

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: STAR NAVIGATION SYSTEMS GROUP LTD. (the "Issuer")

Trading Symbol: SNA

Number of Outstanding Listed Securities: 516,329,871

Date: July 31, 2019

#### Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**Star Navigation Systems Group Ltd. ("Star" or the "Company") operates two divisions: STAR-A.D.S.<sup>®</sup> and STAR-M.M.I.<sup>™</sup>, and one subsidiary, Star-Isonoe Inc. ("Star-Isonoe"). Star owns the worldwide license to its proprietary, patented In-flight Safety Monitoring System, and of the STAR-ISAMM<sup>™</sup> Systems.**

**STAR-A.D.S.<sup>®</sup> Division pursues sales opportunities both locally and abroad for the STAR-A.D.S.<sup>®</sup> Systems, the STAR-ISAMM<sup>™</sup> Systems, as well as the Land System Aided Medical Monitoring system ("STAR-LSAMM<sup>™</sup>") MEDEVAC product. STAR-ISAMM<sup>™</sup> and STAR-LSAMM<sup>™</sup> are being developed jointly by Star and its 80%-owned subsidiary Star-Isonoe.**

**STAR-M.M.I.<sup>™</sup> Division designs and manufactures, flight deck flat panel displays for defence and commercial aviation industries worldwide, and it continues to fulfil existing contracts and to develop new business opportunities.**

**Star-Isonoe is a specialised software firm, developing complex solutions in engineering, simulation and development for Canadian customers. Star-Isonoe works closely with Star in the development of the Company's MEDEVAC.**

**On July 8, 2019, the Company announced that it had entered into a multi-pronged cooperation agreement with Airmedic Inc. ("Airmedic"), consisting of the integration of Star's STAR-ISAMM<sup>™</sup> System into the operations of Airmedic's expanding helicopter and fixed-wing based Emergency Medical System ("EMS") services (see Question #5 for details).**

**On July 15, 2019, the Company announced that the Board of Directors of the Company had considered a shareholder meeting requisition letter dated**

June 25, 2019 to be invalid. The Special Shareholder Meeting has now been scheduled for September 18, 2019.

On July 24, 2019, the Company announced a series of updates on its re-focused business strategy for 2019 (see Question #2 for details).

On July 29, 2019, the Company announced that it is extending the term of 46,708,000 common share purchase warrants (the “2018 Warrants”) issued on September 5, 2018. The 2018 Warrants, originally due to expire September 5, 2019, will now expire on September 5, 2021. The Company has also applied to the Canadian Securities Exchange to reprice the Warrants, at an exercise price of \$0.065.

There have also been many developments on the technical and product front. The Company has recently completed its regular AS 9100 Rev “D” quality audit. Additionally, stages 1 and 2 of ISO 13485 & MDSAP (Medical Device for Single Audit Program) for medical devices are also now completed and awaiting certification. The Company is in the process of obtaining Health Canada and FDA licenses required for STAR-ISAMM™ and STAR-LSAMM™, and is working on various new G3 STAR-A.D.S.® STCs, as well as on improvements to our GUI. Three products are also awaiting certification, and they have just passed CGR inspection review.

2. Provide a general overview and discussion of the activities of management.

Management had continued to focus on the MEDEVAC applications of its patented technology and on potential sales opportunities in the airborne emergency medical transfer sector, mainly on helicopters and ground ambulances. Recently, a significant part of the corporate reorganization had also involved the Sales Department of the Company which had not performed to expectations.

The STAR-A.D.S.® system installed on a major VVIP private operator in the Mid-East has been operating for more than one year now, to the satisfaction of the customer. Discussions are being finalized to expand the installation of the STAR solution of real-time monitoring to the rest of the customers’ fleet.

The contract for 5 aircraft installations with a scheduled flights airline in Egypt has been implemented. The first installation is scheduled for Fall 2019 as scheduling permits, with the balance of fleet installations to match the C-check schedule of the remaining aircraft in the fleet.

