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Management's Discussion and Analysis

For the Year Ended December 31, 2021

Introduction

Starrex International Ltd. ("Starrex" or the "Company") is a publicly traded company, incorporated in 1982 under the Canada Business Corporations Act with its head office at 639 5th Avenue S.W., Calgary, Alberta T2P 0M9. Starrex's common shares trade on the Canadian Securities Exchange ("CSE") under the symbol "STX" and in the United States on the OTCQB market under the symbol "STXMF."

The following Management Discussion and Analysis ("MD&A") contains management's interpretation of Starrex International Ltd.'s performance for the year ended December 31, 2021. While the financial statements reflect actual results, the MD&A explains these results from management's perspective and provides the Company's plans for subsequent periods ahead.

This MD&A was prepared as of April 28, 2022 and should be read in conjunction with our audited annual consolidated financial statements ("financial statements") for the year ended December 31, 2021, and related notes. All amounts included in this MD&A are reported in U.S. dollars, unless otherwise stated, and have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Throughout this MD&A, Starrex International Ltd. and its subsidiaries are referred to as ("Starrex") or ("the Company"), including the terms "we", "us" and "our". Additional information about the Company, including the Company's Annual Information Form for the year ended December 31, 2021, can be found on SEDAR under the Company's profile at www.sedar.com.

This MD&A was reviewed and approved by the Board of Directors on April 28, 2022.

Overview

Starrex International Ltd. ("Starrex") is a national provider of real estate appraisal and credit reporting services to mortgage lenders and brokers in the United States of America. Our leading-edge technology platform and specialized business model provides a streamlined approach to our clients resulting in faster turnaround times.

We are committed to investing in our employees, delivering value to our customers, ethically managing our suppliers and professional networks, and supporting the outside communities within which we work. While each of our subsidiaries serves its own corporate purpose, they share a fundamental commitment to all of our shareholders – to deliver value, service and growth.

Credit Reporting Services

MFI Credit Solutions, LLC ("MFI") (www.mfidata.com) is a full service credit reporting agency, with resources from all three national credit agencies – TransUnion, Equifax and Experian. MFI has been providing consumer credit reports to Mortgage Lenders, Mortgage Brokers, and Credit Unions for homebuyers considering the purchase or refinance of a home for more than 17 years. We are nationally recognized as a trusted provider of not only credit services, but risk mitigation, flood and verification services. MFI Credit Solutions, LLC is governed by the Fair Credit Reporting Act (FCRA) and has the ability to provide credit reports to borrowers in all states.

Appraisal Services

Property Interlink, LLC ("Property Interlink") (www.propertyinterlink.com) is a full-service appraisal management company ("AMC"), managing a nationwide network of independent qualified real estate appraisers. An AMC provides a layer of oversight to the appraisal process assisting consumers in obtaining unbiased valuations for mortgage financing. Currently licensed in forty-two states, Property Interlink provides an innovative and comprehensive selection of valuation and commercial appraisal management services to the Mortgage Industry.

A residential real estate appraisal is a licensed appraiser's opinion of the market value of a residential property. The cost of an appraisal varies by type of appraisal conducted, property type and geographical location. The majority of our clients order residential appraisals for mortgage purchase or refinancing required by Government Sponsored Entity ("GSE") requirements.

Reliable Valuation Service, LLC ("RVS") (www.reliablevaluationservice.com) is a fully licensed staff appraisal company providing objective and comprehensive valuations of residential real estate to the mortgage industry with an employee appraiser model that provides a level of quality, control and consistency unmatched in the industry. We provide appraisals for appraisal management companies, including Property Interlink, mortgage brokers, lenders and banks. Pricing for these appraisal services is dependent upon location, property type, and type of appraisal requested.

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.

Important Factors Affecting our Result from Operations

Our business is subject to a variety of risks and uncertainties. Please refer to the "Cautionary Note Regarding Forward-Looking Information" contained in this MD&A for a description of the risks that impact our business and that could cause our financial results to vary.

Impact of COVID-19

Operations

To date, our operations have not experienced any significant adverse effects as a result of COVID-19. Mortgage applications for refinances and purchases of residential real estate remained strong throughout the year. The average fixed 30-year mortgage increased to 3.1% in December[1] - still a historical low, which continues to strengthen mortgage refinance activity. The finance forecast from the *Mortgage Bankers Association* reflects a 36% decline in overall mortgage applications over 2021. However, this amount is comprised of a combination of purchase and refinancing applications. Numbers projected for purchase applications are actually higher by 4.36% when comparing the $1.646 billion for 2021 versus $1.721 billion in 2022 (see chart below). It is important to note more than 80% of the volume in the Starrex companies is derived from purchase applications.

MBA Mortgage Finance Forecast

April 13, 2022

	2021				2022				2023							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2021	2022	2023	2024
Housing Measures																
Housing Starts (SAAR, Thous)	1,599	1,588	1,562	1,670	1,711	1,723	1,713	1,703	1,729	1,768	1,791	1,799	1,605	1,713	1,772	1,665
Single-Family	1,156	1,107	1,096	1,166	1,190	1,204	1,223	1,243	1,279	1,318	1,345	1,365	1,131	1,215	1,327	1,258
Two or More	443	482	465	503	521	519	490	460	450	450	446	434	473	498	445	408
Home Sales (SAAR, Thous)																
Total Existing Homes	6,287	5,950	6,067	6,203	6,212	6,107	6,031	6,063	6,111	6,157	6,245	6,341	6,127	6,103	6,213	6,435
New Homes	896	737	699	752	785	812	833	857	888	910	919	920	771	822	909	918
FHFA US House Price Index (YOY % Change)	12.7	17.4	17.6	17.5	15.2	12.2	9.1	6.2	3.9	2.3	2.8	2.5	17.5	6.2	2.5	4.9
Median Price of Total Existing Homes (Thous $)	313.5	351.7	356.1	353.8	354.2	365.3	369.8	371.1	379.5	384.3	386.3	388.3	343.8	365.1	384.6	401.3
Median Price of New Homes (Thous $)	364.9	380.6	407.8	416.0	420.6	413.6	415.1	417.4	424.2	425.6	426.8	427.6	392.3	416.7	426.1	433.4
Interest Rates																
30-Year Fixed Rate Mortgage (%)	2.9	3.0	2.9	3.1	3.8	4.7	4.8	4.8	4.8	4.8	4.7	4.6	3.1	4.8	4.6	4.3
10-Year Treasury Yield (%)	1.3	1.6	1.3	1.5	1.9	2.6	2.7	2.8	2.8	2.8	2.8	2.8	1.5	2.8	2.8	2.5
Mortgage Originations																
Total 1- to 4-Family (Bil $)	1,094	1,050	954	893	689	697	594	582	535	666	629	619	3,991	2,562	2,449	2,591
Purchase	320	460	442	424	381	492	430	418	360	499	463	451	1,646	1,721	1,773	1,845
Refinance	774	590	512	469	308	205	164	164	175	167	166	168	2,345	841	676	746
Refinance Share (%)	71	56	54	53	45	29	28	28	33	25	26	27	59	33	28	29
FHA Originations (Bil $)													293	180	159	145
Total 1- to 4-Family (000s loans)	3,146	2,926	2,714	2,497	1,830	1,866	1,615	1,487	1,359	1,719	1,611	1,533	11,283	6,798	6,221	6,377
Purchase	974	1,341	1,302	1,259	1,025	1,302	1,130	1,075	931	1,278	1,176	1,113	4,876	4,532	4,497	4,539
Refinance	2,172	1,585	1,412	1,238	805	564	485	412	428	441	435	420	6,407	2,266	1,724	1,838
Refinance Share (%)	69	54	52	50	44	30	30	28	31	26	27	27	57	33	28	29
Mortgage Debt Outstanding																
1- to 4-Family (Bil $)	11,783	12,022	12,271	12,532	12,711	12,924	13,136	13,340	13,519	13,700	13,873	14,036	12,532	13,340	14,036	14,645

