



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

DECEMBER 31, 2018

April 29, 2019

This Management's Discussion and Analysis ("MD&A") contains management's interpretation of Starrex International Ltd.'s performance for the year ended December 31, 2018. While the financial statements reflect actual financial results, the MD&A explains these results from management's perspective and provides the Company's plans for subsequent periods ahead. This MD&A is dated April 29, 2019.

This MD&A should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2018 and related notes. Together, the MD&A and financial statements provide key information about the Company's performance and ability to meet its objectives.

This MD&A was reviewed and approved by the Board of Directors on April 29, 2019.

Important information about this MD&A

- The information in this MD&A is prepared as of April 29, 2019.
- The terms "we", "us," "our," and "Company" refer to Starrex International Ltd.
- This MD&A contains forward-looking information and statements regarding strategies, objectives, expected operations and financial results, which are based on the Company's current views of future events and financial performance. Key risks and uncertainties are discussed in the Risks and risk management section of this MD&A. However, some risks and uncertainties are beyond the control of the Company and are difficult to predict. Actual future outcomes may substantially differ from the expectations stated or implied in this MD&A.
- The words "believe," "plan," "intend," "estimate," "expect," "anticipate," and similar expressions, as well as future conditional verbs, such as "will," "should," "would," and "could" often identify forward-looking statements.
- The words "plan" and "budget" are synonymous in the MD&A and are used interchangeably. Both describe the planned budget revenue and expenses for the related fiscal year.
- Unless otherwise specified, references to a year refer to the Company's fiscal year ended December 31, 2018.
- All financial information related to 2018 and 2017 has been prepared in accordance with International Financial Reporting Standards (IFRS). For more information, see the notes to the audited annual consolidated financial statements of the Company for the year ended December 31, 2018, in particular, Note 2 *Significant Accounting Policies*.
- Amounts shown in this MD&A are expressed in United States Dollars, unless otherwise specified.
- Due to rounding, some variances may not reconcile and analysis of components may not sum to the analysis for the grouped components.

About Starrex International Ltd.

A summary of our business, core values and goals

Starrex International Ltd. ("Starrex") is an emerging financial services company, sitting inactive for many years until the end of November 2013. The Company completed its initial business acquisition in the third quarter of 2014.

Business operations are conducted through our wholly-owned subsidiaries, Property Interlink, LLC, a United States Colorado limited liability company ("Property Interlink"), MFI Credit Solutions, LLC ("MFI"), a United States Wyoming limited liability company and Reliable Valuation Service, LLC ("RVS"), a United States Wyoming limited liability company organized in 2018. Reliable Valuation Service's operating activity began during the first quarter of 2019.

Property Interlink is a licensed appraisal management company ("AMC") providing oversight and management of the appraisal process between lending institutions and appraisers. Appraisal management companies help consumers obtain unbiased reports for financing and loan servicing. As of December 31, 2018, Property Interlink is active in thirty-eight jurisdictions in the United States.

Property Interlink contributes to correlating industry-specific affiliations by actively participating in the Appraisal Institute and other U.S. appraisal organizations.

MFI Credit Solutions, LLC is a licensed credit reporting agency acquired during the first quarter of 2018. MFI is approved and licensed by the three largest credit reporting bureaus in the United States – TranUnion, Equifax and Experian. MFI provides consumer credit reports to mortgage lenders for homebuyers considering the purchase of a new home. MFI Credit Solutions, LLC is governed by the Fair Credit Reporting Act (FCRA), is domiciled in California and has the ability to provide credit reports to borrowers in all states.

Reliable Valuation Service, LLC is a licensed staff appraisal company providing objective and comprehensive evaluations of residential real estate. RVS 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.

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 provide 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.

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

Starrex is traded on the Canadian Securities Exchange under symbol STX and on the OTC QB in the United States under symbol STXMF.

Copies of all relevant financial documents, including the annual and interim Company filings to date, may be referenced on the regulatory filings website www.sedar.com.

Core Values

Starrex is committed to its shareholders by consistently focusing on continued growth in volume, as well as positive net income per share. This is achieved by well managed operations and executing strategic operations.

Our primary focus in both Property Interlink and MFI is results oriented customer service. Employee development is a cornerstone to the success of the subsidiaries.



Vision & Goals

- To acquire and invest in well managed, profitable businesses in a manner that creates value for all parties.
- To deliver the highest level of service available in the appraisal management, credit reporting and real estate business sector.
- To provide business and financial transparency to our shareholders and investors.

For more information about Starrex, please see our website at www.starrexintl.com.

Operating Results

A summary of our financial results and discussion of revenue and expenses

The operations and revenue of Property Interlink and MFI Credit Solutions are directly affected by United States housing market condition and trends.

Selected two-year quarterly information	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Income	2,284,041	2,586,343	2,684,514	2,109,949	1,815,566	2,069,582	2,129,528	1,651,863
Loss from continuing operations	(436,411)	(128,927)	(90,145)	(156,107)	(67,887)	(31,052)	(43,757)	(684,438)
Loss and comprehensive loss	(436,411)	(128,927)	(90,145)	(156,107)	(67,887)	(31,052)	(43,757)	(684,438)
Total assets	3,157,354	3,404,741	3,572,684	3,605,670	2,756,367	3,074,285	3,289,123	3,273,265
Total liabilities	1,940,731	1,915,614	1,954,630	1,783,409	929,499	1,196,560	1,380,342	1,320,731
Shareholders' Equity	1,216,623	1,489,127	1,618,054	1,822,262	1,826,868	1,877,725	1,908,781	1,952,534
Net loss per share for continuing operations	(0.03)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.05)
Basic and diluted loss per share	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.05)

During 2018, Property Interlink reported \$7.3 million in revenue (revenue from contracts with customers) received from the completion of 14,247 appraisals and inspections compared to \$7.575 million (2017 – 15,084 appraisals and final inspection) in 2017. Revenue decreased by \$237,575, attributable to the significant downturn in the United States housing market during the fourth quarter. (See Segment Revenue, Expenses and Key Performance Metrics).

MFI Credit Solutions, acquired during the first quarter, reported \$2.3 million in revenue from contracts with customers associated with consumer credit reports and ancillary services.

Revenue in Starrex, the parent company is comprised of interest income only. During the year ended 2018, interest income was \$9,644 compared to \$91,746 as of December 31, 2017. The decrease in interest income is directly associated with the repayment of the interest-bearing promissory note received in consideration for the sale of Olympia Capital Management Inc.

Operating activity in Reliable Valuation Service began during the first quarter of 2019.

Expenses in Property Interlink, LLC were \$278,618 higher in 2018 over reported expenses of \$7,450,782 during the 2017 year. This increase is attributable to increase licensing expenses, which were \$84,937 compared to \$69,398 during 2017, along with increases in salaries and commissions as well as corporate allocation.

MFI Credit Solutions reported \$2,490,180 in expenses, which includes \$1,318,306 in costs associated with credit reports, along with \$31,133 in costs associated with consumer tax reports. Corporate expenses in Starrex decreased by \$685,312 over 2017 (2017 - \$1,042,891). This decrease is largely comprised of \$516,383 of impairment expense reported during 2017, along with a tax recovery of \$101,102 during 2018.

