Star Navigation Systems Group Ltd.
Management's Discussion and Analysis
For the three and nine month periods ended March 31, 2026 and 2025

The following management's discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for Star Navigation Systems Group Ltd. (the Company" or "Star") for the periods ended March 31, 2026 and 2025 and should be read in conjunction with the consolidated audited financial statements for the years ended June 30, 2025 and 2024. Amounts are reported in Canadian dollars based upon the financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Information contained herein is presented as at June 1, 2026.

Certain information in this MD&A or incorporated by reference, and in other public announcements by the Company is forward–looking and is subject to important risks and uncertainties. Words such as "may", "will", "believe", "expect", "anticipate", "estimate" and similar expressions identify forward-looking statements. Forward-looking statements may be found in the General Development of the Business, Overview of Products, Operational Milestones, Outlook, Selected Financial Information, Results of Operations, Liquidity and Capital Resources and Overview sections of this MD&A. Forward-looking information includes information concerning the Company's future financial performance, business strategy, plans, goals and objectives. Forward–looking statements are necessarily based upon estimates and assumptions considered reasonable by management but which are 5subject to business, economic and competitive uncertainties. Results could differ materially from those projected in forward-looking statements. Aside from its efforts locally n the United States, Canada, as well as in Europe, the Company continues to pursue sales and marketing efforts for its main Star Airborne Data System ("STAR-A.D.S.®") and Star Man, Machine, Interface ("STAR M.M.I.™") Division products and variants, either directly or through joint arrangements in North America, the Middle East, South-East Asia, Africa and developing countries. Star focuses on developing tracking, monitoring and analytics solutions for airlines, land and marine vehicles. The current geographical sales and marketing focus has been in the African continent, South-East Asia and the Middle East. The Company is of the opinion that these geographical areas represent very significant current and future growth potential in terms of both passenger miles flown and vehicle tracking systems in general. There is increasing demand for technology from airline operators and other transportation providers seeking enhanced safety and efficiency for their operations.

However, the Company accepts the fact that pursuing opportunities in areas outside North America potentially subjects it to risks involving political unrest, cultural differences, differing legal environments and business practices, and the significant added expense of travel and accommodation for Company personnel required to be onsite for sales, testing and installation duties. The Company endeavors to mitigate these risks as reasonably possible through the judicious use of secure financial instruments, experienced local and international sales agents and coordinated marketing and travel arrangements.

While continuing its efforts in North America and Europe, the Company's current marketing focus for its STAR-A.D.S.® System and its other tracking solutions is on sales to smaller new or restructured markets in areas outside the traditional North American and European large carrier market. This results in large part from the rapid increase in passenger volumes over the past few years in many countries in the Middle East, South-East Asia and Africa.

Prior to COVID-19, new airlines were looking for ways in which to both comply with changing regulatory requirements while at the same time, maintaining strict maintenance and financial control over their operations. The Company's business is based in large part in providing solutions to those issues, amongst others.

Operations in developing and emerging markets require both caution and knowledge of local conditions and customs. The Company relies heavily on the experience, commitment and integrity of its local agents and partners to represent the Company in a businesslike and ethical manner, target potential customers, understand their individual requirements, present proposals and provide after-sales support. While care is taken in the agent/partner selection process, things can change, and it is not possible for the Company's management in Canada to stay fully abreast of the daily actions of its agents and partners abroad. Frequent contact and updates are essential and helpful but complete control is not possible.

With any sale, but especially in the developing and emerging market areas, the Company makes every effort to structure and document the agreement of the parties in such a way as to protect the interests of the Company and to ensure that the transaction is profitable. However, legal systems and cultures vary widely around the World and the enforcement of legal obligations where there is a problem such as payment can be expensive, time consuming and often unsuccessful. In addition, local political influence can be a factor, as can change of local government. The Company could be barred from operating in a jurisdiction, or payments due to the Company could be frozen or prohibited. From a cultural standpoint, in many parts of the developing and emerging world, (and, to a lesser extent, in parts of the First World as well) bribery is an accepted and normal practice. The Company has a strict written Bribery Policy, which is provided to all directors, officers, employees, consultants and agents. Still, fines and penalties could be imposed on the Company if there is a policy breach by one of the Company's agents or partners.

In addition, the airline business itself has inherent risks, and newer airlines are generally more susceptible to many of these risks. The Company's revenue comes from both hardware sales and ongoing monthly service fees. In the event that a customer ceases or restricts operations, the Company's revenues can be impacted.

