Starrex International Ltd.

Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2017 and 2016

(Unaudited)

Management's 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, 2016. 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
August 18, 2017

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 six months ended June 30, 2017, have not been reviewed by the Company's auditors.

Starrex International Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited) (Expressed in U.S. dollars)

		June 30, 2017		December 31, 2016
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**925,869**	$	97,975
Accounts receivable		**305,695**		305,446
Prepaid expenses		**61,846**		71,331
Notes receivable (Note 6)		**583,617**		1,930,000
		1,877,027		2,404,752
Non-current Assets				
Property and equipment, net of depreciation (Note 3)		**238,345**		271,848
Intangible assets (Note 4)		**552,619**		617,325
Goodwill (Note 5)		**621,132**		621,132
Total Assets	**$**	**3,289,123**	$	3,915,057
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**1,033,742**	$	749,885
Deferred revenue		**121,180**		253,035
Note payable (Note 11)		**30,000**		90,191
Income taxes payable		**16,000**		16,000
		1,200,922		1,109,111
Long term liabilities				
Deferred tax liability		**179,420**		168,974
Total liabilities		**1,380,342**		1,278,085
Capital and reserves				
Share capital (Note 8)		**6,745,651**		6,745,651
Contributed surplus (Note 9)		**247,226**		247,226
Accumulated other comprehensive income		**(261,534)**		(261,534)
Deficit		**(4,822,562)**		(4,094,371)
Total equity		**1,908,781**		2,636,972
Total liabilities and equity	**$**	**3,289,123**	$	3,915,057

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 June 30, 2017 and 2016

(Unaudited) (Expressed in U.S. dollars)

	Three Months Ended June 30		Six months ended June 30	
	2017	2016	**2017**	2016
Income				
Revenue	**$ 2,105,938**	$ 1,674,218	**$ 3,734,006**	$ 2,986,149
Interest income	**23,590**	24,059	**47,385**	48,118
	2,129,528	1,698,277	**3,781,391**	3,034,267
Expenses				
General and administrative	**396,616**	289,099	**695,398**	549,257
Professional fees	**51,365**	173,459	**166,105**	355,256
Payroll expense	**1,670,944**	1,407,164	**3,012,542**	2,493,752
Interest expense (Note 11)	**561**	1,325	**1,110**	2,971
Impairment on notes receivable (Note 6)	**-**	-	**516,383**	-
Depreciation and amortization (Notes 3 and 4)	**53,799**	56,429	**107,598**	107,974
	2,173,285	1,927,476	**4,499,136**	3,509,210
Loss before provision for income taxes	**(43,757)**	(229,199)	**(717,745)**	(474,943)
Income tax expense	**-**	-	**10,446**	-
Net comprehensive loss for the period	**$ (43,757)**	$ (229,199)	**$ (728,191)**	$ (474,943)
Basic and diluted net loss per share	**$ (0.00)**	$ (0.02)	**$ (0.05)**	$ (0.03)
Weighted average number of common shares outstanding	**14,480,827**	14,480,827	**14,480,827**	14,480,827

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

Starrex International Ltd.

Condensed Interim Consolidated Statements of Changes in Equity
For the six-month period ended June 30, 2017 and 2016
(Unaudited) (Expressed in U.S. dollars)

	Number of Shares	Value	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total
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	-	-	-	(474,943)	-	(474,943)
Balance, June 30, 2016	**14,480,827**	**$ 6,745,651**	**$ 247,226**	**$ (3,798,176)**	**$ (261,534)**	**$ 2,933,167**
Balance, December 31, 2016	**14,480,827**	**$ 6,745,651**	**$ 247,226**	**$ (4,094,371)**	**$ (261,534)**	**$ 2,636,972**
Net comprehensive loss for the period	-	-	-	(728,191)	-	(728,191)
Balance, June 30, 2017	**14,480,827**	**$ 6,745,651**	**$ 247,226**	**$ (4,822,562)**	**$ (261,534)**	**$ 1,908,781**

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

Starrex International Ltd.
Condensed Interim Consolidated Statements of Cash Flows
For the six-month periods ended June 30, 2017 and 2016
(Unaudited) (Expressed in U.S. dollars)