Overall expenses for the Company on a consolidated basis increased by \$2,083,866. This increase is directly attributable to the acquisition of MFI Credit Solutions, LLC. For comparative purposes, total combined expenses for Starrex and Property Interlink were \$8,086,974 for the year ended 2018 compared to \$8,493,673 in 2017, a decrease of \$406,699. This decrease is primarily due to the \$101,102 tax recovery in 2018 and the impairment expense of \$516,383 recorded during the first quarter of 2017. (See Segment Revenue, Expenses and Key Performance Metrics).

	% of 2018 Expenses	2018	2017	Change	% Change
Salaries and benefits	62.19%	6,577,757	6,113,150	464,607	7.60%
Administrative & interest expense	15.74%	1,665,308	1,012,325	652,983	64.50%
Credit bureau fees	12.46%	1,318,305	-	1,318,305	0.00%
Consumer tax report fees	0.29%	31,133	-	31,133	0.00%
Professional services	1.35%	142,992	301,405	(158,413)	-52.56%
Management and corporate services	3.13%	330,560	330,560	-	0.00%
Depreciation and amortization	2.99%	315,878	219,850	96,028	43.68%
Accretion expense	0.54%	57,259	-	57,259	0.00%
Impairment expense	0.00%	-	516,383	(516,383)	-100.00%
Share-based payments	1.31%	138,345	-	138,345	0.00%
Total expenses	100.00%	\$ 10,577,539	8,493,673	\$ 2,083,866	24.53%

About our fees

Appraisal fees are charged to customers for each appraisal completed. These fees are dependent upon the state in which the property is located, as well as size of property and whether the property is rural or non-rural and other factors common in the industry.

Final review fees are charged to customers when repairs or new construction is involved. Similar to appraisal fees, these are dependent upon the state in which the property is located, as well as other factors common in the industry.

Credit Reporting fees are charged to customers for each credit report provided. The fees are dependent upon published pricing structures and is governed by the Fair Credit Reporting Act.

During the year ended December 31, 2018, the Company's current asset position decreased by \$783,136 from \$1,456,522 at December 31, 2017 to \$673,386 at December 31, 2018. This is due to the repayment of the notes receivable (See Note 10 of the audited annual consolidated financial statements) and a reduction in operating capital associated with the acquisition of MFI Credit Solutions, LLC during the first quarter of 2018.

Overall assets increased from \$2,756,367 as at December 31, 2017 to \$3,157,354 as at December 31, 2018, a difference of \$400,987. The increase is comprised of property and equipment, as well as intangible assets, acquired through the purchase of MFI Credit Solutions, LLC during the first quarter of 2018 (See Note 3 of the audited annual consolidated financial statements).

Selected Financial Information	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Revenue	\$ 9,664,847	\$ 7,666,539	\$ 6,607,908
Profit (loss) from continuing operations	\$ (811,590)	\$ (827,134)	\$ (771,138)
- per share (based and diluted)	(0.06)	(0.06)	(0.05)
Net comprehensive profit (loss)	\$ (811,590)	\$ (827,134)	\$ (771,138)
-per share (based and diluted)	(0.06)	(0.06)	(0.05)
Total Assets	\$ 3,157,354	\$ 2,756,367	\$ 3,915,057
Total Liabilities	\$ 1,940,731	\$ 929,499	\$ 1,278,085
Non-current Liabilities	\$ -	\$ 101,102	\$ 168,974
Total Shareholder's Equity	\$ 1,216,623	\$ 1,826,868	\$ 2,636,972

The Company was relatively inactive until the end of 2013 – except for a private placement financing for gross proceeds of \$900,000 CAD, the issuance of shares to settle debts of \$234,826 CAD and a change of management and directors in the fourth quarter of 2013. Management of the Company then embarked on a search for businesses to acquire and, in the third quarter of 2014, acquired three operating subsidiaries in the United States and completed a concurrent private placement financing for gross proceeds of \$991,979 CAD. In the fourth quarter of 2014, the Company acquired a fourth subsidiary in the United States. In the second quarter of 2015, management decided to divest two of the subsidiaries recently acquired, implementing that decision in the third quarter.

During 2017, Management continued the search for complementary acquisitions that align with the Company's Vision and Mission Statement and subsequently signed a non-binding Letter of Intent to purchase 100% of a credit reporting agency in the United States. On February 9, 2018, the Company completed the acquisition of MFI Credit Solutions, LLC, a Wyoming limited liability company. The Company acquired all of the assets of MFI Credit Solutions, LLC in exchange for \$1,500,000. Revenue and expense for MFI Credit Solutions, LLC for the period from acquisition to December 31, 2018, have been presented in Note 22 of the annual audited consolidated financial statements.

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 acquire at the acquisition date (See Note 3).

Consideration Paid:

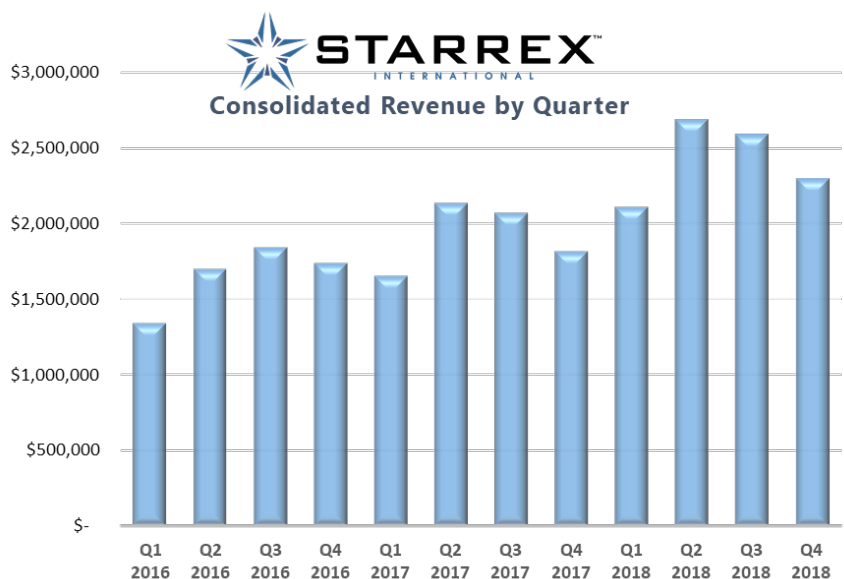
Cash	\$ 1,500,000
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Fair value of identifiable assets acquired:

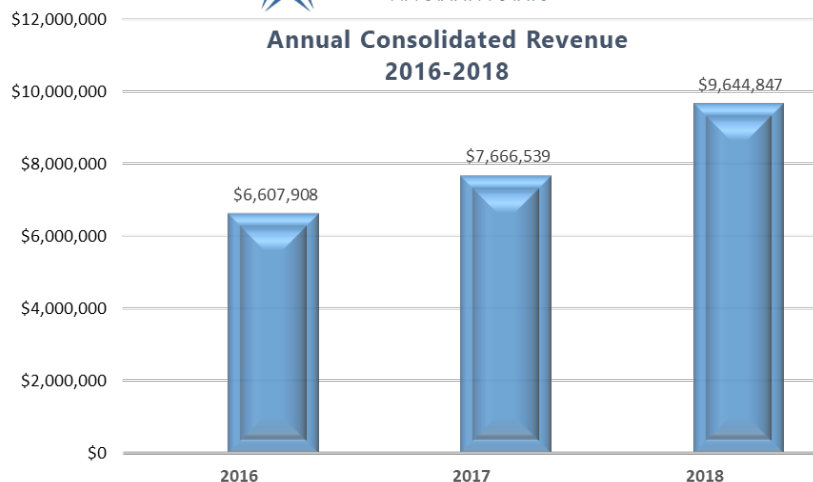
Property, plant and equipment	47,845
Credit bureau repository contracts	647,269
Customer relationships	342,827
Non-competition agreements	167,903
Goodwill	294,156
	\$ 1,500,000

The value allocated to the credit bureau repository codes has an indefinite useful life and is tested annually, along with goodwill, for impairment.