Notes:
As of the Sep, 2021 forecast, the 2020 originations numbers have been revised based on the 2020 Home Mortgage Disclosure Act data.
Total 1-to-4-family originations and refinance share are MBA estimates. These exclude second mortgages and home equity loans.
Mortgage rate forecast is based on Freddie Mac's 30-Yr fixed rate which is based on predominantly home purchase transactions.
The 10-Year Treasury Yield and 30-Yr mortgage rate are the average for the quarter, but annual columns show Q4 values.
The FHFA US House Price Index is the forecasted year over year percent change of the FHFA Purchase-Only House Price Index.
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MBa
MORTGAGE BANKERS ASSOCIATION

[1] Trading Economics, *United States MBA 30-Yr Mortgage Rate*

Customers and Communities

The health and well-being of our employees and clients, as well as our community, is our top priority. We have integrated social distancing in our processes in recognition of the significant impact COVID-19 has had on our employees, clients and the field professionals in our network and actively monitor the current situation, taking every step to help ensure a safe working environment.

As an essential service provider, our appraisers continue to provide the high level of service our clients expect. While some homeowners postponed valuation of their homes during this pandemic, most transactions are still being completed, while practicing social distancing to mitigate physical contact. We have not experienced a significant impact to volume or our ability to complete appraisals as of today.

Workforce

Our workforce has returned to the Company's "pre-pandemic" operating conditions with 100% of the employees returning to the corporate office environment that were not initially remote workers prior to COVID mandates.

Financial Condition

Starrex provides services to the financial services industry which has been deemed by the United States Department of Homeland Security to be an essential service. Accordingly, COVID-19 has not had a material adverse impact on our financial condition. The United States housing market is the primary driver of financial performance which is greatly influenced by cyclical trends and seasonality in mortgage originations and refinancing. Revenues are also impacted by the seasonal nature of the residential mortgage industry, with volumes surging higher during the second and third calendar quarters of the year as homebuyers typically purchase more homes during those months than any other.

Starrex continues to review and evaluate merger and/or acquisition ("M&A") transactions in an ongoing effort to increase market share and geographic footprint in the real estate and mortgage services industries.

Our current assets are primarily comprised of cash and accounts receivable. Our foremost risk associated with current assets is the risk of credit losses attributable to receivables with large accounts and the potential impact of COVID-19. We performed a thorough review of amounts due, current customer volume and credit policy. To date, we have not changed our accounting policy for credit losses and a provision of loss is not required. The potential impact of COVID-19 is subject to significant uncertainty and while our activity in credit and appraisal services remains strong, we realize the pandemic could have a substantial impact on our clientele. Our focus on collections has increased to mitigate credit risk as well as assess potential financial deficiencies.

Our long-term assets are primarily comprised of property and equipment, intangibles, goodwill and right-of-use assets. We assess the carrying value of property and equipment, intangibles and right-of-us assets as of each reporting period to determine if impairment is required in accordance with IFRS. Based upon our financial condition as at December 31, 2021, and as of the date of this Management's Discussion and Analysis, we have determined the carrying value of these assets did not exceed its recoverable amount and have not recorded an impairment charge.

Goodwill and intangibles with indefinite life are not amortized but is evaluated for impairment annually or when indicators for potential impairment are present. The Company's impairment testing is based on valuation models that incorporate assumptions and internal projections of expected future cash flows. We evaluated goodwill and intangibles with indefinite life as at December 31, 2021, and have determined there is no indication of impairment.

Capital and Financial Resources

As of December 31, 2021, the Company had not utilized the available credit associated with the revolving line of credit facility (December 31, 2020 - $Nil). We do not currently have any concerns regarding our ability to fulfill our financial obligations and while we do not anticipate the need to draw on our revolving credit facility, we will maintain the line to support working capital and potential acquisitions, if needed.

Due to the uncertainty of the impact COVID-19 may have on our operations, two of the U.S. subsidiaries participated in the CARES Act Paycheck Protection Program, which provided additional liquidity and ensures stability for our associates during the pandemic. On April 17, 2020, Property Interlink, LLC was granted $664,500 and MFI Credit Solutions, LLC was granted $126,100. Both loans matured on April 17, 2021 and bear an interest rate of 1% per annum, payable monthly commencing November 17, 2020. Both loans in the aggregate amount of $790,600 were forgiven by the Small Business Administration effective November 11, 2020.

(expressed in United States dollars)

We continue to review our approach to capital on an ongoing basis, as well as monitor our credit risk from a client concentration perspective. We are not subject to externally exposed capital requirements and have not changed our capital risk management strategy in the past year.

Internal Controls

Our operations have remained largely unchanged as a result of COVID-19. Our financial reporting systems, internal control over financial reporting and disclosure controls and procedures remain unchanged as well. We have not experienced a significant change in our control environment that would have a material impact on our internal controls over financial reporting since last year.

Business Continuity

Our business continuity plans were successfully executed during the second quarter or 2019 and remain in place as of the date of writing, as associates transitioned to working from home. Capital expenditures and significant changes were made to infrastructure during 2019 in support of business continuity in the event of a disaster or situations that may arise, such as the COVID-19 pandemic. We do not expect additional capital expenditures.

Financial Performance

The following is a discussion of our consolidated financial condition and results of operations for the year ended December 31, 2021 and 2020.

Review of Operations for the year ended December 31, 2021

We conduct our business in the United States in four reportable segments:

Property Interlink, LLC	Appraisal Management Services
Reliable Valuation Service, LLC	Staff Appraisal Services
MFI Credit Solutions, LLC	Credit Reporting Services
Starrex International, LLC	Corporate

Consolidated

	Year ended December 31				Three months ended December 31			
	2021	2020	Change	% Change	**2021**	2020	Change	% Change
Revenue	**$ 20,716,262**	$ 17,051,127	$ 3,665,135	21.5%	**$ 4,826,603**	$ 5,037,675	$ (211,072)	(4.3%)
Transaction costs	**$ 13,958,529**	$ 11,138,696	$ 2,819,833	25.3%	**$ 3,283,279**	$ 3,381,287	$ (98,008)	(2.9%)
Operating expenses	**$ 5,645,666**	$ 4,630,027	$ 1,015,638	21.9%	**$ 1,641,528**	$ 1,379,544	$ 261,984	19.0%
Interest expense	**$ 11,543**	$ 24,885	$ (13,342)	(53.6%)	**$ 4,909**	$ 7,058	$ (2,149)	(30.4%)
Depreciation and amortization	**$ 349,246**	$ 359,337	$ (10,091)	(2.8%)	**$ 88,046**	$ 94,786	$ (6,740)	(7.1%)
Foreign exchange gain (loss)	**$ 5,297**	$ 3,199	$ 2,098	65.6%	**$ 128**	$ 457	$ (329)	(72.1%)
Government assistance	**$ -**	$ 795,084	$ 795,804	(100.0%)	**$ -**	$ 795,084	$ 795,084	(100.0%)
Tax expense	**$ 211,420**	$ 712	$ 210,708	29593.8%	**$ 163,146**	$ 15,731	$ 147,415	937.1%