		June 30, 2017		June 30, 2016
Cash flows from operating activities				
Net comprehensive loss for the period	**$**	**(717,745)**	$	(474,943)
Items not affecting cash:				
Depreciation and amortization		**107,598**		107,974
Unpaid interest		**-**		2,971
Income tax expense		**10,446**		-
Impairment of note receivable		**516,383**		-
Net change in non-cash working capital items relating to operating activities				
Accounts receivable		**(249)**		135,202
Prepaid expenses		**9,486**		(25,637)
Accounts payable and accrued liabiliities		**283,857**		337,702
Income taxes payable		**-**		-
Deferred revenue		**(131,855)**		(36,664)
Deferred tax liability		**(10,446)**		-
Cash flows from (used in) operating activities		**67,475**		46,605
Cash flows from investing activities				
Purchase of property and equipment		**(9,390)**		(2,707)
Proceeds from divestitures		**830,000**		-
Purchase of intangible assets		**-**		(9,809)
Cash flows from (used in) investing activities		**820,610**		(12,516)
Cash flows from financing activities				
Principal repayment on notes payable		**(60,191)**		**(49,821)**
Cash used in financing activities		**(60,191)**		**(49,821)**
Decrease in cash and cash equivalents		**827,894**		(15,732)
Cash and cash equivalents, beginning of period		**97,975**		176,457
Cash and cash equivalents, end of period	**$**	**925,869**	$	160,725

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 August 18, 2017.

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 audited consolidated financial statements as at December 31, 2016. 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 of the changes in the Company's financial position and performance since December 31, 2016. Certain disclosures that appear in the annual audited consolidated 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 Standards ("IFRS") for annual audited consolidated financial statements. Accordingly, these unaudited condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements as at December 31, 2016.

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. The Company is currently assessing the effects of IFRS 9 and intends to adopt on its effective date.

2. Significant Accounting Policies – continued

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

IFRS 15, Revenue from Contracts 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 multiple-element arrangements. IFRS 15 is effective for periods beginning on or after January 1, 2018 and is to be applied retrospectively. The Company's preliminary assessment of IFRS 15 has determined there will not be a significant impact to the consolidated financial statements as a result of the adoption of this standard.

IFRS 16, Leases ("IFRS 16") was issued by the IASB in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. An entity applies IFRS 16 for annual periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 Revenue from Contracts with Customers has also been applied. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. The Company is currently assessing the effects of IFRS 16 and intends to adopt on its effective date.

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 except for cash flow information.

d. *Principles of Consolidation*

These unaudited condensed interim consolidated financial statements include the Company and its wholly-owned subsidiary Property Interlink, LLC, which was acquired July 9, 2014, and Heinen & Associates LLC, a division of Property Interlink, LLC, which was acquired on November 19, 2014, as well as Brownlee Appraisal Services, Inc., a division of Property Interlink, LLC, which was acquired June 1, 2015. All subsidiaries are 100% owned and controlled by the Company. Subsidiaries are entities 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, including unrealized gains and losses have been eliminated upon consolidation.

2. Significant Accounting Policies – continued

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:

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 June 30, 2017 and 2016.

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. Significant judgment is involved in the assessment of the recoverable amount of the note receivable (Note 6). As at June 30, 2017 and December 31, 2016, no principal repayments have been collected by the Company. Effective April 24, 2017, the promissory note in the amount of $1,100,000 received for the assets of Olympia Capital Management, Inc. was in default. Subsequently, an impairment expense of $516,383 (March 31, 2016 – $NIL) was recognized during the period ended March 31, 2017, based on the assessment of the recoverable amount of the note receivable (Notes 6 and 15).

2. Significant Accounting Policies – continued

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.

