customer Relationships (4)	Total
Cost					
As at January 1, 2015	$ 169,281	$ 55,151	$ 360,195	$ 774,363	$ 1,358,990
Additions	-	135,417	-	33,439	168,856
Disposals	(102,168)	-	(217,352)	(315,667)	(635,187)
As at December 31, 2015	$ 67,113	$ 190,568	$ 142,843	$ 492,135	$ 892,659
Additions	-	5,000	-	-	5,000
As at March 31, 2016	**67,113**	**195,568**	**142,843**	**492,135**	**897,659**
Accumulated depreciation					
As at January 1, 2015	$ 16,247	$ -	$ 31,688	$ 49,646	$ 97,581
Disposals	(15,887)	-	(35,253)	(51,199)	(102,339)
Expense	20,704	28,451	42,980	66,799	158,934
As at December 31, 2015	$ 21,064	$ 28,451	$ 39,415	$ 65,246	$ 154,176
Expense	935	9,958	7,143	12,304	30,340
As at March 31, 2016	**$ 21,999**	**$ 38,409**	**$ 46,558**	**$ 77,550**	**$ 184,516**
Net Book Value					
As at December 31, 2015	$ 46,049	$ 162,117	$ 103,428	$ 426,889	$ 738,483
As at March 31, 2016	**$ 45,114**	**$ 157,159**	**$ 96,285**	**$ 414,585**	**$ 713,143**

(1) The Company has engaged software development companies to develop appraisal management software, general business software, and a website to be used by the Company to generate further revenues.

(2) Property Interlink, LLC engaged a software development company to develop proprietary software in support of Property Interlink's appraisal activities. The Company incurred an additional $5,000 in development costs during the period.

(3 & 4) The purchase price allocation of the acquisitions dated July 9, 2014, November 9, 2014, and June 1, 2015, included values for non-compete agreements for key employees in each of the subsidiaries as well as values for the existing customer relationships. These values have been included in the intangible assets.

(Unaudited) (stated in United States dollars)

6. Goodwill

The change in goodwill for the period ended March 31, 2016 was as follows:

	Property Interlink, LLC	One Force Staffing, Inc.	Olympia Capital Management, Inc.	Total
Balance, December 31, 2014	$ 573,999	$ 264,203	$ 526,352	$ 1,364,554
Acquisition June 1, 2015	47,133	-	-	47,133
Divestitures	-	(264,203)	(526,352)	(790,555)
Balance, December 31, 2015 and March 31, 2016	**$ 621,132**	**$ -**	**$ -**	**$ 621,132**

7. Notes Receivable

The Company entered into agreements effective May 1, 2015, to divest Olympia Capital Management, Inc. and One Force Staffing, Inc. through an asset sale. Promissory notes for $1,100,000 and $830,000 were received for Olympia Capital Management and One Force Staffing, Inc., respectively. The promissory notes carry a 5% interest rate compounded monthly. The promissory notes were originally payable in equal installments of $965,000 commencing November 30, 2015, the full balance due May 31, 2016.

Subsequent to the period end, the Company amended the terms of the notes receivable (Note 17). The amended terms are as follows: interest only payments shall be due and payable quarterly commencing July 14, 2016, with principal and any outstanding interest coming fully due April 14, 2017. Upon the occurrence and during the continuance of any event of default the note receivable shall bear interest at a rate of 8%. As at March, 31, 2016 and December 31, 2015, the note receivable is classified in non-current assets on the condensed interim consolidated statements of financial position.

During the three-month period ended March 31, 2016, the Company recorded interest income of $24,059 (December 31, 2015 - $NIL) of which $9,412 (December 31, 2015 - $50,392) is outstanding and included in accounts receivable on the condensed interim statements of financial position.

(Unaudited) (stated in United States dollars)

8. 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:

a. The Company incurred $59,386 in management fees during the three months ended March 31, 2016 (March 2015 - $45,095) to the Chief Operations Officer and Chief Financial Officer for services provided to the Company. The Company also incurred $26,320 (March 2015 - $Nil) in management fees during the three months ended March 31, 2016 to a Senior Vice President. All amounts have been paid accordingly.

b. For the period ended March 31, 2016, Amcap Mortgage Ltd., a customer related by common management, the Chief Executive Officer, accounted for $925,196 (March 2015 - $1,054,255) in revenue to the Company. As at March 31, 2016, $21,750 (December 2015 - $82,173) is included in accounts receivable on the condensed interim consolidated statements of financial position.