Revenue Growth



Revenue for Starrex International, Ltd. closely follows that of the United States housing market, as both wholly-owned subsidiaries are mortgage-based support companies. The fourth quarter of each year and the first quarter directly following experience lower mortgage activity volumes, and subsequently lower revenue, than the balance of the year. Typically, home sales and mortgage applications are lower during the winter than any other time, resulting in lower volume of appraisals and credit reports ordered. The increase during the third and fourth quarters of 2018 is directly associated with the added revenue of MFI Credit Solutions, LLC, acquired during the first quarter of 2018.



As at December 31, 2018, Starrex reported \$9,644,847 in revenue, an increase of 46% over 2016 (\$6,607,908) and a 26% increase over 2017 (\$7,666,539). The \$1,058,631 increase from 2016 to 2017 is attributable to increased activity in Property Interlink, LLC as the subsidiary expanded its geographic footprint across the United States. The increased revenue from 2017 to 2018 of \$1,998,308 is primarily due to the acquisition of MFI Credit Solutions, LLC.

Supplementary Financial Measures

The following supplementary financial measures are non-GAAP financial measures. These non-GAAP financial measures, include the terms "EBITDA" and "adjusted EBITDA" do not have standardized meanings under IFRS and may not be comparable to other companies' similar non-GAAP measures. Nonetheless, the Company believes that presenting EBITDA may be of assistance to readers as it presents earnings without depreciation (which is a non-cash expense), taxes (which, in the current year, is not a cash outflow but is an amount recovered from taxing authorities) or interest (which can vary dramatically from company to company depending on how each company is financed). Similarly, the Company believes that Adjusted EBITDA may also be of assistance to readers as it presents earnings with further adjustments for accretion, impairment and share-based payments (all of which are non-cash expenses). The Company believes that Adjusted EBITDA presents a clearer presentation of earnings (or loss) both in absolute terms and in terms of cash-flow than earnings based on GAAP principles. Accordingly, the Company believes that the presentation on this page – both in narrative form and in table form – may be of assistance to readers to better understand the financial performance of the Company.

The charts below illustrate the Company's performance based on the above measurements:

	2018	2017
Revenue	9,664,847	7,666,539
Salaries and benefits	6,577,757	6,113,150
Administrative Expense	1,637,170	1,010,649
Interest Expense	28,138	1,677
Credit bureau fees	1,318,305	-
Consumer tax report fees	31,133	-
Professional services	142,992	301,405
Management and corporate services	330,560	330,560
Depreciation and amortization	315,878	219,850
Accretion expense	57,259	-
Impairment expense	-	516,383
Share-based payments	138,345	-
Total expenses	10,577,539	8,493,673
Net Income	(912,692)	(827,134)
Tax Provision	101,102	-
Net Comprehensive Loss	(811,590)	(827,134)
Less interest expense	28,138	1,677
Less depreciation and amortization	315,878	219,850
EBITDA	(467,574)	(605,607)
Less accretion expense	57,259	-
Less impairment expense	-	516,383
Less share-based payment expense	138,345	-
Adjusted EBITDA	(271,970)	(89,224)

The total comprehensive loss for the year ended 2018 was \$912,691 prior to the tax provision adjustment, compared to \$827,143 in 2017.

For the year ended December 31, 2018, the Company reported \$445,118 in total expenses for interest, depreciation, amortization and taxes (2017 - \$221,527), which resulted in EBITDA of (\$467,547) for 2018 and (\$605,607) for 2017.

Adjusted EBITDA for the year ended December 31, 2018 was (\$271,970) compared to (\$89,224) in 2017. Expenses relating to impairment, share-based payments and accretion were \$195,604 for 2018 and \$516,383 for 2017.

A reconciliation of these measurements to the Consolidated Statements of Loss and Comprehensive Loss have been illustrated herein.

Segment Revenue, Expenses and Key Performance Metrics

MFI Credit Solutions, LLC

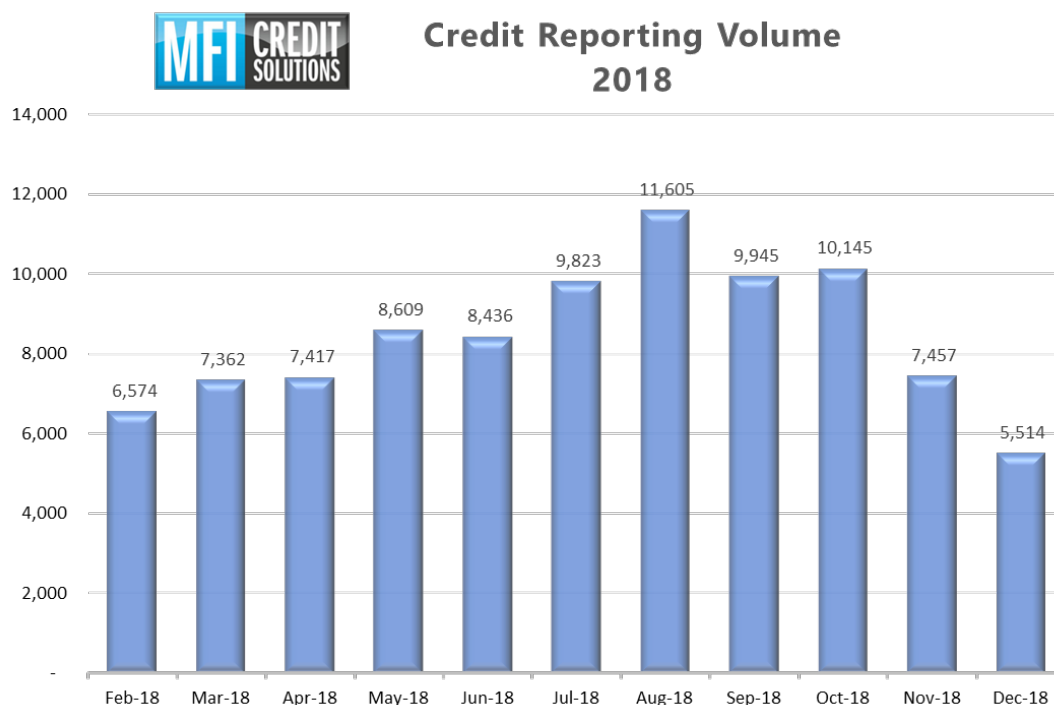
Starrex is strategically aligned to provide ancillary mortgage services to mortgage banks and brokers, such as appraisal services provided by Property Interlink. The addition of MFI, a credit reporting agency, expands the core services Starrex now offers and is an ideal acquisition in support of the Company's vision and long-term acquisition strategy in the real estate sector. MFI is approved and licensed by the three largest credit reporting bureaus in the United States – TransUnion, Equifax and Experian. No further licensing is required. MFI delivers credit reports, along with other consumer credit-related products, as contracted for each state and/or jurisdiction in the United States.

