

**MATERIAL CHANGE REPORT**  
Form 51-102F3  
Section 7.1 of National Instrument 51-102

**Item 1 Name and Address of Company**

Starrex International Ltd.  
199 Bay Street, Suite 2200,  
Toronto, Ontario M5L 1G4

**Item 2 Date of Material Change**

December 9, 2015

**Item 3 News Release**

A new release was issued via Marketwire on December 9, 2015.

**Item 4 Summary of Material Change**

Starrex International Ltd. ("**Starrex**" or the "**Corporation**") announced its intention to restate financial statements.

**Item 5 Full Description of Material Change**

Starrex announced that, as a result of review by staff of the Ontario Securities Commission (the "**OSC**") in connection with the Corporation's continuous disclosure record, Starrex has determined that it will be restating its second and third quarter unaudited interim financial statements for the periods ended June 30 and September 30, 2015 (originally filed on August 28 and November 30, 2015). The restatement is due to errors in connection with the Company's previously disclosed adjustments associated with the acquisitions and divestitures of wholly-owned subsidiaries. The restated financial statements will include the Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2015 as well as the nine months ended September 30, 2015 which are expected to impact the Unaudited Condensed Interim Consolidated Statements of Financial Position as well as the Unaudited Condensed Interim Consolidated Statements of Income and Comprehensive Income for the applicable periods, along with the accompanying footnotes and disclosure.

As previously disclosed in the 2014 Audited Financial Statements, the valuation of three acquisitions effective July 9, 2014 were unallocated and disclosed accordingly. Before the measurement period expired, which afforded the Corporation a time period during which additional information was received and intangible assets could be evaluated, the Corporation divested two of the acquisitions under review. Given the complexity of the transactions, and timing thereof, Starrex did not properly disclose same.

The Corporation intends to file the amended and restated financial statements as soon as practicable. In conjunction with refiling of those financial statements, Starrex also anticipates that the corresponding management's discussion and

analysis for those same periods will also be amended and restated for refiling.

### **Black-out for Officers and Directors**

The Corporation has instituted a “black-out” for all officers and directors until all necessary re-filings have been completed, during which such officers and directors have been instructed by the Corporation to refrain from buying, selling or in any way trading in the Corporation’s securities.

### **Amended and Restated Management’s Discussion and Analysis**

During the review by staff of the OSC, the Corporation’s quarterly management’s discussion and analysis for the quarterly periods ended March 31, June 30 and September 30, 2015 (originally filed on May 23, August 28 and November 30, 2015) were identified as not providing full discussion and analysis of the Corporation’s operations and providing no discussion or analysis of the Corporation’s liquidity and capital resources, with the disclosure provided repeating disclosure from the financial statements and appearing to be boiler-plate. The amendments to the financial statements described above will also have an impact on the corresponding management’s discussion and analysis. Accordingly, Starrex intends to amend and restate its management’s discussion and analysis for the applicable periods and re-file them as soon as practicable.

### **Continuing Review**

Starrex is also currently in discussions with staff of the OSC regarding certain matters regarding the treatment of recent acquisitions which may also affect its financial statements and management’s discussions and analysis for the year ended December 31, 2014 and the three-month period ended March 31, 2015. The Corporation expects to achieve a resolution in respect of these filings expeditiously.

#### **Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51 -1 02**

Not applicable.

#### **Item 7 Omitted Information**

Not applicable.

#### **Item 8 Executive Officer**

Inquiries in respect of the material change referred to herein may be made to:

Ronald Mann, Secretary, Chief Operating Officer and Investor Relations Officer  
tel: (647) 981-2782  
email: [rmann@starrexintl.com](mailto:rmann@starrexintl.com)

#### **Item 9 Date of Report**

This report is dated as of the 14<sup>th</sup> day of December, 2015.