## FORM 7

## **MONTHLY PROGRESS REPORT**

ame of Listed Issuer: <u>STAR NAVIGATION SYSTEMS GROUP LTD. (the "Issuer")</u> ading Symbol: <u>SNA</u>			
Trading Symbol: SNA			
Number of Outstanding Listed Securities: 519,476,538			
Date: October 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. owns the exclusive worldwide license to its proprietary, patented In-flight Safety Monitoring System, STAR-ISMS<sup>®</sup>, the heart of the STAR-A.D.S.<sup>®</sup> and of the STAR-ISAMM<sup>™</sup> Systems. Its real-time capability of tracking performance trends and predicting incident-occurrence enhances aviation safety and improves fleet management while reducing costs for the operator.

Stars' M.M.I. Division designs and manufactures high performance, mission critical, flight deck flat panel displays for defence and commercial aviation industries worldwide. These displays are found on aircraft and simulators, from C-130 aircraft, to Sikorsky and Agusta Westland helicopters, as examples.

Stars' subsidiary, Star-Isoneo Inc. is a specialized software firm, developing complex solutions in engineering, simulation and development for Canadian customers. Star-Isoneo works closely with Star in the development of the Company's MEDEVAC (STAR-ISAMM™ and STAR- LSAMM™) applications of the patented STAR-A.D.S.® technology, and on its current R&D program with Bombardier.

On a press release dated October 3, 2019, the Company announced the granting of a new Supplemental Type Certification ("STC") to Star by Transport Canada. The STC relates to the use of the STAR-A.D.S.® Gen 3 system on an Airbus A320 aircraft type. The STC will allow Star to install its STAR-A.D.S.® Gen 3 System on-board the next available AlMasria Universal Airlines aircraft.

On a press release dated October 17, 2019, the Company responded to the latest attacks from dissident shareholder group and confirmed that no special meeting of shareholders of Star will take place on December 11, 2019.

On a press release dated October 30, 2019, the Company reported that it did not file its annual financial statements for the financial period ended June 30, 2019, the related annual management's discussion and analysis and the related CEO and CFO certifications (collectively, the "Annual Filings") by the filing deadline of October 28, 2019 and therefore is in default of its requirements under National Instrument ("NI") 51-102 - Continuous Disclosure Obligations and NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, as applicable. In anticipation of the default described above, the Company had applied to the Ontario Securities Commission ("OSC") for a management cease trade order under National Policy 12-203 - Management Cease Trade Orders which was expected to have only prohibited trading in securities of the Company by certain insiders of the Company. The Company's application was denied and, the OSC informed the Company that it is noted in default on the OSC's reporting issuer default list for failure to file the Annual Filings and that it may be noted in default on the reporting issuer list, or default list, of each jurisdiction of Canada in which it is a reporting issuer, to the extent that such jurisdiction maintains a list and in accordance with the local policies and procedures of that jurisdiction, for failure to file the Annual Filings. The OSC further informed the Company that a cease trade order ("CTO") will be issued. The Company has retained an auditor and is working towards meeting its continuous disclosure obligations and lifting the CTO.

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

Management has 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.

Management is also continuing its efforts to completely revamp its Sales and Marketing Department. A search for an experienced and innovative Vice President Sales has been underway for some time.

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.

None noted.

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.

None noted.

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.

None noted.

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.

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: November 6, 2019	
	Viraf S. Kapadia
	Name of Director or Senior Officer
	"Viraf S. Kapadia"
	Signature
	Chief Executive Officer
	Official Capacity

Issuer Details Name of Issuer Star Navigation Systems Group Ltd.	For Month End October 31, 2019	Date of Report YY/MM/DD 19/11/06
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 Viraf S. Kapadia	Contact Position CEO	Contact Telephone No. (416) 252-2889 ext 230
Contact Email Address viraf.kapadia@star-navigation.com	Web Site Address www.star-navigation.com	