Revenue for MFI Credit Solutions for the year ended December 31, 2018 was \$2,328,380, which is derived from the delivery of consumer credit reports, consumer tax reports and related information gathering activities. Revenue in MFI Credit Solutions is recognized as *Revenue from Contracts with Customers, IFRS 15*, which was adopted effective January 1, 2018 by the Company.

As of December 31, 2018, current accounts receivables were \$156,625 with customer invoices outstanding 18 days before collecting.

During the third and fourth quarters of 2018, Management assimilated the information technology platform into the parent infrastructure and began assessing systems for scalability. During the first quarter of 2019, the telephone systems and servers were updated to support nationwide, unlimited scalability for consumer information reporting.

The chart below provides monthly credit reporting volume for the year ended December 31, 2018. MFI Credit Solutions' volume trends follow closely those of Property Interlink as they are both reliant upon the United States housing market.



Property Interlink, LLC

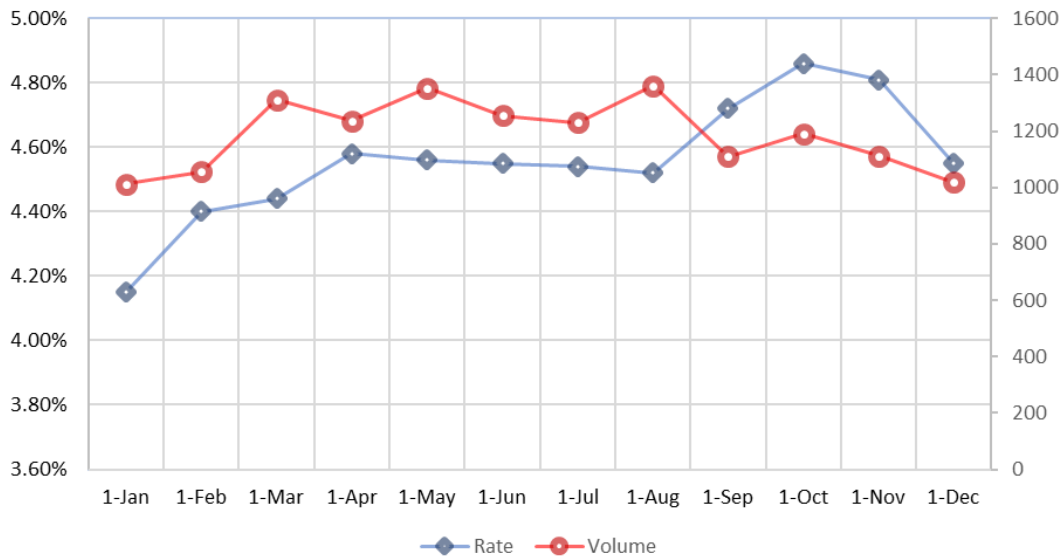
One of the Key Performance Indicators (“KPI”) in Property Interlink is the calculation of revenue derived from each appraisal completed and their associated completion times. When monitoring this metric, the wages and independent contractor expenses are subtracted from the total revenue. As the dynamic business model shifts from assigning appraisals to independent contractors versus employees of the Company, this metric will increase, and subsequently, so will net income to the Company.

Overall expenses in Property Interlink for the year ended December 31, 2018, were \$7,729,400, an increase of \$278,618 over the same period in 2017. During the fourth quarter of 2018, Property Interlink reported \$1,949,843 in expenses compared to \$1,743,050 during the same period in 2017, an increase of \$449,884. The majority of this amount was attributable to fourth quarter adjustments to accommodate corporate allocation and accruals.

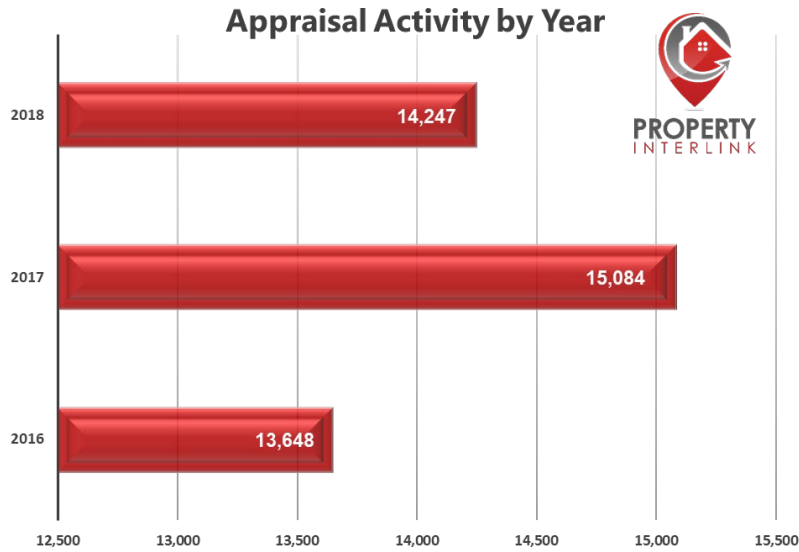
Revenue for Property Interlink for the year ended December 31, 2018, was \$7,326,823 compared to \$7,574,793 during the same period last year, a decrease of \$247,970. For the three-month period ended December 31, 2018, Property Interlink reported revenues of \$1,701,234 compared to \$1,793,386 for the three-months ended December 31, 2017. Property Interlink experienced a slight downturn in volume as the U.S. Housing Market experienced downward pressure due on mortgage applications and home sales due to higher interest rates and market uncertainty. Historical interest rates, along with monthly appraisal volume, are depicted in the chart below. Increased rate in September, October and November significantly impacted volumes throughout the mortgage industry and directly correlates to the decrease in volume, and subsequently revenue, through the end of the fourth quarter.

Interest Rate Comparison to Volume FY 2018

Interest Rate Source - Mortgage Bankers Association



Since the acquisition of Property Interlink in July of 2014, average volume has increased from 730 to 1,187 appraisals per month (yearly average), reaching a peak of 1,533 in September of 2017. Seasonal cycles in the housing market historically trend lower from October through January and higher during the second and third quarters.

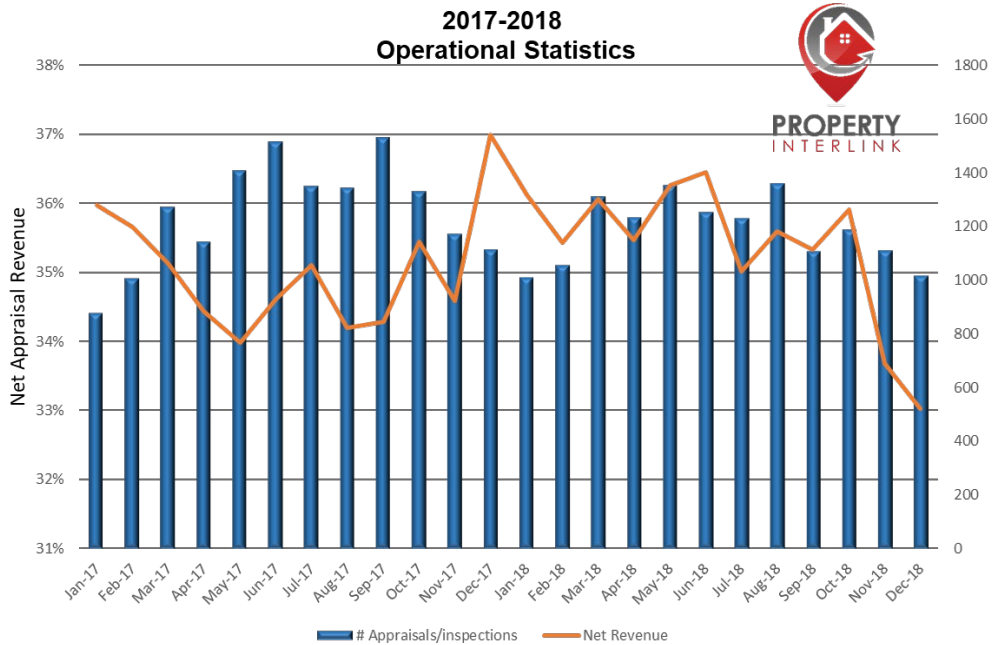


For the three months ended December 31, 2018, Property Interlink completed 3,320 appraisals and inspections compared to 3,621 during the same period last year.