Year ended December 30, 2021

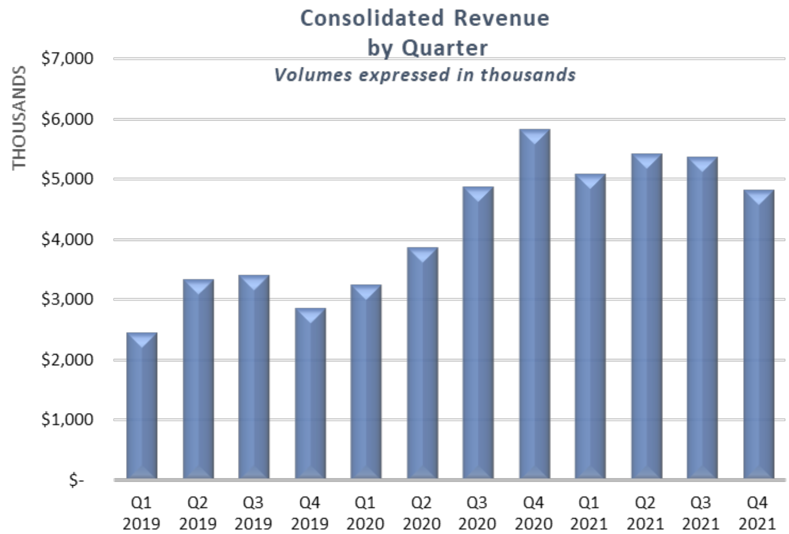
Revenues

Consolidated revenues for the year ended 2021 increased by 21.5% over the same period in 2020, primarily due to higher mortgage refinancing and mortgage purchase applications in the United States. Each of the wholly owned subsidiaries experienced increased organic growth of customer sales due to the increased efforts of our sales team.

Transaction Costs

Transaction costs include expenses directly associated with a contractual revenue transaction. This includes appraisal costs and commissions as well as expenses directly correlated with producing credit reports. On a consolidated basis, transaction costs increased by 25% during the twelve months ended December 31, 2021 as a result of higher appraisal and credit reporting volumes.

(expressed in United States dollars)



Operating Expenses

On a consolidated basis, operating expenses increased from $4,568,925 for the year ended December 31, 2020, compared to $5,645,666 reported as of December 31, 2021. This increase was partially due to expenses associated with investor relations activities as the Company continues to perform due diligence on potential acquisition opportunities. The Company also moved its headquarters in July of 2021, which contributed to this increase.

Depreciation and Amortization

Depreciation and amortization of fixed and intangible assets declined due to fully depreciated or amortized assets acquired through the purchase of subsidiaries in previous years. The Company acquired $302,000 in fixed assets and tenant improvements associated with the move of its headquarters, which will increase depreciation expense over the next five to seven years.

MFI Credit Solutions, LLC and Property Interlink, LLC participated in the CARES Act Paycheck Protection Program. During the fourth quarter of 2020, a total of $796,084, which includes principal and interest, was forgiven by the Small Business Administration and reported as government assistance.

MFI Credit Solutions, LLC

	Year ended December 31				Three months ended December 31			
	2021	2020	Change	% Change	**2021**	2020	Change	% Change
Revenue	**$ 5,373,760**	$ 5,032,775	$ 340,985	6.8%	**$ 1,089,058**	$ 1,309,561	$ (220,503)	(16.9%)
Transaction costs	**$ 3,539,974**	$ 3,064,540	$ 474,434	15.5%	**$ 754,420**	$ 811,040	$ (56,620)	(7.0%)
Operating expenses	**$ 1,205,323**	$ 1,344,304	$ (138,981)	(10.3%)	**$ 311,191**	$ 428,212	$ (117.021)	(27.3%)
Interest expense	**$ -**	$ 715	$ (715)	(100.0%)	**$ -**	$ 715	$ (715)	100.0%
Management fees	**$ 261,571**	$ 184,356	$ 77,215	41.9%	**$ 65,393**	$ 46,089	$ 19,304	41.9%
Depreciation and amortization	**$ 112,102**	$ 112,102	$ -	0.0%	**$ 28,026**	$ 28,932	$ (906)	(3.1%)
Government assistance	**$ -**	$ 126,815	$ (126,815)	(100.0%)	**$ -**	$ 126,815	$ (126,815)	(100.0%)
Tax expense	**$ 48,540**	$ -	$ 48,540	100.0%	**$ 48,540**	$ -	$ 48,540	100.0%

Revenues

During the year ended December 31, 2021, MFI generated $5,373,760 in revenue – an increase of 6.8% over the same period in 2020. This revenue is derived from the delivery of consumer credit reports, consumer tax reports and related information gathering activities, such as verifications of employment and fraud, and is due primarily to the increased volumes of refinancing and purchasing activity in the United States. MFI continues to expand its client base through organic growth as a result of internal sales efforts.

Transaction Costs

Transaction costs attributable to the credit reporting business segment were higher by 15.5% for the year ended 2021 compared to the same period in 2020 due to higher volumes of credit reports, tax transcripts and verification activity. Our costs are set by the three national credit reporting bureaus and is based upon volume.

(expressed in United States dollars)

Operating Expenses
Operating expenses in MFI Credit Solutions, LLC decreased by $138,981 for the year ended December 31, 2021 compared to the same period in 2020. This increase was expected in normal course of business growth. Much of this decrease is a direct result of efficiencies gained through economic review of vendors and proper alignment to better support the operation.

Management Fees
We monitor the operating results of each segment separately for the purpose of making decisions about Corporate resource allocation and intercompany expenditures quarterly. For additional information regarding management fees and subsequent allocation, please refer to the Corporate section.

Depreciation and Amortization

MFI Credit Solutions, LLC was acquired in February of 2018. All fixed and intangible assets are depreciated and amortized over 5 years for equipment, 7 years for furniture, and 5 years for certain intangible assets. As such, expenses remain unchanged.

Property Interlink, LLC

	Year ended December 31				Three months ended December 31			
	2021	2020	Change	% Change	**2021**	2020	Change	% Change
Revenue	**$ 9,764,594**	$ 7,721,740	$ 2,042,854	26.5%	**$ 2,373,883**	$ 2,524,582	$ (150,699)	(6.0%)
Transaction costs	**$ 7,345,781**	$ 5,798,884	$ 1,546,897	26.7%	**$ 1,790,819**	$ 1,921,400	$ (130,581)	6.8%
Operating expenses	**$ 1,983,265**	$ 1,563,124	$ 420,140	26.9%	**$ 548,122**	$ 432,457	$ 115,665	26.7%
Interest expense	**$ 11,543**	$ 17,965	$ (6,422)	(35.7%)	**$ 4,782**	$ 6,342	$ (1,560)	(24.6%)
Management Fees	**$ 216,788**	$ 209,580	$ 7,208	3.4%	**$ 54,197**	$ 52,395	$ 1,802	3.4%
Depreciation and amortization	**$ 183,632**	$ 210,901	$ (27,269)	(12.9%)	**$ 42,266**	$ 56,562	$ (14,296)	(25.3%)
Government assistance	**$ -**	$ 668,269	$ (668,269)	(100.0%)	$ -	$ 668,269	$ (668,269)	(100.0%)

Revenues
Starrex fully segregated appraisal activity effective January 1, 2020. Property Interlink, LLC reports only appraisals completed by the appraisal management company while employee staff appraisals are completed by Reliable Valuation Service, LLC. Appraisal Management Companies have more frequently adopted a "cost plus" pricing model for services, including Property Interlink LLC, which provides transparency for the end-user with respect to fees charged.

Transaction costs
Transaction costs increased by 26.7% for the year ended 2021 which was attributable to increased volume of appraisals completed during year ended December 31, 2021. Net revenue margins remained stable year-over-year from 2020 to 2021, as well as the Company's operating expenses as a percentage of revenue (19%).