The Board of Directors of the Company has determined, that despite the demonstrable risks of operating in developing and emerging markets, careful planning, deal structure, the use of Export Development Corporation assistance where possible and the employment of experienced and careful agents and partners, can mitigate the risks to the Company' business operations.

The airline industry has returned to pre-pandemic status, but there are still significant challenges facing airlines such staffing and route suspensions and the continuing rise in the cost of jet fuel.

Factors which could cause actual results to differ materially from current expectations include, among other things, the ability of the Company to successfully implement its strategic, sales and financing initiatives and whether such initiatives will yield the expected benefits.

In addition, the ability of the STAR-A.D.S.®, STAR-V-TRK and STAR- M.M.I.™ Divisions to successfully promote and sell products and services is critical. Competitive conditions in the business in which the Company participates, supply chain interruptions, general economic conditions and normal business uncertainty, fluctuations in foreign currency exchange rates and changes in laws, rules and regulations applicable to the Company in the jurisdictions in which the Company operates are all factors to be taken into consideration.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, or future events or otherwise, except as may be required by law.

Readers are cautioned that forward-looking statements are not guarantees of future performance.

Further information relating to Star is available on SEDAR at www.sedar.com.

EVOLUTION OF THE BUSINESS

Star Navigation Systems Group Ltd. commenced its operations in May 2000 and is listed on the Canadian Securities Exchange (the “CSE”) under the symbol “SNA”.

Star Navigation Systems Group Ltd. is a Canadian publicly owned technology company. It focuses on providing aerospace and transportation data services solutions along with hardware and software platforms that assist aviation and other transport related operators worldwide. Headquartered in Brampton, Ontario, Star has developed the In-Flight Safety Monitoring System (“STAR-ISMS®”), an aircraft computer that is at the heart of the Star Airborne Data System (“STAR-A.D.S.®”). The Star system combines in-flight data monitoring, diagnostics and data analysis with real-time secure connections between the aircraft and the ground, using real-time satellite transmission.

The STAR-A.D.S.® System provides real-time monitoring, data analysis, aircraft health and flight operation status, and real-time position (tracking) information, all of which contribute to aviation safety, reduction of fuel usage and maintenance costs, and reduction of carbon footprint, and provides the opportunity for enhanced return on investment for airlines.

The STAR-A.D.S.® G3 computer has been certified for airworthiness (Supplemental Type Certificate (“STC”)) on aircraft type A310 by Transport Canada (“TC”) and the U.S. Federal Aviation Authority (“FAA”). The Company received its full operational STC for aircraft type A320 in September 2023. The third generation (“G3”) computer combines, in one unit, several updated air-to-ground communications means. In particular, the G3 unit adds the ability to switch from satellite communications to Global System for Mobiles (“GSM”) communications, providing maximum flexibility and cost-effectiveness to the users.

The Star Man, Machine, Interface (“STAR-M.M.I.™”) Division was created in April 2014. The Division repairs high performance flat panel displays for defence and commercial aviation industries and has been an important revenue generator within Star. STAR-M.M.I.™ serves major avionics integrators and system manufacturers worldwide.

The STAR-V-TRK system is Star’s small-scale tracking and monitoring system that can be installed on smaller vehicles such as boats, marine, trains, trucks, etc.

OVERVIEW OF PRODUCTS AND PROGRAMS

STAR-A.D.S.®

The STAR-ISMS® technology is the heart of the STAR-A.D.S.® System. The System provides airlines/operators with a cost effective, end-to-end solution, allowing the automated capture and delivery of the results of real-time, in-flight analysis of an agreed set of parameters. This offers the capability of real-time monitoring of the aircrafts' performance, its status and location, and provides instant and secure access to essential aircraft information from a PC based web connection. The STAR-A.D.S.® System delivers high value, streamlined operational information with minimum impact to the airline's internal processes and procedures. It uses a Graphical User Interface ("GUI") providing the operator with fast, convenient visibility of information from any location, within minutes of the data being generated on an aircraft data bus, in flight, anywhere in the world.

The STAR-A.D.S.® System is currently certified by TC and the U.S. FAA. The system can be installed on any aircraft irrespective of aircraft type for which the Company has both an installation and operational STC.

The Company is currently focussing on sales processes and marketing initiatives enhancing the product brand awareness and global coverage for selling as all commercial passenger aircraft will soon require this type of technology.