For the twelve months ended December 31, 2018, the Company completed 14,247 appraisals and inspections compared to 15,084 for the twelve-months ended December 31, 2017.

Multiple increases in interest rates during the second and third quarter of 2018 suppressed the number of mortgage applications, which resulted in a subsequent decrease in appraisal activity.

The following chart depicts changes in net appraisal revenue, as well as monthly appraisal volume, for Property Interlink for 2017-2018.

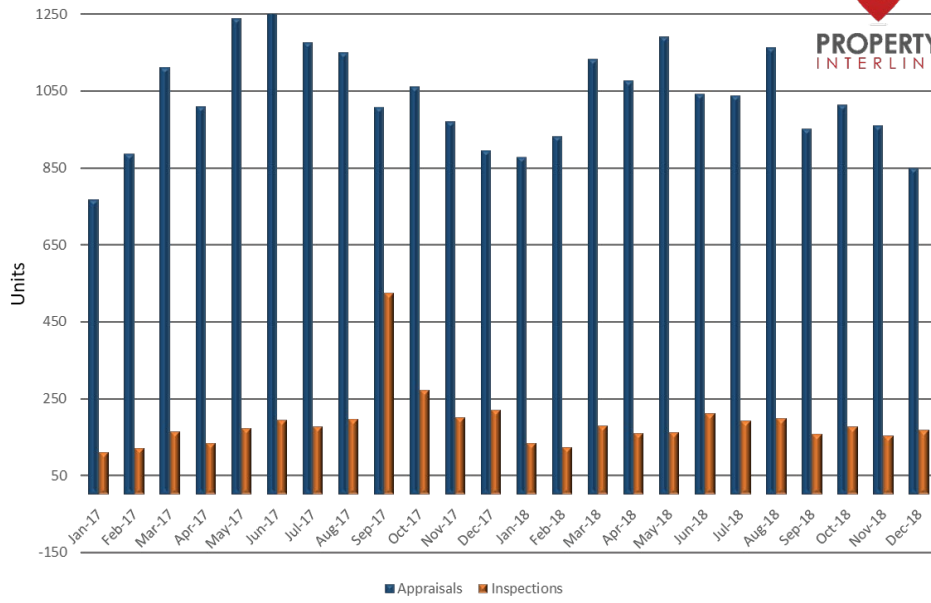


Property Interlink’s monthly activity consists of both residential appraisals and inspections for residential construction properties, as well as final inspections required under specific mortgage guidelines in the United States. The following chart provides further subdivision of the Company’s monthly appraisal and inspection activity for 2017 through 2018.

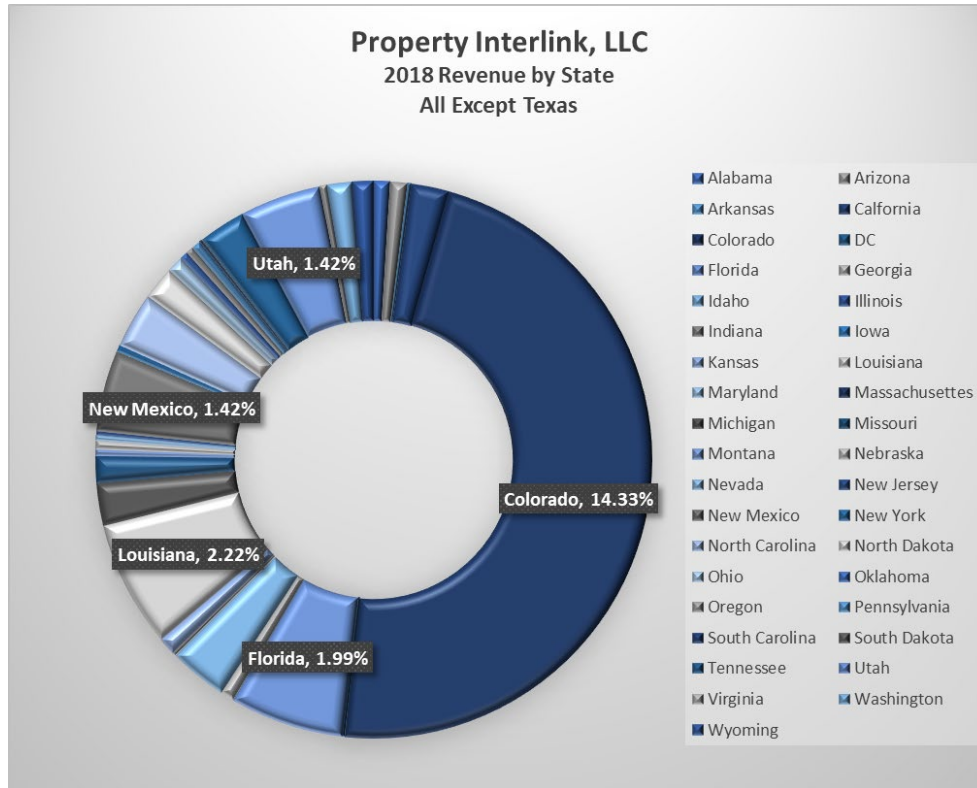
2017-2018 Operational Activity



**PROPERTY
INTERLINK**



The chart below depicts revenue by state, excluding Texas, for Property Interlink for the year ended December 31, 2018.



Top Ten States by Percentage of Revenue			
State	Twelve-months ended Dec 31, 2018	Twelve-months ended Dec 31, 2017	Variance
Texas	69.69%	73.21%	-4.81%
Colorado	14.33%	15.46%	-7.28%
Louisiana	2.22%	1.63%	36.49%
Florida	1.99%	0.46%	333.42%
Utah	1.42%	1.58%	-9.82%
New Mexico	1.42%	2.27%	-37.51%
Idaho	1.01%	0.55%	83.88%
North Carolina	0.98%	0.19%	415.18%
Tennessee	0.82%	0.19%	333.73%
Michigan	0.74%	1.00%	-26.07%

Reliable Valuation Service, LLC

Reliable Valuation Service, LLC, a Wyoming limited liability company, was incorporated June 13, 2018, as a staff appraisal company and reported no operating activity during 2018. Reliable Valuation Service was established to segregate the activities of staff appraisals and those of appraisal management. Operating activity began during the first quarter of 2019.

Expenses

On a consolidated basis, total expenses reported for the year ended December 31, 2018 were \$10,577,539 compared to \$8,493,673 for the previous year. For equal comparative purposes, total expenses for the year ended December 31, 2018, were \$8,086,979, which includes Starrex (corporate) and Property Interlink. This amount removes the expenses associated with MFI Credit Solutions, LLC, which was acquired on February 9, 2018, and Reliable Valuation Service. The decrease is primarily associated with the \$516,383 expense for impairment reported in 2017 along with the income tax recovery of \$101,102.