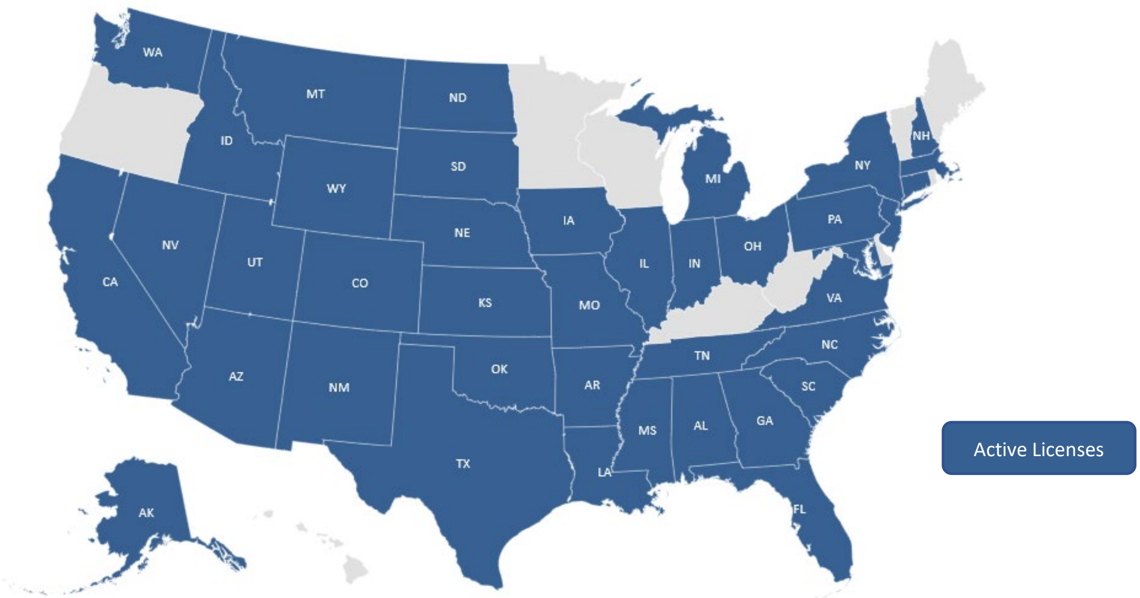
Operating Expenses
Operating expenses in this segment increased by $420,140, during normal course of business. As activity increases, expenses associated with the AMC software, quality control and access to certain multiple listing services also increases proportionately. The remaining operating expenses remain static. As a percent of revenue, these expenses remained stable at 19% of revenue.

Management Fees
We monitor the operating results of each segment separately for the purpose of making decisions about corporate resource allocation and intercompany expenditures quarterly. For additional information regarding management fees and subsequent allocation, please refer to the corporate section.

Depreciation and Amortization
Depreciation and amortization of fixed and intangible assets declined due to fully depreciated or amortized assets acquired through the purchase of subsidiaries in previous years. The corporate headquarters was moved in July of 2021 with the new lease and subsequent tenant improvements under Property Interlink. As a result, Property Interlink LLC reported an additional $53,251 in improvements to the new office space.

(expressed in United States dollars)

Compliance and Statistics
Property Interlink, LLC is currently licensed and operates in forty-two states and jurisdictions in the United States. The map below depicts our licensure, both active and non-licensed. The majority of our revenue is generated from appraisal activity in Texas. Isolated comparative data for appraisal management activity by state for 2019 was not available; however, overall revenue generated in Texas for the year ended December 31, 2021 was 65.76%, relatively unchanged from 2020 (64.36%).



Reliable Valuation Service, LLC

	Year ended December 31				Three months ended December 31			
	2021	2020	Change	% Change	**2021**	2020	Change	% Change
Revenue	**$ 5,577,909**	$ 4,296,612	$ 1,281,297	29.8%	**$ 1,363,662**	$ 1,203,532	$ 160,130	13.3%
Transaction costs	**$ 3,072,774**	$ 2,275,272	$ 797,502	35.1%	**$ 738,039**	$ 648,847	$ 89,192	13.7%
Operating expenses	**$ 1,292,992**	$ 1,039,189	$ 253,803	24.4%	**$ 358,528**	$ 304,570	$ 53,958	17.7%
Management Fees	**$ 429,217**	$ 152,064	$ 277,153	182.3%	**$ 107,304**	$ 38,016	$ 69,288	182.3 %
Depreciation and amortization	**$ 5,232**	$ 956	$ 4,276	447.1%	**$ 1,526**	$ 447	$ 1,079	241.4%
Tax expense	**$ 162,880**	$ -	$ 162,880	100%	$ **114,883**	$ 4,250	$ 110,633	2603.1%

Revenues
Revenue associated with employee staff appraisal activity was $5,577,909 for the year ended December 31, 2021, an increase of $1,291,297 over the same period in 2020 and is directly associated with increased mortgage activity in our existing client base as well as organic growth due to sale efforts internally.

Transaction Costs
The increase in transaction costs is attributable to the growth in appraisal volume for the year ended December 31, 2021. Net revenue margins increased 2% from the year ended December 31, 2021 when compared to the same period in 2020. Internal pricing structures were updated to align with market conditions during 2021.

Operating Expenses
Reliable Valuation Service, LLC reported an increase in operating and management fee expenses due to corporate allocation, consisting of information technology, human resources, accounting and finance functions.

Management Fees
We monitor the operating results of each segment separately for the purpose of making decisions about corporate resource allocation and intercompany expenditures quarterly. For additional information regarding management fees and subsequent allocation, please refer to the corporate section.

(expressed in United States dollars)

Geographic Concentration

Reliable Valuation Service provided residential appraisals for appraisal management companies and consumers in Texas and Colorado during 2021. Texas represented 89% of overall volume (88% - 2020) with the remaining 11% in Colorado (12% - 2020) for the year ended December 31, 2021.

Starrex International, Ltd. – Corporate and other items

	Year ended December 31				Three months ended December 31			
	2021	2020	Change	% Change	2021	2020	Change	% Change
Operating expenses	$ **754,125**	$ 419,790	$ 334.335	79.6%	$ **171,498**	$ 172,423	$ (925)	(0.5%)
Depreciation & amortization	$ **48,280**	$ 35,378	$ 12,902	36.5%	$ **16,228**	$ 8,844	$ 7,384	83.5%
Interest expense	$ **-**	$ 6,205	$ (6,205)	(100.0)	$ **-**	$ -	$ -	-
Mgmt. & Corporate Services	$ **410,560**	$ 210,560	$ 200,000	(95.0%	$ **252,640**	$ 52,640	$ 200,000	379.9%
Management Fees	$ **(907,576)**	$ (546,000)	$ (361,576)	66.2%	$ **(226,894)**	$ (136,500)	$ (90,394)	(66.2%)
Foreign exchange (gain) loss	$ **5,297**	$ 3,199	$ 2,098	65.6%	$ **128**	$ 459	$ (331)	(72.2%)
Share-based expense	$ -	$ 53,052	$ (53,052)	(100.0%)	$ -	$ -	$ -	-
Tax expense	$ -	$ 721	$ (721)	(100.0%)	$ -	$ 721	$ (721)	(100.0%)

Operating Expenses

Information Technology, Human Resources and Finance & Accounting expenses are reported at the corporate level, which is offset by Management Fees. Aggregately, Operating Expenses, Management & Corporate Services and Management Fees increased by $172,758 in 2021 over 2020. As expenses increase for core support, discussed above, management fees, or corporate allocation, is proportionately adjusted.

