



## STARREX INTERNATIONAL ANNOUNCES ACQUISITION OF ALL AMERICAN TITLE GROUP OF COMPANIES

**Calgary, Alberta, March 20, 2023** – Starrex International, Ltd (“**Starrex**” or the “**Company**”) (CSE: STX; OTCQB:STXMF) is pleased to announce that pursuant to a number of agreements dated March 17, 2023 (the “**Purchase Agreements**”) it acquired several arm’s length U.S. entities which operate a real estate title business in Minnesota and Wisconsin (collectively, the “**Title Business**”). The aggregate consideration for the Title Business was US\$9.0 million consisting of a combination of cash and promissory notes, subject to adjustment in accordance with the Purchase Agreements.

### **The Acquisition**

Through its wholly owned Nevada subsidiary All American Title Company LLC, Starrex acquired the Title Business as operated through All American Title Co., Inc., Ameripine, L.L.C., AmeriFirst Title, LLC, AAT Holdings, LLC and Amcap Title, LLC. The US\$9.0 million consideration (the “**Purchase Price**”) consisted of payment of the following amounts with key terms as follows:

- (a) payment of US\$1.8 million cash;
- (b) the issuance of secured non-interest bearing promissory notes for an aggregate of US\$4.5 million (the “**Initial Notes**”) due twelve months from the closing date. The Initial Notes are secured by the pledge of a pro rata portion of the Title Business acquired and repayment has been guaranteed by Starrex;
- (c) the issuance of secured convertible notes for an aggregate of US\$2.7 million (the “**Convertible Notes**”) bearing interest at 6% per annum, which are due thirty six months from the closing date (the “**Maturity Date**”), subject to annual lump sum prepayments of up to an aggregate of US\$900,000 each year in the event certain EBITDA targets are met for the Title Business. The Convertible Notes are convertible into common shares of Starrex (“**Starrex Shares**”) at USD\$2.09 per share (the “**Conversion Price**”). Interest on the Convertible Notes is payable semi-annually commencing six months following the closing date. At the election of the holder, interest on the Convertible Notes is payable through the issuance of common shares of Starrex (“**Starrex Shares**”) at the closing price for the Starrex Shares on the trading day prior to the date of the election by the holder, less the maximum discount allowable by the Canadian Securities Exchange. In addition, if the average trading closing price of the Starrex Shares is equal to or greater than USD\$2.61 for a period which is thirty (30) consecutive trading days at any time prior to the Maturity Date, the Convertible Notes are subject to a mandatory conversion right by the Company to issue, at the Company’s option, Starrex Shares at the Conversion Price (USD\$2.09), equal to up to 100% of the principal amount then owing. The Convertible Notes are prepayable at any time by repaying the amount owing and any accrued interest up to the date of prepayment. The Convertible Notes are

secured by the pledge of a pro rata portion of the Title Business acquired and repayment has been guaranteed by Starrex;

- (d) in the event that certain EBITDA targets for the Title Business are met, the Purchase Agreements provide that the holders of Convertible Debentures shall be entitled to an annual prepayment of up to one-third of the amount owing (US\$900,000) on or before April 30 in each year;
- (e) the Purchase Agreements provide for the downward adjustment to the Purchase Price for up to 100% of the principal amount (US\$2.7 million) if by the Maturity Date certain EBITDA targets for the Title Business have not been met;
- (f) to the extent a holder of a Convertible Notes acquires through the conversion of one or more Convertible Notes it holds, an aggregate of 100,000 Starrex Shares or greater number (the "**Lock-up Trigger Date**"), such Starrex Shares shall be subject to the following restrictions on transfer over a thirty-six (36) month period: (a) fifteen percent (15%) following the date which is eighteen (18) months after the Lock-up Trigger Date, (b) an additional fifteen percent (15%) on each of the following five (5) three (3) month periods, and (c) the final ten percent (10%) thirty six (36) months after the Lock-up Trigger Date;
- (g) the Purchase Agreement require Starrex's subsidiary All American Title Company LLC to provide US\$1 million in working capital for the Title Business;
- (h) the Purchase Agreements require two key employees to remain employed by the All American Title for a minimum of one year and typical representations, provisions and covenants; and
- (i) Starrex has agreed to issue options to purchase 300,000 Starrex Shares at a price of USD\$1.20 to several key employees who manage All American Title. The options will vest as to 1/3 annually on the first, second and third anniversaries of the date of grant.

The transaction has been approved unanimously by Starrex's board of directors.

### **About All American Title**

All American Title was founded in 1999 in Minnesota by Mr. Kevin Webb with a vision to provide superior customer service and a "value added" approach to the title closing transaction. In 2004 Kevin Gartland joined All American Title as a principal partner. Today, All American Title operates out of 10 offices and currently employs 57 employees providing title and escrow services to both Minnesota and Wisconsin.

On a consolidated basis, based on management prepared, unaudited financial statements, All American Title Company generates \$10 million in revenue from title insurance premiums annually with an average net income, before taxes, of \$2 million. All American Title Company has more than 24 years of experience in the Title Insurance Industry and will serve as the operational platform for the insurance division of Starrex International Ltd. Through vertical integration, All American Title Company will serve as the operational platform, ensuring best in class service and seamless assimilation of future acquisitions.

Matthew D. Hill, President and Chief Executive Officer of Starrex stated, "*We are extremely excited to enter into this transaction to acquire All American Title and have the opportunity to partner with such a principled, long-standing, and exceptionally run business. All American Title initiates the execution of our strategic vision to enter the U.S. real estate title space on a national scale. We are excited to*

*welcome them to the Starrex team. Both Kevin Webb and Kevin Gartland will prove to be valuable members of our team as we move forward.”*

Copies of the Agreements will be filed with Canadian securities regulators and will be available on the SEDAR profile of Starrex at [www.sedar.com](http://www.sedar.com).

### **About Starrex International, Ltd.**

Starrex is a national provider of real estate title and credit reporting services to mortgage lenders and real estate brokers in the US whose leading-edge technology platform and specialized business model provides a streamlined approach for 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.

Our business is driven by subsidiaries that operate across various segments of the mortgage value chain, including title and credit services, and are committed to delivering value and growth to Starrex shareholders. MFI Credit Solutions, LLC provides consumer credit reports to mortgage lenders, mortgage brokers, and credit unions for homebuyers or refinancers in all states, along with risk mitigation, flood and verification services.

Starrex shares are traded on the Canadian Securities Exchange <http://thecse.com>, symbol “STX”, and on the OTC QB market <http://www.otcmarkets.com/home> in the United States symbol “STXMF”.

### **For further information please contact:**

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### **Additional Information**

Additional information relating to Starrex and other public filings, is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Forward Looking Statements**

*This news release contains forward-looking statements relating to the timing and completion of the future operations of the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipate”, “expects” and similar expressions. All statements other than statements of historical fact, included in this release.*

*Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this news release. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, without limitation: the risk that the acquisition of the Title Business will not be completed within the time frame contemplated, on the terms announced, or at all; the risk that conditions precedent to the closing of the transaction and third party consents, may not be satisfied or waived. Should any of the foregoing risks materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance, activities or achievements could vary materially from those expressed or implied by any forward-looking information contained in this news release. Readers are cautioned that the foregoing list of risks is not exhaustive.*

*The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. Forward-looking information reflects management's current beliefs and is based on information currently available to Starrex. The forward-looking information is made as of the date of this news release and Starrex assumes no obligation to update or revise such information to reflect new events or circumstances, except as may be required by applicable law.*

**Neither the Canadian Securities Exchange nor its regulation services provider accepts responsibility for the adequacy or accuracy of this release.**