3. Property and Equipment

	Furniture & Equipment	Leasehold Improvements	Total
Cost			
As at January 1, 2016	$ 397,736	$ 72,201	$ 469,937
Additions	8,767	-	8,767
As at December 31, 2016	$ 406,503	$ 72,201	$ 478,704
Additions	9,390	-	9,390
As at June 30, 2017	**$ 415,893**	**$ 72,201**	**$ 488,094**
Accumulated depreciation			
As at January 1, 2016	$ 103,368	$ 17,748	$ 121,116
Expense	75,426	10,314	85,740
As at December 31, 2016	$ 178,794	$ 28,062	$ 206,856
Expense	37,806	5,087	42,893
As at June 30, 2017	**$ 216,600**	**$ 33,149**	**$ 249,749**
Net book value			
As at December 31, 2016	$ 227,709	$ 44,139	$ 271,848
As at June 30, 2017	**$ 199,293**	**$ 39,052**	**$ 238,345**

(Unaudited) (Expressed in U.S. dollars)

4. Intangible Assets

		Business Software & Website (1)		Proprietary Software (2)		Non-Compete Agreements (3)		Customer Relationships (4)		Total
Cost										
As at December 31, 2016	$	67,113	$	200,377	$	142,843	$	492,135	$	902,468
Additions		-		-		-		-		-
As at June 30, 2017	**$**	**67,113**	**$**	**200,377**	**$**	**142,843**	**$**	**492,135**	**$**	**902,468**
Accumulated depreciation										
As at December 31, 2016	$	34,490	$	68,281	$	67,912	$	114,460	$	285,143
Expense		6,622		19,761		14,053		24,270		64,706
As at June 30, 2017	**$**	**41,112**	**$**	**88,042**	**$**	**81,965**	**$**	**138,730**	**$**	**349,849**
Net Book Value										
As at December 31, 2016	$	32,623	$	132,096	$	74,931	$	377,675	$	617,325
As at June 30, 2017	**$**	**26,001**	**$**	**112,335**	**$**	**60,878**	**$**	**353,405**	**$**	**552,619**

(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.

(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) (Expressed in U.S. dollars)

5. Goodwill

The change in goodwill for the period ended June 30, 2017 is 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 2016 and June 30, 2017	**$ 621,132**	**$ -**	**$ -**	**$ 621,132**

6. 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 the assets of Olympia Capital Management, Inc. and One Force Staffing, Inc., respectively. The promissory notes carry a 5% interest rate compounded monthly. The promissory notes were originally payable in two equal installments of $965,000 commencing November 30, 2015, the full balance due May 31, 2016.

The Company amended the terms of the notes receivable. 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 June 30, 2017 and December 31, 2016, the notes receivable are classified in current assets.

During the six-month period ended June 30, 2017, the Company recorded interest income of $47,385 (June 30, 2016 - $48,118) of which $13,970 (December 31, 2016 - $20,621) is outstanding and included in accounts receivable on the condensed interim consolidated statements of financial position.

On April 14, 2017, the promissory notes for $830,000 and $1,100,000 received for the assets of One Force Staffing, Inc. and Olympia Capital Management, Inc., respectively, matured and became due and payable following a ten-day grace period, the notes were in default. However, on May 12, 2017, the promissory note for the assets of One Force Staffing, Inc. was collected including accrued interest. An impairment expense of $516,383 was recognized on the promissory note received for the assets of Olympia Capital Management, Inc. during the six month period ended June 30, 2017 in the condensed interim consolidated statements of loss and comprehensive loss.

(Unaudited) (Expressed in U.S. dollars)

7. 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:

Amcap Mortgage Ltd., a related customer (by Director) accounted for $1,927,420 (2016 - $2,047,537) of revenue to the Company. As at June 30, 2017, $27,110 (2016 - $16,406) is included in accounts receivable on the consolidated statements of financial position.

The Company incurred $165,280 in management fees during the six months ended June 30, 2017 (2016 - $168,347) to the Chief Operations Officer, Chief Financial Officer and Chief Executive Officer for services provided to the Company. All amounts have been paid.

8. Share Capital

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

Issued	Number of common shares	Amount
Balance, December 31, 2015 and June 30, 2016	**14,430,827**	6,678,321
Acquisition	50,000	67,330
Balance, December 31, 2016 and June 30, 2017	**14,480,827**	**6,745,651**

9. 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.

(Unaudited) (Expressed in U.S. dollars)

9. Share-based Payments - continued

Details of options outstanding:

	Number of options	**Weighted average exercise price $**
Outstanding, December 31, 2015	750,000	0.23
Cancelled	(100,000)	0.18
Granted	100,000	1.23
Outstanding, December 31, 2016 and June 30, 2017	**750,000**	**0.33**

	Common Shares Under Option	Number of Options Vested		Exercise Price[9]	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. They are fully vested.
(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.
(9) Based on a currency conversion of CAD $1.2977 = USD $100 as at June 30, 2017.