During 2021, Software as a Service ("SaaS") increased by $105,844 as the Company outsourced the division. Also included in overall expenses were increased in moving expenses for the headquarters move in July and employee appreciation.

Net Foreign Exchange (gain) loss

Net foreign gains or losses represent non-cash gains or losses on Canadian accounts payable and reported as other income or expense. Starrex reported foreign exchange expense of $5,297 for the year ended December 31, 2021, compared to $3,199 for the same period in 2020. These expenses are associated with Canadian vendors at the corporate level.

Summary of Quarterly Results

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenues								
Appraisal	3,738,545	4,033,157	4,028,270	3,543,531	3,728,114	3,446,416	2,688,949	2,157,873
Credit Services	1,089,058	1,333,337	1,399,161	1,552,203	1,309,561	1,436,485	1,186,746	1,099,983
Management Fees	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Total Revenues	4,826,603	5,366,494	5,427.431	5,095,734	5,037,675	4,879,901	3,875,695	3,257,856
Net Income (loss)	(353,396)	242,437	277,725	367,794	953,895	349,881	302,154	83,424
Total assets	5,699,044	5,950,701	5,760,956	5,433,121	4,697,607	4,600,222	4,035,436	3,578,482
Total liabilities	2,228,838	2,127,100	2,168,033	2,129,681	1,848,711	2,705,222	2,543,368	2,388,568
Shareholders' Equity	3,470,206	3,823,601	3,581,165	3,303,440	2,848,896	1,895,000	1,492,068	1,189,914
Net income (loss) per share for continuing operations	(0.03)	0.02	0.02	0.02	0.06	0.02	0.02	0.01
Basic and diluted Income (loss) per share	(0.02)	0.02	0.02	0.01	(0.04)	(0.01)	0.00	(0.02)

Operating Segments

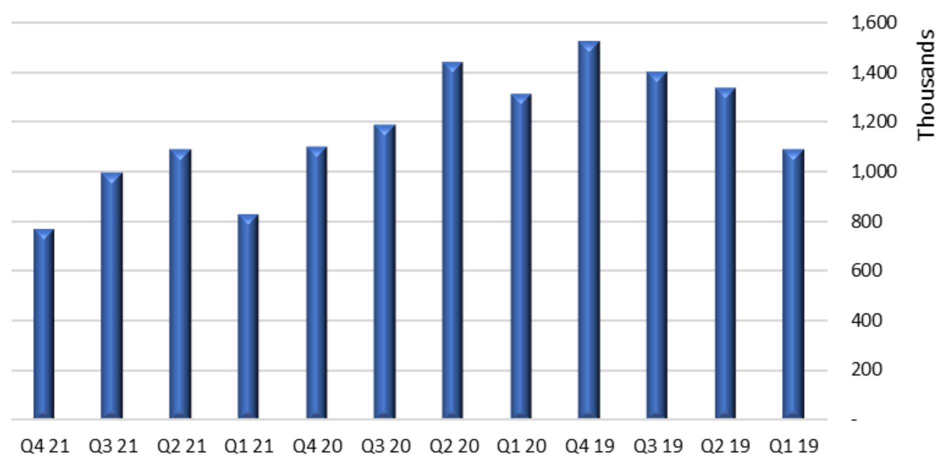
MFI Credit Solutions LLC

	Year ended December 31				Three months ended December 31			
	2021	2020	Change	% Change	**2021**	2020	Change	% Change
Credit Services	**$ 5,373,760**	$ 5,032,775	$ 340,985	6.8%	**$ 1,089,058**	$ 1,309,561	$ (220,503)	(16.8%)

Revenues associated with the credit reporting segment increased by $340,985 for the year ended December 31, 2021. For the first half of 2021, MFI Credit Solutions, LLC reported increased revenues of $664,634 over the first half of 2020. Activity in the credit services sector dropped sharply towards the end of the third quarter and throughout the fourth quarters of 2021. The total decrease in the second half of the year was $323,649 over the same period in 2020. Revenue gained from the forgiveness of the CARES Act loan in the amount of $126,815, was removed from the fourth quarter of 2021 for normalized comparison.

Overall revenue continues to increase in credit services as interest rates remain low and outside sales pursues organic growth.

Revenue by Quarter
Credit Services
Volumes expressed in thousands



Total expenses for MFI during the year ended December 31, 2021, were $5,166,910, including transaction costs and income taxes, which is $344,078 higher than the same period in 2020 ($4,706,217). This is due to an increase in expenses for transaction costs, along with increased overhead and income taxes. For the three months ended December 31, 2021 expenses, including transaction costs, were $1,207,569 compared to $1,441,803 for the year ended December 31, 2020, a decrease of $234,834 due to a decline in credit services activity.

MFI reported $206,848 in net income for the year ended December 31, 2021, compared to net income of $453,572 for the same period in 2020. A portion of this variance, $126,815, is associated with the debt extinguishment reported during the fourth quarter of 2020. Removal of this outlier results in net income for the period ended December 31, 2020 of $326,757 – a decrease of $119,910 for the year ended 2021 when compared to the year ended 2020.

(expressed in United States dollars)

Property Interlink, LLC

	Year ended December 31				Three months ended December 31			
	2021	2020	Change	% Change	**2021**	2020	Change	% Change
AMC Appraisal Services	**$ 9,764,594**	$ 7,721,740	$ 2,042,854	26.5%	**$ 2,373,883**	$ 2,524,582	$ (150,699)	(6.0%)

For the year ended December 31, 2021, Property Interlink, LLC reported a 26.5% increase in revenue over the same period in 2020, although revenues were down by 6% in the fourth quarter, representing the usual cyclical market downturn during the last quarter of the year and the first quarter of the subsequent year. These declines are expected as the appraisal market follows the U.S. Housing Market volumes and expected activity.

Reported expenses were 15.0% higher for the year ended 2021 when compared to the year ended 2020. This is directly associated with the increase in transaction costs during normal course of business and an increase in payroll expense.

Property Interlink reported net income after taxes of $23,585 for the year ended December 31, 2021, compared to net income of $589,555 for the same period in 2020. A portion of this variance is associated with the debt extinguishment of the CARES Act loan in the amount of $669,269, which was reported during the fourth quarter of 2020. Removal of this outlier results in a net loss for the period ended December 31, 2020 of $79,714 – an increase of $103,299 for the year ended 2021 when compared to the year ended 2020.

For the three months ended December 31, 2021, Property Interlink reported a net loss $66,302 compared to a normalized (removal of debt extinguishment) net loss of $612,843 for the three months ended December 31, 2020.

Reliable Valuation Service, LLC

	Year ended December 31				Three months ended December 31			
	2021	2020	Change	% Change	**2021**	2020	Change	% Change
Reliable Valuation Service, LLC	**$ 5,577,909**	$ 4,296,612	$ 1,281.296	29.8%	**$ 1,363,662**	1,203,533	$ 160,219	13.3%

Total expenses reported in RVS for the year ended December 31, 2021 were $4,963,095, and includes transaction costs, general and administrative, as well as income tax expense. For the three months ended December 31, 2021, total expenses were $1,320,280, an increase of $324,149, of which $114.883 was attributable to income t

RVS reported net income of $614,814 for the year ended December 31, 2021, compared to $829,132 during the same period in 2020. Income taxes of $162,880 were reported during 2021, as the net operating loss carryforward was exhausted during 2020.

Net income (loss)

While net income or loss generally follows the adjusting volumes in the mortgage industry, this is also impacted by changes in amortization and depreciation, stock-based compensation, interest expense, net foreign exchange gains or losses and income taxes. These amounts are not subject to the seasonal nature of our business and fluctuate with other non-operating variable expenses.