Depreciation and amortization expenses for the year ended December 31, 2018, were \$315,878 compared to \$219,850 for the same period in 2017. During the period, Starrex also reported \$138,345 (2017 - \$Nil) in share-based payments for options issued to key employees during the third quarter.

Interest expense of \$28,138 (2017 - \$1,677) was reported for the year ended December 31, 2018, which was associated with the Note Payable, as well as the Operating Line of Credit established during the fourth quarter. Also associated with the Note Payable was an accretion expense of \$57,260 (2017 - \$Nil).

On a consolidated basis, total non-cash expenses for 2018 were \$511,483 (2017 - \$736,233) and have been itemized below:

Expense	2018	2017
Depreciation and amortization	\$ 315,878	\$ 219,850
Share-based payments	138,345	-
Accretion expense	57,260	-
Impairment	-	516,383
Total	\$ 511,483	\$ 736,233

As a percent of appraisal revenue (\$7,326,823 – 2018; \$7,574,793 – 2017), appraisal expenses (commissions) were approximately 63.9% for the year ended December 31, 2018 (\$4,683,866) compared to 64.1% (\$4,855,139) for the previous year. Property Interlink consistently and diligently recruits new staff appraisers to facilitate the staff appraisal model instead of utilizing independent contractors to perform these services, because realized revenue to the Company is significantly decreased by using independent contractors.

Expenses for credit bureaus related to the cost of credit reports were \$1,318,305, or 56.6% as a percent of credit reporting revenue for the year ended December 31, 2018.

Liquidity and financial position

A discussion of our liquidity, cash flows, financing activities and changes in our financial position

Liquidity

Cash

At December 31, 2018, Starrex held \$160,345 in cash and cash equivalents, a decrease of \$412,203 over the previous year-end (December 31, 2017 - \$572,548). This decrease was a result in utilization of operating capital for the purchase of MFI Credit Solutions, LLC during the first quarter of 2018.

At December 31, 2018, the Company had current assets of \$673,386 (\$1,456,522 – December 31, 2017) and current liabilities of \$1,940,731 (\$828,397 – December 31, 2017). The Company's current assets were \$783,136 lower than the previous year-end as a result of the settlement of the note receivable and utilization of working capital.

Cash flows

During the year ended December 31, 2018, the Company spent \$142,203 in operating activities. Utilization of cash from investing activities represented \$850,000 for the year, which includes the acquisition of MFI, while the company entered into a note payable agreement and established an operating line of credit which provided \$580,000 in financing cash flows.

Liabilities

Current liabilities at December 31, 2018, were \$1,940,731, compared to \$828,397 at the prior year-end. The variance of \$1,112,334 is attributable to the note payable and operating line of credit established during the year. Accounts payable and accrued liabilities increased by \$211,951, to \$962,634 as at December 31, 2018 compared to \$750,683 for the year ended 2017. Liabilities from contracts with customers increased by \$298,013, from \$77,714 at December 31, 2017 to \$375,727 in 2018. Deferred revenue for the year ended December 31, 2018 was \$49,955 compared to \$77,714 at December 31, 2017

and is included in contract liabilities. Deferred revenue in Property Interlink is comprised of prepaid amounts for appraisals that were not completed as of the applicable date. These increases are primarily due to the acquisition of MFI Credit Solutions, LLC and the subsequent consolidation

Financial position

The following is a discussion of the significant changes in our Statement of Financial Position.

Trade and other receivables

Trade and other receivables were \$462,316 at December 31, 2018 (\$862,802 – December 31, 2017). During ordinary course of business, balances in current accounts receivable remain steady with the necessary controls in place to ensure collectability. The large decrease since December is directly associated with the proceeds received from the Note Receivable in consideration of the divestiture of Olympia Capital Management Inc.

Current accounts receivable as at December 31, 2018 were \$462,316 compared to \$279,185 at December 31, 2017. As Property Interlink continues to grow in volume and revenue, we expect to realize an increase in outstanding current accounts receivable balances. Additionally, approximately 45% of the customer base for MFI Credit Solutions, LLC is on a term account. Average days aged for accounts receivable in MFI is currently 18 days with 49 days to pay in Property Interlink.

Notes receivable as of December 31, 2018 were Nil. For additional information on Notes Receivable, see Note 10 of the consolidated annual audited consolidated financial statements.

Fourth Quarter

During the fourth quarter, overall expenses to the Company of \$1,893,899 increased by \$870,494 over the same period in 2017 (\$87,394), which includes expenses associated with the new acquisition of MFI Credit Solutions, LLC totaling \$713,984. Without the acquisition, expenses reported in Property Interlink and Starrex International were \$156,406 higher than the fourth quarter in 2017, reporting \$2,050,307 for 2018 compared to \$1,893,899 in 2017. This increase was largely comprised of share-based payments expense of \$138,345 and accretion expense associated with the convertible note payable of \$57,260. These expenses were offset by the reversal of the deferred tax liability of \$101,102 during the fourth quarter after provision for taxes was prepared and adjusted accordingly.

Revenues for the fourth quarter of 2018 were \$2,284,040 compared to \$1,815,568 during the same period in 2017. MFI Credit Solutions, LLC reported \$582,806 in credit reporting activity revenue for the fourth quarter. For comparative purposes, Property Interlink and Starrex International reported \$1,701,234 in total revenue compared to \$1,815,568, a decrease of \$114,334. This decrease was due in part to the cessation of interest income in the parent company as the note receivables were paid in full as well as a slight downturn in the United States housing marketing during the fourth quarter. Appraisal revenue decreased \$94,578, from \$1,698,809 during the fourth quarter in 2018 compared to \$1,793,387 in 2017.

See “Segment Revenue, Expense and Key Performance Metrics” for additional detail by entity.

Segmented Information

The Company organizes its reporting structure into four 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 making decisions about resource allocation and performance assessment.

Selected financial information as at December 31, 2018 is presented by segment as follows (see Note 21):

	Property Interlink, LLC	MFI Credit Solutions, LLC	Reliable Vauation Service, LLC	Corporate	Total
Current assets	\$ 407,417	\$ 249,119	\$ 620	\$ 16,230	\$ 673,386
Note receivable	-	-	-	-	\$ -
Property and equipment	104,800	39,922	-	-	\$ 144,722
Intangible assets	173,567	1,067,047	-	183,344	\$ 1,423,958
Goodwill	621,132	294,156	-	-	\$ 915,288
Total Assets	\$ 1,306,916	\$ 1,650,244	\$ 620	\$ 199,574	\$ 3,157,354
Current liabilities	\$ 606,213	\$ 489,301	\$ -	\$ 845,216	\$ 1,940,731
Long-term liabilities	-	-	-	-	-
Total liabilities	\$ 606,213	\$ 489,301	\$ -	\$ 845,216	\$ 1,940,731
Revenues	\$ 7,326,823	\$ 2,328,380	\$ -	\$ 9,644	\$ 9,664,847
Expenses	\$ 7,729,400	\$ 2,490,180	\$ 380	\$ 357,579	\$ 10,577,539
(Loss) before provision for income tax	\$ (402,577)	\$ (161,800)	\$ (380)	\$ (347,935)	\$ (912,691)
Recovery of income taxes	\$ 101,102	\$ -	\$ -	\$ -	\$ 101,102
Net loss and comprehensive loss for the year	\$ (301,475)	\$ (161,800)	\$ (380)	\$ (347,935)	\$ (811,590)

