

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: SNA

Number of Outstanding Listed Securities: 519,476,538

Date: December 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> and the STAR-LSAMM<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 defense 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-Isonéo Inc. is a specialized software firm, developing complex solutions in engineering, simulation and development for Canadian customers. Star-Isonéo works closely with Star in the development of the Company's MEDEVAC (STAR-ISAMM<sup>™</sup> and STAR-LSAMM<sup>™</sup>) applications of the patented STAR-A.D.S.<sup>®</sup> technology, and on its current R&D program with Bombardier.**

2. Provide a general overview and discussion of the activities of management.  
**On December 11, 2019, a Special Meeting of Shareholders of the Company was held. At that meeting, over fifty (50%) percent of shareholders voted over ninety-eight (98%) percent in favour of removing the existing directors of the Company and elected a new Board of independent directors (see 16 below).**

The Ontario Superior Court of Justice subsequently dismissed a request by Mr. Kapadia, the former CEO, to suspend the results of the shareholder vote and confirmed that the new Board and management would continue to operate the Company pending a hearing on the merits of the matter, currently scheduled for January 22, 2020.

The new Board and management have been engaged in ascertaining the true status of the Company, its products, customers, employees and creditors and in planning for its future through competent and innovative management, proper and business-like procedures, wise use of its resources...both human and technical... and adding to shareholder value.

Management is also committed to taking all necessary steps required in order to request the lifting of the Cease Trade Order imposed by the Ontario Securities Commission due to the previous management's failure to file financial statements.

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.

**STAR obtained certificate registrations for ISO13485-2016 and for Medical Device Single Audit Program from Health Canada at the end of December 2019. These two certificates certify STAR as being able to design the real-time medical monitoring systems under its MEDEVAC program (STAR-ISAMM™ and STAR-LSAMM™)**

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.**

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.

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.**

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

**None.**

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.**

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

**None.**

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

**None.**

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.

**On December 11, 2019, just prior to the Special Shareholders meeting (see 2 above), the previous management filed a Notice of Intention to Make a Proposal under the Bankruptcy and Insolvency Act (Canada).**

**Management is working closely with the proposed Trustee in this matter and is taking steps to ensure that the Company's financial affairs are properly reorganized under the new Board and management in the best interests of its shareholders, employees, customers and creditors.**

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

**None.**

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

**None.**

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

**None.**

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

**Messrs. Kapadia, Nariman and AlHamer were removed as directors and Mr. Kapadia terminated as Chief Executive Officer December 11, 2019.**

**Messrs. Brian Crawford, Birks Bovaird, Ali Jooma, Stephen Coutts, Zachery Goldenberg, Randy Hoback and Peter Clausi were elected as directors.**

**Mr. Bovaird was elected Chair of the Board of Directors.**

**The following were appointed officers:**

**Peter Clausi – Interim CEO**

**Randy Koroll – CFO**

**Jean-Louis Larmor – Vice-President-Corporate Development**

**Barney Lassche - Vice-President – Human Resources**

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

**No changes.**

## 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: January 7, 2020.

Peter Clausi  
Name of Director or Senior Officer

"Peter Clausi"  
Signature

Interim Chief Executive Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer Star Navigation Systems Group Ltd.	For Month End December 31, 2019	Date of Report YY/MM/DD 20/01/07
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 Peter Clausi	Contact Position CEO (Interim)	Contact Telephone No. (416) 252-2889 ext 230
Contact Email Address <a href="mailto:peter.clausi@star-navigation.com">peter.clausi@star-navigation.com</a>	Web Site Address <a href="http://www.star-navigation.com">www.star-navigation.com</a>	

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