Consolidated net income decreased 59.3%, from $534,560 for the year ended December 31, 2021, compared to net income of $1,689,354 for the year ended December 31, 2020. This is due primarily to the increased revenue reported in 2020 associated with the loan forgiveness of $795,084 along with $211,240 in income tax expense in 2021. For the three months ended December 31, 2021, consolidated net loss was $353,396 compared to consolidated net income of $953,895 – a variance of $1,307,291 due to the housing market downturn during the fourth quarter, along with reported income tax expense of $189,436.

Net income (loss) per weighted average share, basic and diluted

Basic and diluted loss per share has been calculated based on the weighted average number of common shares outstanding as at December 31, 2021, of 15,741,840 and 15,917,469 respectively. (December 31, 2020 – 15,552,252 basic; 15,558,704 diluted). The change in net income per weighted average share for the year ended December 31, 2021 compared to the same period in 2020 was ($0.08). For the year ended December 31, 2021, we reported $0.03 compared to $0.11 during the same period ended 2020.

(expressed in United States dollars)

Financial Condition

Select Consolidated Statement of Financial Position Information

		December 31, 2021		December 31, 2020
Cash	**$**	**2,172,169**	$	1,493,600
Accounts receivable		**992,155**		938,049
Prepaid expenses		**113,209**		109,596
Property and equipment, net of depreciation		**318,235**		62,120
Intangible assets	**$**	**898,093**	$	1,052,386
Goodwill		**915,288**		915,288
Right-of-use assets		**289,895**		126,568
Accounts payable and accrued liabilities	**$**	**1,350,086**	$	967,861
Contract liabilities		**580,372**		741,874
Lease liabilities – current portion		**91,501**		113,490
Lease liabilities – non-current portion		**206,979**		25,486

Trade and Other Receivables

Consolidated trade and other receivables were $992,155 as at December 31, 2021 compared to $938,049 as at December 31, 2020, an increase of $54,106 (5.8%) and remain relatively unchanged.

MFI Credit Solutions reported a total $307,021 in trade receivables at December 31, 2021 compared to $362,111 as at December 31, 2020, a decrease of $55,089. Fifty percent of monthly revenues are processed on the last day of each month with payments received within 15 days or less. We review credit accounts in the operating segments twice monthly due to the uncertainty the impact COVID-19 could have on our clients.

For the year ended December 31, 2021, Property Interlink reported $614,493 in outstanding trade receivables, compared to $432,007 for the year ended December 31, 2020, an expected increase of $182,486 as volumes rise.

Reliable Valuation Service, for year ended December 31, 2021, reported $59,006 in trade receivables compared to $61,062 as at December 31, 2020 and remains relatively unchanged.

The corporate segment reported $11,635 for the period ended December 31, 2021 in outstanding trade receivables, compared to $82,869 for the year ended December 31, 2020. This amount represents the Canadian HST receivable for the year ended December 31, 2021.

(expressed in United States dollars)

Select financial information for the year ended December 31, 2021 is presented as follows:

	Property Interlink, LLC	MFI Credit Solutions, LLC	Corporate	Reliable Valuation Service, LLC	Total
Current assets	$ 828,991	$ 952,251	$ 36,773	$ 1,459,418	$ 3,277,533
Property and equipment	74,017	15,580	202,265	26,373	318,235
Right-of-use assets	289,895	-	-	-	289,895
Intangible assets	70,273	760,610	67,210	-	898,093
Goodwill	621,132	294,156	-	-	915,288
Total assets	$ 1,884,308	$ 2,022,697	$ 306,247	$ 1,485,791	$ 5,699,044
Current liabilities	$ 864,707	$ 840,718	$ 145,248	$ 171,286	$ 2,021,959
Long-term liabilities	206,879	-	-	-	206,879
Total liabilities	$ 1,163,087	$ 840,718	$ 145,248	$ 171,286	$ 2,228,838
Revenues	$ 9,764,593	$ 5,373,760	$ -	$ 5,577,909	$ 20,716,262
Expenses	$ 9,741,009	$ 5,118,372	$ 310,686	$ 4,800,215	$ 19,970,282
Operating income (loss) from operations before provision for income tax	$ 23,584	$ 255,388	$ (310,686)	$ 777,694	$ 745,980
Income tax expense	$ -	$ 48,250	$ -	$ 162,880	$ 211,240
Net income (loss) for the period	$ 23,584	$ 206,848	$ (310,686)	$ 614,814	$ 534,560

(expressed in United States dollars)

Select financial information for the year ended December 31, 2020 is presented as follows:

	Property Interlink, LLC	MFI Credit Solutions, LLC	Corporate	Reliable Valuation Service, LLC	Total
Current assets	$ 816,121	$ 915,479	$ 45,530	$ 764,115	$ 2,541,245
Property and equipment	22,926	25,526	-	13,658	61,120
Right-of-use assets	126,568	-	-	-	126,568
Intangible assets	87,043	862,755	102,588	-	1,052,836
Goodwill	621,132	294,156	-	-	915,288
Total assets	$ 1,673,790	$ 2,097,926	$ 148,118	$ 777,773	$ 4,697,607
Current liabilities	$ 914,893	$ 718,846	$ 143,465	$ 46,021	$ 1,823,255
Long-term liabilities	25,486	-	-	-	25,486
Total liabilities	$ 940,379	$ 718,846	$ 143,465	$ 46,021	$ 1,848,711
Revenues	$ 7,721,740	$ 5,032,775	$ -	$ 4,296,612	$ 17,051,127
Government assistance	$ 668,269	$ 126,815	$ -	$ -	$ 795,084
Expenses	$ 7,800,455	$ 4,706,017	$ 182,184	$ 3.,467,480	$ 16,156,136
Operating income (loss) from operations before provision for income tax	$ 589,554	$ 453,573	$ (182,184)	$ 829,132	$ 1.690,075
Income tax expense	$ -	$ -	$ 721	$ -	$ 721
Net income (loss) for the period	$ 589,554	$ 453,573	$ (182,905)	$ 829,132	$ 1,689,354

Share Capital

As at December 31, 2021, 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, 2020	15,552,525	7,519,769
Shares issued – exercise of options	200,000	187,732
Balance, December 31, 2021	**15,752,525**	7,707,501

The Company has a 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 exercise price, vesting period and expiration period are fixed at the time of grant at the discretion of the Board of Directors.

(expressed in United States dollars)

	Number of options	Weighted average exercise price $	Grant Date Fair Value
Outstanding, December 31, 2020	800,000	0.61	0.61
Options exercised	(100,000)	0.50	0.53
Options exercised	(100,000)	0.37	0.59
Outstanding and exercisable, December 31, 2021	600,000	0.61	0.59

	Number of Options Outstanding	Number of Options Exercisable		Exercise Price	Expiry Date	Weighted Average Remaining Life
Granted October 5, 2018	75,000(2)	75,000	$	1.38(3)	October 5, 2023	1.76
Granted May 8, 2019	50,000(4)	50,000	$	0.59(5)	May 8, 2024	2.35
Granted November 25, 2019	25,000(2)	25,000	$	0.56(6)	November 23, 2024	2.90
Granted January 8, 2020	450,000(1)	450,000	$	0.51(7)	January 7, 2025	3.02
Total	600,000	600,000				2.80

(1) An Executive Officer and Directors of the Company hold these options. They are fully vested.
(2) Key employees hold these options. They are fully vested.
(3) The exercise price is CAD $1.75.
(4) A consultant of the Company holds these options. They are fully vested.
(5) The exercise price is $0.75 CAD.
(6) The exercise price is $0.71 CAD.
(7) The exercise price is $0.65 CAD.