Selected financial information as at December 31, 2017 is presented by segment as follows (see Note 21):

	Property Interlink, LLC	Corporate	Total
Current assets	\$ 235,941	\$ 636,964	\$ 872,905
Note receivable	-	583,617	583,617
Property and equipment	192,598	-	192,598
Intangible assets	486,115	-	486,115
Goodwill	621,132	-	621,132
Total Assets	\$ 1,535,786	\$ 1,220,581	\$ 2,756,367
Current liabilities	\$ 464,986	\$ 363,411	\$ 828,397
Long-term liabilities	101,102	-	101,102
Total liabilities	\$ 566,087	\$ 363,411	\$ 929,499
Revenues	\$ 7,574,793	\$ 91,746	\$ 7,666,539
Expenses	\$ 7,450,782	\$ 1,042,891	\$ 8,493,673
Income / (loss) before provision for income tax	\$ 124,010	\$ (951,144)	\$ (827,136)

2018 Budget Approach

The Company is focused on increasing shareholder value, as well as fiscal responsibility while investing in the acquisition of real estate-based entities that complement Property Interlink and MFI Credit Solutions.

The Company is conserving capital for the possible use of funds in the eventuality of successful search for an acquisition target.

Goodwill

The Company's annual goodwill impairment testing determined that the carrying value of the goodwill included in each of the Company's reportable segments (see Note 8) did not exceed their value in use and as a result the Company did not report an impairment charge.

Capital Disclosures

The Company's objectives when managing capital are to maintain its ability to continue as a going concern, 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 adjust it, when necessary, 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.

Income Taxes

The Company recovered \$101,102 in tax expense for 2018 as a result of an unrecognized deferred tax asset (2017 - \$101,102 deferred tax liabilities). Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

The Company carries the following in unrecognized tax assets as year-end:

United States	2018	2017
Balance, beginning of year	\$ (101,102)	\$ (168,974)
Recognized in net comprehensive loss	101,102	67,872
Balance, end of year	\$ -	(101,102)
Canada	2018	2017
Deferred income tax		
Canadian net capital loss carried forward	\$ 2,542,000	\$ 2,211,000
Canadian non-capital losses carried forward	\$ 3,744,000	\$ 4,096,000
Share issuance costs	\$ -	\$ 4,000

Promissory Notes

During the second quarter of 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 first quarter of 2017. Management subsequently collected the balance outstanding during the first quarter of 2018.

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.

AmCap Mortgage Ltd., a related customer (by common Director) accounted for \$4,324,600 (2017 - \$4,877,625) of revenue to the Company. As at December 31, 2018, \$36,734 (2017 - \$35,557) is included in accounts receivable on the consolidated statements of financial position. Additionally, \$132,566 (2017 - \$26,345) is included in accounts payable as at December 31, 2018, on the consolidated statements of financial position.

Hilltop Financial, LLC

On November 16, 2018, the Company entered into a Promissory Note with Hilltop Financial, LLC, a related party (by common Director). The Company recorded \$Nil in accrued interest for the year ended December 31, 2018 (2017 – \$Nil). As at December 31, 2018, the Company utilized \$80,000 of the revolving line of credit, which is reported as a short-term liability.

Subsequent Events

- i) Effective January 23, 2019, the Company entered into an Amending Note Purchase Agreement. Under the Amending Note Purchase Agreement, the conversion price was amended to \$1.06 from \$0.73 per share with a maturity date of April 22, 2019. Accrued interest of \$30,000 was paid in full on February 14, 2019. Management is currently negotiating with the holder of the Amending Note Purchase Agreement to convert the outstanding principal balance of \$500,000 along with \$7,315 in accrued interest.
- ii) Subsequent to December 31, 2018, Directors exercised 500,000 options expiring April 17, 2019, at an exercise price of \$0.25 CAD. Additionally, 50,000 options expired unexercised (see Note 14).

Critical accounting estimates

Judgments, estimates and assumptions related to preparing IFRS financial statements.

The preparation of financial statements consistent with IFRS requires that management make judgments, estimates and assumptions that affect reported amounts of assets and liabilities as at the date of the financial statements, as well as the reported amounts of the revenues and expenses for the periods. Although the 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 consolidated financial statements are as follows:

Goodwill and other indefinite life intangible assets are 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 value requires the use of estimates and assumptions related to future operating performance and discount rates, differences in estimates and assumptions could have a significant impact on the financial statements. 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.

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

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 require a high degree of judgment and include estimates for future operating performance, discount rates, technology migration factors and terminal value rates.

The Company's income tax expense, deferred tax assets and liabilities for unrecognized tax benefits reflects management's best estimate of current and future taxes to be paid. The Company is subject to income taxes in the United States and Canada. Significant judgments and estimates are required in the determination of the consolidated income tax expense.

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 year ended December 31, 2018, 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 to be 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 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 checks and completing and recording wire requests. As of December 31, 2018, the Company's Disclosure Committee 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.

Risks and risk management

Risks and uncertainties facing us, and how we manage these risks

Business Risk

Starrex has established policies and procedures to identify, manage and control operational and business risks that may impact our financial position and our ability to continue ordinary operations. Management is responsible for ongoing control and mitigation of operational risk by ensuring the appropriate policies, procedures and internal controls, as well as compliance measures are undertaken.

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.

The Company applies the IFRS 9 simplified approach to measuring expected losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months before the year end. The historical loss rates, if any, are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. All trade receivables are less than sixty days past due. On that basis, no allowance for doubtful accounts was recorded nor were expected losses determined on adoption of IFRS 9.

Financial Risk

The Company maintains strong internal controls, including management oversight at both the parent and subsidiary levels, to provide reasonable assurance of financial reporting reliability and preparation of financial statements for external purposes consistent with IFRS.

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.

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 to meet its liquidity requirements. At December 31, 2018, the Company had cash and cash equivalents of \$160,345 (December 31, 2017 - \$572,548) available to settle current financial liabilities of \$1,940,731 (December 31, 2017 - \$828,397).

Management believes the issuer has adequate working capital to fund operations and has adequate cash resources to finance future foreseeable capacity expansions. The existing operating line of credit is adequate to satisfy material operating cash requirements of all operating subsidiaries. The seasonal increase in appraisal and credit reporting volume in the housing sector results in a seasonal increase in liquidity in the spring and summer and is adequate to manage the liquidity in the fall and winter.

Corporate current liabilities. Other than the financing notes payable are associated with previous fiscal periods. Management strategy is to eliminate these liabilities as subsidiaries achieve positive net income or at the time of equity or long-term debt financing associated with future expansion. Acquisition strategy at the non-binding letter of intent phase is to initiate the process of acquisition funding with related party or independent, debt or equity financing.

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 note payable is at a fixed rate of interest and, as such, is 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 and share-based payments that are denominated in a foreign currency. As at December 31, 2018, the Company held immaterial amounts of cash and cash equivalents in CDN currency and considers foreign currency low risk.

Concentration Risk

The Company has certain customers whose revenue individually represented 10% or more of the Company's total revenue. Concentration risk for Amcap Mortgage, Ltd. by segment is as follows:

Segment	2018		2017	
	Revenue (\$)	Revenue (%)	Revenue (\$)	Revenue (%)
Property Interlink-Appraisal revenue	4,122,180	43	4,877,625	64
MFI Credit Solutions-Credit reporting revenue	202,480	2	-	-
Total	\$ 4,324,600	45%	\$ 4,877,625	64%

All of the Company's revenue for the year ended December 31, 2018 and 2017, was in the United States.