10. 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 six months ended June 30, 2017 (2016 – 14,480,827). 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.

11. 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.

Effective May 1, 2017, the repayment terms of the promissory note were amended providing for monthly installments of $10,000, including accrued interest under the original terms of the Agreement as stated above.

As of June 30, 2017, $30,000 (December 2016 - $90,191) of the outstanding balance is due within 1 year. During the six-month period ended June 30, 2017, the Company recorded interest expense of $1,110 (June 30, 2016 – $2,971) on the promissory note, which has been paid.

12. Capital Disclosures

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide a return for the 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 $1,917,760 as at June 30, 2017 (December 2016 - $2,636,972). 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, 2017.

13. Financial Risk Factors

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, notes receivable, accounts payable and accrued liabilities and note payable. As at June 30, 2017, 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 June 30, 2017 and December 31, 2016 no allowance for doubtful accounts was recorded. The Company is also subject to credit risk on its notes receivable. During the six-month period ended June 30, 2017, the Company recorded an impairment expense of $516,383 on a note receivable (original principal amount of $1,100,000) which note is in default and currently being renegotiated.

(Unaudited) (Expressed in U.S. dollars)

13. Financial Risk Factors - continued

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 June 30, 2017, the Company had cash and cash equivalents of $925,869 (December 2016 - $97,975) available to settle current financial liabilities of $1,191,099 (December 2016 - $1,109,111).

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 Company's notes payable and notes receivable are at fixed rates of interest and, as such, are not exposed to significant interest rate risk. 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 liabilities that are denominated in a foreign currency.

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

		June 30 2017		December 31, 2016
Cash and cash equivalents	**$ CDN**	**3,661**	$ CDN	**61**
Accounts receivable		**495**		**495**
Accounts payable and accrued liabilities		**(420,090)**		**(215,185)**
Total	**$ CDN**	**(415,934)**	$ CDN	**(214,629)**

14. Segmented Disclosures

The Company organizes its reporting structure into two reportable segments. For management purposes, the Company is organized into segments based on the 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, LLC 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, LLC segment.

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

(Unaudited) (Expressed in U.S. dollars)

14. Segmented Disclosures - continued

Selected financial information as at and for the six months ended June 30, 2017 is presented as follows:

As at and for the six-month period ended June 30, 2017	**Property Interlink, LLC**	**Corporate**	**Total**
Current assets	$ 449,170	$ 844,240	$ 1,293,410
Note receivable	-	583,617	583,617
Property and equipment	238,345	-	238,345
Intangible assets	552,619	-	552,619
Goodwill	621,132	-	621,132
Total assets	$ 1,861,266	$ 1,427,857	$ 3,289,123
Current liabilities	$ 780,832	$ 420,090	$ 1,200,922
Long-term liabilities	179,420	-	179,420
Total liabilities	$ 960,252	$ 420,090	$ 1,380,343
Revenues	$ 3,734,006	$ 47,385	$ 3,781,391
Expenses	$ 3,534,736	$ 964,399	$ 4,499,135
Operating income (loss) from continuing operations before provision for income tax	$ 199,270	$ (917,014)	$ (717,745)

(Unaudited) (Expressed in U.S. dollars)

14. Segmented Disclosures - continued

Selected financial information as at and for the period months ended December 31, 2016 is presented as follows:

	Property Interlink, LLC	Corporate	Total
Current assets	$ 444,012	$ 1,960,740	$ 2,404,752
Note receivable	-	1,930,000	1,930,000
Property and equipment	271,848	-	271,848
Intangible assets	617,325	-	617,325
Goodwill	621,132	-	621,132
Total assets	$ 1,954,317	$ 3,890,740	$ 5,845,057
Current liabilities	$ 727,506	$ 381,605	$ 1,109,111
Long-term liabilities	168,974	-	$ 168,974
Total liabilities	$ 896,480	$ 381,605	$ 1,278,085
Revenues	$ 6,520,556	$ 87,352	$ 6,607,908
Expenses	$ 6,544,014	$ 965,772	$ 7,509,786
Operating loss from continuing operations before provision for income tax	$ (23,458)	$ (878,420)	$ (901,878)