Liquidity and Capital Resources

Cash

At December 31, 2021, Starrex held $2,172,169 in cash, an increase of $678,569 over the December 31, 2020 balance of $1,493,600, attributable to cash flows from operations.

Current assets at year-end 2021 were $3,277,533 compared to $2,541,245 at December 31, 2020. A portion of the $736,288 increase was attributable to the cash received in consideration of loans discussed above, which were subsequently forgiven, and accounts receivable in each of the subsidiaries.

Contingencies and Commitments

Effective November 1, 2021, the Company entered into a consulting agreement for appraisal compliance oversight with a maturity date of October 31, 2022. As at December 31, 2021, this agreement has minimum commitments of $35,000 (December 31, 2020 - $35,000).

Liabilities

Current liabilities at December 31, 2021, were $2,021,959 compared to $1,823,225 at the prior year-end. The variance is primarily the difference in current lease liabilities.

Accounts payable and accrued liabilities increased by $382,225 to $1,350,086 as at December 31, 2021 compared to $967,861 for the year ended 2020. The Company's accrual for corporate credit cards was $90,273 along with additional amounts accrued for income tax payments.

Cash Flows

Starrex generated $1,046,810 in operating cash flows from its appraisal and credit services segments. During the same period last year, the company generated $998,754 in cash to support the operating segments.

For the year ended December 31, 2021 the Company spent $302,807 for purchases of equipment and tenant improvements compared to $20,366 for the year ended December 31, 2020.

The Company utilized cash flows of $65,434 from financing activities for the year ended December 31, 2021 compared to cash inflows of $369,393 for the year ended December 31, 2020. The amounts reported for the year ended 2021 represent lease payments and cash received for the exercise of stock options.

Related Party Transactions

Amcap Mortgage Ltd.

AmCap Mortgage Ltd., a related customer (by common Director) accounted for $12,696,799 (2020 - $9,941,204) of revenue to the Company. As at December 31, 2021, $450,189 (December 31, 2020 – $390,676) is included in accounts receivable 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) to be utilized as a revolving line of credit with a maturity date of December 1, 2019 and which is collateralized by the accounts receivable of MFI Credit Solutions, LLC and Property Interlink, LLC. This revolving line of credit was renewed effective December 1, 2019 for one year with the same terms. The Company recorded $Nil in accrued interest for the year ended December 31, 2021 (2020 – $7,468). As at December 31, 2020, the Company had paid in full all outstanding balances associated with the line of credit.

Key Management Compensation

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:

The Company incurred $857,976 in management fees and associated payroll for the year ended December 31, 2021 (December 31, 2020 - $613,691) to key members of management. These fees are included in payroll, management and corporate services. At December 31, 2021 and 2020, all amounts had been paid.

The Company incurred $Nil in share-based payments for the year ended December 31, 2021 (2020 - $53,052).

During the year ended December 31, 2021, 100,000 (2020 – Nil) options were exercised by the Chief Executive Officer and 100,000 (2020 - Nil) options were exercised by a director.

Related Party Transactions

Effective March 10, 2022, the Company established Starrex Technical Services, LLC, which serves as a third-party consulting division.

Critical Accounting Estimates

We use information from our financial statements, prepared in accordance with IFRS and expressed in U.S. dollars, to prepare our MD&A. Our financial statements include estimates and judgments that affect the reported amounts of our assets, liabilities, revenues, expenses and, where and as applicable, disclosures of contingent assets and liabilities. On a periodic basis, we evaluate our estimates, including those that require a significant level of judgment or are otherwise subject to an inherent degree of uncertainty. Areas that are subject to judgment and estimate include revenue recognition, impairment of goodwill and non-financial assets, the determination of fair values in connection with business combinations, the determination of fair value for warrants and financial instruments, lease terms, estimation of incremental borrowing rates to determine the carrying amount of right-of-use assets and lease liabilities and the likelihood of realizing deferred income tax assets. Our estimates and judgments are based on historical experience, our observation of trends, and information, valuations and other assumptions that we believe are reasonable when making an estimate of an asset or liability's fair value. Due to the inherent complexity, judgment and uncertainty in estimating fair value, actual amounts could differ significantly from these estimates.

Areas requiring the most significant estimate and judgment are outlined below.

Goodwill

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.

Business Combinations

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.

Taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company is also subject to tax regulations as they relate to flow-through financing arrangements. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Leases

The determination of the Company’s lease liability and right-of-use asset depends on certain assumptions which includes the selection of the discount rate. The discount rate is set by referencing to the Company’s incremental borrowing rate. Significant assumptions are required to be made when determining which borrowing rates to apply in this determination. Changes in the assumptions used may have a significant effect on the Company’s consolidated financial statements.

Expected Credit Losses

Determining an allowance for expected credit losses ("ECLs") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management’s judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

Other

Other estimates include, but are not limited to, the following: identification of CGUs, impairment assessments for non-financial assets, inputs to the Black-Scholes option pricing model used to value stock-based compensation, estimates of property and equipment’s useful life, assessing provisions, estimating the likelihood of collection to determine our allowance for doubtful accounts, the fair value of financial instruments, control assessment of subsidiaries, contingencies related to litigation and contingent acquisition payables, claims and assessments and various economic assumptions used in the development of fair value estimates, including, but not limited to, interest and inflation rates and a variety of option pricing model estimates.

Risk 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 fulfil 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's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. The Company generally does not require collateral for sales on credit. The Company closely monitors extensions of credit and has not experienced significant credit losses in the past. At December 31, 2021 and December 31, 2020, the Company had a nil balance in the reserves for credit losses and had no material past due trade receivables.

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, the Company has not provided for expected credit losses.

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 working capital to meet its liquidity requirements. At December 31, 2021, the Company had cash of $2,171,169 (December 31, 2020 - $1,493,600) available to settle current liabilities of $2,021,959 (December 31, 2020 - $1,823,225).

Interest Rate Risk

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

Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at December 31, 2021 and 2020, the Company held immaterial amounts of cash, accounts receivable and accounts payable and accrued liabilities in CDN currency and considers foreign currency risk to be low.

		December 31, 2021		December 31, 2020
Accounts receivable		**14,886**		-
Accounts payable and accrued liabilities		**(2,241)**		(6,535)
Total	$	**12,645**	$	(6,535)

Federal and State Regulation

As at December 31, 2021, 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 forty-two states and/or jurisdictions. Of these states, twenty-five require surety bonds which aggregate to $780,000. 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 endeavour 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.

COVID-19 Update

In December 2019, a novel coronavirus disease ("COVID-19") was reported and in January 2020, the World Health Organization ("WHO") declared it a Public Health Emergency of International Concern. On February 28, 2020, the WHO raised its assessment of the COVID-19 threat from high to very high at a global level due to the continued increase in the number of cases and affected countries, and on March 11, 2020, the WHO characterized COVID-19 as a pandemic.

Changes in economic conditions resulting in fluctuations in demand for services provided

The COVID-19 pandemic has increased the uncertainty surrounding interest rates, refinance rates, the capacity of lenders to underwrite mortgages, house prices, housing stock supply and demand, the availability of funds for mortgage loans, credit requirements, regulatory changes, household indebtedness, employment levels and the general health of the North American economy, each of which could have a significant impact on our operating performance. We generate revenues on a per transaction basis and do not have minimum volume guarantees with our clients. Accordingly, uncertain economic conditions and a lack of housing market strength and/or stability caused by the COVID-19 pandemic could reduce demand for our services, which could have a material adverse effect on our business, financial condition and results of operations.