As at December 31, 2018, one customer accounted for 25% (\$115,835) of the Company's accounts receivable balances. As at December 31, 2017, two customers accounted for 33% (\$93,515) of accounts receivable.

There can be no assurance that all or any of the Company's customers will continue to be customers of the Company. The loss of any such customers may have a materially negative impact on the company's business conditions and financial results.

Federal and State Regulation

As at year-end 2018, we are subject to licensing requirements in many of the states in which we operate. The appraisal management business operated by Property Interlink is currently licensed and operating in thirty-one states and/or jurisdictions. Of these states, Alabama, Idaho, Iowa, New Mexico, North Carolina, Oregon, South Dakota and Utah require surety bonds in the amounts of \$25,000 each with Arizona, Arkansas, Colorado, Georgia, Louisiana, Missouri and Tennessee requiring \$20,000. The Company is also required to provide surety bonds in the amounts of \$100,000 each for Wyoming and Washington. We may become subject to additional registration or licensing requirements if we expand our businesses to additional services or to provide our services in additional states. We are in compliance with all licensing and bonding requirements in the jurisdictions in which we operate.

We cannot predict the impact of new or changed laws, regulations or licensing requirements, or changes in the ways that such laws, regulations or licensing requirements are enforced, interpreted or administered. Financial and mortgage servicing laws and regulations are complex, are subject to change and have become more stringent over time. It is possible that greater than anticipated regulatory compliance expenditures will be required in the future. We expect that continued government and public emphasis on regulatory compliance issues will result in increased future costs of our operations.

The Company mitigates this risk by with compliance monitoring and quarterly reviews of appraisal activity by state.

Acquisition Activities

Identifying, executing and realizing attractive returns on business combinations is highly competitive and involves a high degree of uncertainty. The Company continually evaluates opportunities to acquire additional complementary businesses. Any resulting acquisitions may be significant in size, may change the scale of the Company's business, and may expose the Company to new geographic, political, operating, financial and other risks. Success in the Company's acquisition activities depends on the Company's ability to identify suitable acquisition candidates, acquire them on acceptable terms, and integrate their operations successfully. Risks include the difficulty of assimilating the operations and personnel of any acquired companies, the potential disruption of the Company's ongoing business, the inability of management to maximize the Company's financial and strategic position through the successful integration of acquired assets and businesses, the maintenance of uniform standards, controls, procedures and policies, the impairment of relationships with customers and contractors as a result of any integration of new management personnel and the potential unknown liabilities associated with acquired businesses.

The Company may be affected by numerous risks inherent in the business operations which the Company acquires. For example, if the Company combines with a financially unstable business or an entity lacking an established record of sales or earnings, the Company may be affected by the risks inherent in the business and operations of a financially unstable or an undercapitalized entity. Although the Company's executive officers and directors will endeavor to evaluate the risks inherent in a particular target business, the Company cannot assure that the Company will properly ascertain or assess all of the significant risk factors or that the Company will have adequate time to complete due diligence investigations. Furthermore, some of these risks may be outside of the Company's control and leave the Company with no ability to control or reduce the chances that those risks will adversely impact a target business.

In addition, the Company may need additional capital to finance an acquisition. Historically, the Company has raised funds through equity financing, although recently the Company used a convertible debt instrument. However, the market prices for financial services are highly speculative and volatile. Accordingly, instability in prices may affect interest in such businesses and the development of such businesses that may adversely affect the Company's ability to raise capital to acquire complementary businesses. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Due to the fact the Company has not selected any specific additional target businesses, investors will be unable to ascertain the merits or risks of any particular target business' operations.

Internal Control over financial reporting

A summary of our internal control review results

During the year, the Company's internal control processes are reviewed and updated as necessary. During the year ended December 31, 2018, no significant deficiencies in internal control were identified.

Due to the fact that the Company was required to restate its audited financial statements as a result of the determination of the value of share consideration paid and price allocations made on acquisitions and the determination of change in control with respect to divested subsidiaries, additional controls have been put in place for mergers, acquisitions and divestitures. This may include the engagement of third party professionals to provide legal and financial opinions for future acquisitions and divestitures.

Share Capital

As at December 31, 2018, the share capital of the Company continued to be comprised exclusively of common shares. There are minimal dilutive securities outstanding or committed for issue, including, without limitation, options issued requiring the future issuance of new share capital by the Company.

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

Issued	Number of Common Shares	Amount \$
Balance, December 31, 2016	14,480,827	6,745,651
Shares Issued - exercise of options	100,000	34,060
Balance, December 31, 2017 and 2018	14,580,827	6,779,711

The Company has a stock option plan in respect of which it has granted options, generally with 5-year terms, on 700,000 shares (details of which are summarized in a table below). The Company's stock option plan (the "Plan") enables its directors, officers, employees, consultants, and advisors to acquire common shares of the Company from treasury at any time within a fixed period of time from the date on which the options are granted (usually 5 years) at an exercise price set at the time the options are granted. Under the terms of the Plan, the directors can grant options totaling up to 10% of the number of common shares outstanding. The following table shows the number of options currently outstanding and their respective exercise prices and expiry dates. All outstanding options are fully vested.

	Number of options	Weighted average exercise price \$	Grant Date Fair Value
Outstanding, December 31, 2016	750,000	0.33	1.33
Exercise of options	(100,000)	0.23	0.17
Outstanding, December 31, 2017	650,000	0.47	0.35
Granted	175,000	1.03	0.73
Outstanding, December 31, 2018	825,000	0.49	1.08
Exercisable, December 31, 2018	775,000	0.44	1.08

	Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Life
Granted April 17, 2014	550,000 ⁽¹⁾	550,000	\$ 0.18 ⁽⁴⁾	April 17, 2019	0.29
Granted August 25, 2015	100,000 ⁽²⁾	100,000	\$ 1.25 ⁽⁵⁾	September 1, 2020	1.67
Granted February 9, 2018	50,000 ⁽³⁾	50,000	\$ 0.38 ⁽⁶⁾	February 9, 2023	4.11
Granted October 5, 2018	125,000 ⁽³⁾	75,000	\$ 1.29 ⁽⁷⁾	October 5, 2023	4.76
Total	825,000	775,000			1.37

⁽¹⁾ Directors of the Company holds these options. They are fully vested.

⁽²⁾ An Executive Officer of the Company holds these options. They are fully vested.

⁽³⁾ Key employees hold these options. 50,000 options granted in February 2018 vest immediately; of the 125,000 options granted in October 2018, 75,000 options vest immediately; 25,000 vest on April 3, 2019; with the remaining vesting on October 5, 2019.

⁽⁴⁾ The exercise price is CAD \$0.25.

⁽⁵⁾ The exercise price is CAD \$1.70.

⁽⁶⁾ The exercise price is CAD \$0.51.

⁽⁷⁾ The exercise price is CAD \$1.75.

⁽⁸⁾ 500,000 were exercised on April 16, 2019 (Note 23); 50,000 options expired unexercised, (see Note 22).

The Company incurred \$138,345 in share-based payment expense for options in 2018 (\$Nil – 2017). During April 2019, directors of the Company exercised 500,000 options, each with an exercise price of CAD \$0.25, to acquire 500,000 common shares of the Company.