9. Share Capital

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

Issued	**Number of common shares**	**Amount**
Balance, December 31, 2014 and March 31, 2015	**14,430,827**	6,678,321
Acquisition (Note 3)	50,000	67,330
Balance, December 31, 2015 and March 31, 2016	**14,480,827**	**6,745,651**

(Unaudited) (stated in United States dollars)

10. 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 totaling 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.

Details of options outstanding:

	Number of options		Weighted average exercise price $
Outstanding, January 1, 2015	750,000	$	0.23
Cancelled	(100,000)		0.18
Granted	100,000		1.23
Oustanding, December 31, 2015 and March 31, 2016	**750,000**	**$**	**0.33**

	Common Shares Under option	Number of Options Vested		Exercise Price	Expiry Date
Granted May 21, 2013	50,000[(1)]	50,000	$	0.15[(5)]	May 21, 2018
Granted April 17, 2014	550,000[(2)]	550,000	$	0.19[(6)]	April 17, 2019
Granted May 29, 2014	50,000[(3)]	50,000	$	0.44[(7)]	May 29, 2019
Granted August 25, 2015	100,000[(4)]	100,000	$	1.31[(8)]	September 1, 2020

(1) A Director of the Company holds these options. One half of the optioned vested May 21, 2014. The remaining options vested 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.
(4) An Executive Officer of the Company holds these options. They are fully vested.
(5) The exercise price is CAD $0.20.
(6) The exercise price is CAD $0.25.
(7) The exercise price is CAD $0.57.
(8) The exercise price is CAD $1.70.

(Unaudited) (stated in United States dollars)

10. Share based payments - continued

The following weighted average assumptions were used to calculate the fair value of the stock options granted during the year ended December 31, 2015:

	December 31, 2015
Dividend yield	Nil
Risk free interest rate (%)	0.64
Expected stock volatility (%)	101
Expected life (years)	5

11. Net loss per share

Basic and diluted loss per share has been calculated based on the weighted average number of common shares outstanding of 14,480,827 for the three months ended March 31, 2016 (March 2015 – 14,430,827). Stock options were excluded from the calculation of the weighted average number of diluted common shares outstanding because their effect would have been anti-dilutive.

12. Note Payable

On November 19, 2014, Property Interlink, LLC, a subsidiary of Starrex International Ltd. completed the acquisition of Heinen & Associates, consideration included the issuance of a promissory note in the aggregate amount of $250,000. The promissory note has an interest rate of 4.5% per annum with semi-annual principal payments of $50,000 and applicable interest starting May 1, 2015 and ending May 1, 2017.

As of March 31, 2016, $101,103 (December 2015 - $100,382) of the outstanding balance is due within 1 year and $51,166 (December 2015- $50,191) of the balance is due after 1 year. During the period ended March 31, 2016, the Company recorded interest expense of $1,646 (March 2015 – $1,818) on the promissory note, which is unpaid and included in the value of the note payable on the statement of financial position at period end.

13. 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 $3,126,887 as at March 31, 2016 (December 2015 - $3,408,110). 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 three months ended March 31, 2016.

14. Financial Risk Factors

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, note receivable, accounts payable and accrued liabilities and note payable. As at March 31, 2016, 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 of loss associated with the counterparty's inability to fulfill its payment obligations. For financial assets, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. In the normal course of business, the Company is exposed to credit risk from its customers and the related accounts receivable are subject to normal industry credit risk. As at March 31, 2016 and December 31, 2015 no allowance for doubtful accounts was recorded.

The Company is also subject to credit risk on its note receivable. Information relevant to assessing the fair value of the note receivable is included in Note 7.

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 working capital to meet its liquidity requirements. At March 31, 2016, the Company had cash and cash equivalents of $114,348 (December 2015 - $176,457) available to settle current financial liabilities of $736,399 (December 2015 - $529,880).

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash maintained at financial institutions is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

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 liabities that are denoimintaed in a foreign currency. As at March 31, 2016, the Company held immaterial amounts of cash and cash equivalents in CDN currency and considers foreign currency low risk.