Failing to adequately protect our technology Infrastructure

We depend on third-party service providers to provide continuous and uninterrupted access to certain elements of our platform. If the supply reliability or security of these services were impacted by the COVID-19 pandemic, it could significantly restrict or otherwise prevent us from carrying out some or all of our business operations, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, an extended period of our employees working in an at home environment could strain our technology resources and introduce operational risks, including heightened cybersecurity risk. Work from home environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts that seek to exploit the COVID-19 pandemic.

Regulatory risks applicable to us

We operate in a highly regulated industry, and compliance with laws and regulations are volatile and expensive. In addition, due to the impact of the COVID-19 pandemic, laws and regulations impacting the residential mortgage market, including the compliance and regulatory landscape, are rapidly evolving in an attempt to stop the spread of the COVID-19 pandemic, protect public safety and support the financial needs of affected individuals. New laws and regulations and/or changes to existing laws and regulations brought about by the COVID-19 pandemic could require significant changes to our business model and/or service offerings. If: (i) we are unable to quickly adapt our business model and/or service offerings to comply with any significant changes to the legal and/or regulatory landscape in a cost-efficient manner; (ii) we fail to comply with these rapidly evolving changes; or (iii) we are unable to carry on all or a portion of our business , it could have a material adverse effect on our business, financial condition and results of operations.

Additionally, it is possible that regulatory oversight of the residential mortgage market may, in the future, be scaled back, due to the impact of the COVID-19 pandemic. Any reduction in existing laws and regulations may affect the barriers to entry that the current regulatory environment creates, which could have a material adverse effect on our business, financial condition and results of operations.

Maintaining our competitive position in a competitive business environment

Maintaining demand for our services, in the near-term, in response to COVID-19 may require us to, among other things: (i) successfully develop and bring to market enhancements to existing services; (ii) develop new services and technologies that address the needs of our existing and prospective clients; and (iii) respond to changes in industry standards and practices, in each case, in a cost-effective manner and on a timely basis. Failing to maintain demand for our services could have a material adverse effect on our business, financial condition and results of operations.

Growth placing significant demands on our management and infrastructure

Growth has placed, and will continue to place, significant demands on our management and our operational, technical and financial infrastructure, including the recent growth in refinance market volumes stemming from lower interest rates attributable to the economic uncertainty caused by the COVID-19 pandemic. Severe or excessive growth in market volumes could strain our ability to: (i) maintain reliable, high-quality service levels for our clients; (ii) develop and improve our operational, financial, technical and management controls; (iii) enhance our reporting systems and procedures; and (iv) recruit, train and retain highly-skilled personnel, any of which could have a material adverse effect on our business, financial condition and results of operations.

Qualified individuals in our industry are currently in high demand and there is no guarantee that we will be able to retain our key personnel or that we will be able to attract and retain new highly skilled individuals without incurring a significant increase in compensation costs to do so. The loss of key employees or our inability to attract and retain new highly skilled personnel could have a material adverse effect on our business, financial condition and results of operations.

Failing to maintain field professional engagement

We rely on our network of independent field professionals to provide service to our clients. If an increasing number of field professionals are uncomfortable proceeding with interior appraisal inspections or in person mortgage closings due to the COVID-19 pandemic or enhanced government regulation limits the ability of individuals on our field professional network to provide services in certain locations (e.g. by imposing local travel restrictions, etc.), it could constrain our ability to maintain a sufficient number of field professionals in certain geographies and/or increase our transaction costs. Accordingly, we may be unable to meet our service obligations to our clients or need to incur increased transaction costs to do so, either of which could have a material adverse effect on our business, financial condition and results of operations.

Potential losses arising from field professional work product liability

We manage a network of independent field professionals who produce a work product that our clients and underwriters rely on to make decisions. The COVID-19 pandemic has resulted in a number of significant changes to industry standards and processes, including the methods for performing various services. These changes, however, also create additional risks as certain traditional standards and processes are relaxed in an attempt to stop the spread of the COVID-19 pandemic and protect public safety. Should our field professionals produce a work product that is defective and results in a client and/or the underwriter incurring a financial loss, such parties may seek indemnification. If we are required to indemnify one or more clients and/or underwriters for work product liability and we are unable to obtain recourse from our field professionals or their errors and omissions insurance providers for the full amount of the loss incurred, it could have a material adverse effect on our business, financial condition and results of operations.

Failing to maintain effective internal controls, including the inherent limitations in all control systems

Controls may be circumvented as a result of our employees being placed in work-at-home environments, or for other reasons either directly or indirectly attributable to the COVID-19 pandemic. The design of any system of controls is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design procedures will succeed in achieving its stated goals under all potential conditions. If we fail to maintain effective internal controls, it could have a material adverse impact on our business, financial condition and results of operations.

Inaccurate accounting estimates and judgments

The impact of the COVID-19 pandemic has created significant global economic uncertainty and could require us to reassess certain assumptions and judgments related to, amongst other things, our forecast of future operating performance, the ability to sustain our operations and to assess the recoverability of our assets recorded in our statement of financial position. If the underlying estimates are ultimately proven to be incorrect, subsequent adjustments could have an adverse effect on our operating results and could require us to restate our historical financial statements.

Ineffectiveness of our financial and operational risk management efforts

We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, manage, monitor and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk, exchange rate risk and other market-related risk, as well as operational risks related to our business, assets and liabilities, including those brought about by the COVID-19 pandemic, which could have a material adverse effect on our business, financial condition and results of operations.

Financial Information Controls and Procedures

Cautionary Note Regarding Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws. Words such as "aim", "could", "forecast", "target", "may", "might", "will", "would", "expect", "anticipate", "estimate", "intend", "plan", "seek", "believe", "predict" and "likely", and variations of such words and similar expressions are intended to identify such forward-looking information, although not all forward-looking information contains these identifying words.

The forward-looking information in this MD&A includes statements which reflect the current expectations of the Company's management with respect to the Company's business and the industry in which it operates and is based on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes appropriate and reasonable in the circumstances. The forward-looking information reflects management's beliefs based on information currently available to management, including information obtained from third-party sources, and should not be read as a guarantee of the occurrence or timing of any future events, performance or results. The forward-looking information in this MD&A includes, but is not limited to, statements related to:

- the impact of COVID-19 on our operations, services, employees, financial condition, capital and financial resources, and internal controls;
- the key factors that have a significant impact on our financial performance;
- anticipated economic conditions;

- the regulatory environment in which we operate;
- our competitive position relative to our competitors;
- anticipated industry and market trends, including the seasonality of our business; and
- our intentions with respect to the implementation of new accounting standards.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure controls and procedures within the Corporation have been designed to provide reasonable assurance that all relevant information is identified to its President and Chief Executive Officer ("CEO"), and its Audit Committee to ensure appropriate and timely decisions are made regarding public disclosure. Internal controls over financial reporting have been designed by management, under the supervision of, and with the participation of the Corporation's CEO and CFO, to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and its preparation of financial statements for external purposes in accordance with IFRS. In the Corporation's 2020 filings, the Corporation's CEO and CFO certified, as required by National Instrument 52-109, the appropriateness of the financial disclosure, the design and effectiveness of the Corporation's disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting. In the Corporation's second quarter 2021 filings, the Corporation's CEO and CFO certified, as required by National Instrument 52-109, the appropriateness of the financial disclosure, the design of the Corporation's disclosure controls and procedures and the design of internal controls over financial reporting. The Corporation's Audit Committee reviewed this MD&A and the interim unaudited condensed consolidated financial statements and notes, and the Corporation's Board of Directors approved these documents prior to their release.

Changes in Internal Controls over Financial Reporting

There have been no material changes to the Corporation's internal controls over financial reporting during the twelve months ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.