Production of 27 STAR-A.D.S.® System units has commenced in order to meet ongoing requirements. An adaptation of the STAR-A.D.S.®, System has been installed on a Bombardier Global 7500 test aircraft for almost 2 years, as part of a government Research and Development study on the effects of high altitude flights on the health of crew, passengers and equipment.

**STAR-A.D.S.<sup>®</sup> System adaptations on a fleet of small sized transport and liaison aircraft (10 passengers) and helicopters as retrofit systems were recently presented to a large Asian Defense organization. Star is actively pursuing this prospect with a proposal requested for Fall 2019, concurrent with the customer's budgetary cycle.**

**The STAR M.M.I.<sup>™</sup> Division continues to service, repair and offer case-by case new unit build for legacy LCD panels for Lockheed Martin (P3 aircraft), Northrop Grumman, and Blue Aerospace. Star qualified for these activities as a stable, long-term and direct offsets (Industrial Regional Benefit "IRB") provider to these main US based integrators.**

**The STAR-ISAMM<sup>™</sup> and STAR-LSAMM<sup>™</sup> systems have generated a rapid and growing interest in the North American market. A Distribution and Sales agreement with AMS Heli Design has been signed, with the first contract covering 6 installations on EMS helicopters awaiting final approval by the end customer. If approved, installations are expected to start at the end of 2019.**

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**No new products and services had been noted.**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**None noted.**

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**On July 8, 2019, the Company announced it had entered into a cooperation agreement with Airmedic, consisting of the integration of Star's STAR-ISAMM<sup>™</sup> System into the operations of Airmedic's helicopter and fixed-wing based EMS services. The parties will subsequently extend their cooperation to the STAR-LSAMM<sup>™</sup> System for ground ambulances, eventually providing a complete and seamless electronic medical transport system. Star and Airmedic will be offering the STAR-ISAMM<sup>™</sup> System as part of the Helicopter Emergency Medical Services system. STAR-ISAMM<sup>™</sup> interfaces with**

**existing bio-medical monitoring equipment on-board. It securely transmits the patients' vital signs and other critical information directly to receiving hospital physicians, while at the same time providing tracking, location, and Estimated Time of Arrival of the vehicle. The patient, upon arrival at the aircraft, becomes part of the care environment, well before reaching the hospital.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**None noted.**

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**None noted.**

8. Describe the acquisition of new customers or loss of customers.

**None noted.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**None noted.**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**A receptionist was terminated and the position has not been replaced.**

11. Report on any labour disputes and resolutions of those disputes if applicable.

**None noted.**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**None noted.**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**None noted.**

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common shares	145,285	Issuance of shares to Agora Internet Relations Corp. for compensation for services provided	\$nil

*(1) State aggregate proceeds and intended allocation of proceeds.*

15. Provide details of any loans to or by Related Persons.

**None noted.**

16. Provide details of any changes in directors, officers or committee members.

**None noted in the current month.**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

**Star’s business involves certain risks and uncertainties that are inherent to high-technology companies. These risks include fluctuations in operating expenses, lengthy sales cycles, technological obsolescence, human resource costs of necessary additional research and development, competition, regulatory approvals and permitting, and the need to secure further financings or funding. Please refer to the “Risk Factors and Risk Management” section of the Company’s MD&A filed on May 30, 2019 on SEDAR.**

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: August 7, 2019.

Viraf S. Kapadia  
Name of Director or Senior Officer

"Viraf S. Kapadia"  
Signature

Chief Executive Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer Star Navigation Systems Group Ltd.	For Month End July 31, 2019	Date of Report YY/MM/DD 19/08/07
Issuer Address 11 Kenview Blvd.		
City/Province/Postal Code Brampton, Ontario L6T 5G5	Issuer Fax No. (416) 252-3963	Issuer Telephone No. (416) 252-2889
Contact Name Roger S. Peacock	Contact Position Counsel	Contact Telephone No. (416) 252-2889 ext 225
Contact Email Address <a href="mailto:roger.peacock@star-navigation.com">roger.peacock@star-navigation.com</a>	Web Site Address <a href="http://www.star-navigation.com">www.star-navigation.com</a>	