The following table summarizes the Company's exposure to the CDN dollar:

		March 31 2016		December 31 2015
Cash and cash equivalents	**$ CDN**	**3,558**	$ CDN	723
Accounts receivable		**589**		589
Accounts payable and accrued liabilities		**(213,595)**		(105,120)
Total	**$ CDN**	**(209,448)**	$ CDN	(103,808)

(Unaudited) (stated in United States dollars)

15. Segmented Disclosures

The Company organizes its reporting structure into two 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.

The two reportable operating segments are as follows:

i) Property Interlink manages appraisal companies and maintains all of the ordering, tracking, administrative duties, and details and ensures the timeliness of appraisals that are handled during a real estate mortgage transaction. Heinen & Associates LLC, and Brownlee Appraisal Services Inc. are integrated with the Property Interlink segment.

ii) Starrex International Ltd, or Corporate, manages the wholly-owned subsidiaries, as well as shareholder services and corporate governance.

Select financial information as at and for the three months ended March 31, 2016 is presented as follows:

	Property Interlink, LLC	Corporate	Total
Current assets	602,622	38,853	641,475
Note receivable	-	1,930,000	1,930,000
Property and Equipment	327,616	-	327,616
Intangible assets	713,143	-	713,143
Goodwill	621,132	-	621,132
Total Assets	2,264,513	1,968,853	4,233,366
Current liabilities	522,684	213,715	736,399
Long-term liabilities	370,080	-	370,080
Total liabilities	892,764	213,715	1,106,479
Revenues	1,311,931	24,059	1,335,990
Expenses	1,303,256	281,727	1,584,983
Operating income (loss) from continuing operations before provision for income tax	8,675	(257,668)	(248,993)

(Unaudited) (stated in United States dollars)

15. Segmented Disclosures - continued

Select financial information as at December 31, 2015 is presented as follows:

	Property Interlink, LLC	Corporate	Total
Current assets	421,918	211,311	633,229
Note receivable	-	1,930,000	1,930,000
Property and Equipment	348,821	-	348,821
Intangible assets	738,483	-	738,483
Goodwill	621,132	-	621,132
Total Assets	2,130,354	2,141,311	4,271,665
Current liabilities	409,078	120,802	529,880
Long-term liabilities	333,675	-	333,675
Total liabilities	742,753	120,802	863,555

Select financial information for the period ended March 31, 2015 is presented as follows:

	Property Interlink, LLC	Corporate	Total
Revenues	1,335,342	196	1,335,538
Expenses	1,277,831	132,086	1,409,917
Operating income (loss) from continuing operations before provision for income tax	57,511	(131,890)	(74,379)

(Unaudited) (stated in United States dollars)

16. Discontinued Operations

Starrex International Ltd. reached an agreement to divest Olympia Capital Management, Inc. a consulting and software solutions corporation, along with One Force Staffing Inc., its staffing and recruitment agency, effective May 1, 2015 in exchange for promissory notes receivable of $1,100,000 and $830,000, respectively.

All revenue and expenses associated with our Olympia Capital Management, Inc. and One Force Staffing, Inc. operations have been classified as discontinued operations. Operating results from discontinued operations in Olympia Capital Management, Inc. and One Force Staffing, Inc. are summarized as follows:

For the period ended March 31, 2015	Olympia Capital Management, Inc.	One Force Staffing, Inc.	Total
Income			
Revenue	$ 83,657	$ 75,279	$ 158,936
	83,657	75,279	158,936
Expenses			
Depreciation and amortization	13,824	14,241	28,065
General and administrative	138,115	61,606	199,721
Payroll expense	80,274	48,533	128,807
	232,213	124,380	356,593
Loss from operations	(148,556)	(49,101)	(197,657)
Provison for income taxes	-	-	-
Loss from discontinued operations	$ (148,556)	$ (49,101)	$ (197,657)

17. Subsequent event

On April 15, 2016, the Company amended the notes receivable, in the amounts of $1,100,000 and $830,000, outstanding for the divestitures of One Force Staffing, Inc. and Olympia Capital Management, Inc., respectively. The amended notes carry a 5% interest rate compounded monthly, with interest payments due quarterly commencing July 14, 2016, with the full principal balance and any outstanding interest due April 14, 2017. Upon the occurrence and during the continuance of any event of default the notes receivable shall bear interest at a rate of 8%.