



## **STARREX INTERNATIONAL LTD.**

### **PRESS RELEASE**

#### **FOR IMMEDIATE RELEASE:**

#### **STARREX FILES RESTATED Q1 2015 INTERIM FINANCIAL STATEMENTS AND REVISED MD&A AND UPDATES PREVIOUS DISCLOSURE**

**March 28, 2016 – Toronto, Ontario** - Starrex International Ltd. (“**Starrex**” or the “**Company**”) (CNSX: STX) filed on Thursday, March 24, 2016 amended and restated interim financial statements and a revised management discussion and analysis (“**MD&A**”) for the first-quarter ended March 31, 2015 (collectively, the “**First Interim Restatements**”) which can be found on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Company’s profile. This followed the filing on Friday, March 18, 2016 of restated audited financial statements and a revised management discussion and analysis for the Company for the year ended December 31, 2014 (see press release dated March 18, 2016).

On December 9 and 16, 2015, after discussions with the staff of the Ontario Securities Commission (“**OSC**”) Starrex announced that it would restate and re-file (1) its first, second and third quarter unaudited interim financial statements for the periods ended March 31, June 30 and September 30, 2015; and (ii) the corresponding interim MD&A’s. Following additional discussions with the OSC respecting the treatment of the subsidiaries, Property Interlink, LLC, One Force Staffing, Inc. and Olympia Capital Management, Inc., acquired by Starrex on July 9, 2014 (the “**Acquisitions**”), Starrex announced on February 8, 2016 that it would restate and refile its 2014 audited annual financial statements. The restatement and refiling of the 2015 interim financial statements were delayed pending completion of the restatement of the 2014 audited annual financial statements.

Subsequent to the original issuance of the Company’s unaudited condensed interim consolidated financial statements as at March 31, 2014, the Company determined that the share consideration issued in exchange for the acquisitions completed July 9, 2014 (Note 4) was incorrectly measured using the concurrent financing price of CAD\$0.50. These restated unaudited condensed interim consolidated financial statements reflect an increased value allocated to the share consideration issued in exchange for the acquisition based on the trading price of the Company’s stock on the close date of the acquisitions, being CAD\$0.95 per share. Furthermore, the original issuance of the December 31, 2014 consolidated financial statements included an unallocated purchase price as management had not yet completed the measurement and recognition of identifiable assets and liabilities included in the purchase price allocation. These restated consolidated financial statements include the finalized purchase price allocation which resulted in the recognition of additional intangible assets (Note 6) and amortization related thereto as well as goodwill (Note 7). The restatement of the Company’s unaudited condensed interim consolidated financial statements reflects corrections in intangible assets, goodwill, deferred tax liability, share capital, and deficit as well as amortization of intangible assets.

For presentation purposes, deferred revenue in the original Statement of Financial Position was included in the balances for accrued liabilities. For further clarification, deferred revenue has been presented separately for comparative purposes, which flow through the consolidated Statement of cash flows as appropriate.

The following tables reflect the corrections to the Company's unaudited condensed interim consolidated financial statements.

Changes to the condensed interim consolidated statements of financial position:

	<b>As previously reported March 31, 2015</b>	<b>Adjustment</b>	<b>Restated March 31, 2015</b>
Intangible assets	\$ 200,004	\$ 950,724	\$ 1,150,728
Goodwill	\$ -	\$ 1,364,554	\$ 1,364,554
Unallocated purchase price	\$ 1,576,016	\$ (1,576,016)	\$ -
Total assets	\$ 4,752,757	\$ 739,262	\$ 5,491,961
Deferred revenue	\$ -	\$ 211,106	\$ 211,106
Deferred tax liability	\$ 355,420	\$ 379,514	\$ 734,939
Total liabilities	\$ 1,168,318	\$ 379,514	\$ 1,547,838
Share capital	\$ 5,080,803	\$ 1,597,518	\$ 6,678,321
Accumulated other comprehensive income	\$ (181,294)	\$ (80,240)	\$ (261,534)
Deficit	\$ (1,463,273)	\$ (1,157,595)	\$ (2,620,868)
Total equity	\$ 3,584,439	\$ 359,684	\$ 3,944,123
Total equity and liabilities	\$ 4,752,757	\$ 739,204	\$ 5,491,961

Changes to the condensed interim consolidated statements of loss and comprehensive loss:

	<b>As previously reported March 31, 2015</b>	<b>Restatement Adjustment</b>	<b>Restated March 31, 2015</b>
Amortization	\$ 8,123	\$ 102,559	\$ 110,682
Net loss for the year	\$ (169,477)	\$ (102,559)	\$ (272,036)
Net comprehensive loss	\$ (169,477)	\$ (102,559)	\$ (272,036)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.02)

Changes to the condensed interim consolidated statements of cash flows:

	<b>As previously reported March 31, 2015</b>	<b>Restatement Adjustment</b>	<b>Restated March 31, 2015</b>
Net loss for the year	\$ (169,477)	\$ (102,559)	\$ (272,036)
Amortization	\$ 43,767	\$ 102,559	\$ 146,326
Deferred revenue	\$ -	\$ 120,499	\$ 120,499
Income taxes payable	\$ 40,160	\$ (40,160)	\$ -
Purchase of property, plant and equipment assets	\$ -	\$ (47,680)	\$ (47,680)
Unpaid interest	\$ -	\$ 1,874	\$ 1,874
Effect of foreign exchange	\$ (176,573)	\$ 176,573	\$ -

As previously announced, the OSC issued a management cease trade order (“MCTO”) prohibiting the Company’s Chief Executive Officer and Chief Financial Officer from trading, directly or indirectly, in the securities of Starrex until two full business days following the receipt by the OSC and filing of the restated 2014 audited annual financial statements, along with restatements of the first three quarterly financial statements of 2015, and all related revised MD&A’s. Starrex expects to file restated interim financial statements for the periods ended June 30, 2015 and September 30, 2015, and the related revised interim MD&A’s, by the end of this week and the next week, respectively, which would complete all its refiling obligations.

Starrex intends to satisfy the provisions of the Alternative Information Guidelines as set out in National Policy 12-203 for as long as Starrex remains in default, including the issuance of further bi-weekly (or sooner) default status reports, each of which will be issued in the form of a press release. A general cease trade order may be issued if Starrex fails to file such default status reports on a timely basis. The MCTO does not affect the ability of persons who are not insiders of Starrex to trade its securities.

***For further information please contact Ronald Mann, Secretary, Chief Operating Officer and Investor Relations Officer of Starrex, at (647) 981-2782, email address: [rmann@starrexintl.com](mailto:rmann@starrexintl.com).***

***This news release contains forward-looking information. All information other than statements of historical fact that address activities, events or developments that Starrex believes, expects or anticipates will or may occur in the future are forward-looking statements, including statements regarding filing of the amended and restated quarterly unaudited financial statements and related management’s discussions and analyses. This forward-looking information is subject to a variety of risks and uncertainties beyond Starrex’s ability to control or predict that may cause actual events or results to differ materially from those described in such forward-looking information. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Starrex disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although Starrex believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be placed on this forward-looking information due to the inherent uncertainty thereof.***

***This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The Company’s securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.***

***Neither IIROC nor any stock exchange or other securities regulatory authority accepts responsibility for the adequacy or accuracy of this press release.***