STAR-M.M.I.™

The STAR-M.M.I.™ Division, repairs, performs qualification tests on, and supports on-board LCD flat screen displays. These high-performance LCD displays and control panels from are used in the cockpits of fixed wing aircraft and helicopters for both civilian and military applications.

A key client for this program is U.S. Defence Contractor Lockheed Martin, whose customer is the United States Department of Defence. Star has an extended contract with Lockheed Martin that runs up until 2026 for all the repairs and maintenance required to service those units. Expenses are incurred at the time a repair is received for this program and the Company subsequently invoices the customer.

The contract is in good standing with the customer and the Company continues servicing the contract for repair and maintenance on the customer equipment. The Company's obligations are to repair the units as needed and it has all the resources in house such as the qualified technicians and quality control personnel to be in full compliance/obligation with the agreement.

STAR – TTT™ (Talk, Text & Track)

Our partner on this project was Chengdu Aerospace in China. Given the current state of relations between Canada and China, and the fact that the product requires financial resources to get certified before it can go on board an aircraft, the project has been put on hold by the Company at this time.

STAR – V – TRK™

The development of the STAR-V-TRK project has been given a fresh start with the receipt of the Letter of Intent from the Kenyan Government for the LAPSSET Program which requires tracking, monitoring and analytics for their land and marine fleet.

The product requires certification to be installed on any aircraft but will not require any certifications for land based and marine based units. Variants of the STAR-V-TRK can be installed on marine vessels, trucks and trains.

STAR – AI

In December 2023, Star announced a shift in the trajectory of the Company, embracing the transformative power of Generative Artificial Intelligence ("AI"). This strategic move, approved by the Company's Board of Directors, helps position Star at the forefront of innovation leading to advances in it's STAR-A.D.S.® System, as well as opening new global vertical markets for exponential growth using AI technology. In line with this strategic shift, Star will allocate resources as they become available to research and development initiatives focused on advancing Generative AI technologies. This shift will not only strengthen the company's internal capabilities but also foster collaborations with key players in the dynamic Metaverse ecosystem

SALES AND MARKETING STRATEGY

The Company is executing a focused commercialization strategy designed to transition from product development to scalable revenue generation. Management's current sales and marketing initiatives are centered on (i) targeted geographic market penetration, (ii) strategic industry partnerships, and (iii) a shift toward recurring licensing-based revenue.

Geographic Market Focus

The Company has identified select emerging aviation markets, particularly in Africa, as initial target regions based on fleet growth, regulatory modernization, and increasing demand for operational efficiency and safety solutions.

Management's strategy in these regions emphasizes direct engagement with airline operators, regulators, and aviation stakeholders through participation in industry forums, technical demonstrations, and educational masterclasses. The objective is to shorten sales cycles by engaging decision-makers directly and positioning the Company's platform within broader safety and digital transformation initiatives.

While conference participation and regional engagement have increased visibility and pipeline discussions, conversion of these engagements into binding commercial agreements remains subject to procurement processes, technical validation, financing availability at the customer level, and regulatory considerations.

SALES AND MARKETING STRATEGY (Cont'd)

Commercial Model Evolution

The Company has transitioned toward a licensing and recurring revenue model for its STAR-A.D.S.® system. Under this structure, customers are expected to purchase hardware components and subscribe to software and data analytics services on a recurring basis.

Management believes this model may:

- Reduce capital intensity relative to full system deployments
- Improve gross margin profile over time
- Enhance revenue predictability once customer adoption scales up
- Support long-term enterprise value through recurring revenue streams

However, achievement of these objectives is dependent on successful customer acquisition, installation, and long-term contract renewals.

Strategic Partnerships and Vertical Expansion

In addition to aviation, the Company is pursuing selective vertical diversification, including renewable energy monitoring applications. The strategic objective is to leverage the Company's core real-time data analytics platform across industries with shorter deployment cycles and potential recurring monitoring revenue.

Management believes cross-sector deployment may reduce reliance on a single industry and improve revenue resilience. That said, new vertical expansion requires product adaptation, integration testing, and commercial validation, which may extend development timelines.

Technology-Led Differentiation

The Company continues to position its patent-pending "Digital Twin" architecture and onboard STAR-SSU hardware as its core differentiators. Sales efforts are increasingly focused on demonstrating measurable operational value, including:

- Real-time performance monitoring
- Predictive maintenance applications
- Safety management system integration
- Operational efficiency analytics

Future sales efforts will prioritize quantified value propositions and pilot deployments intended to demonstrate return on investment to potential customers.

SALES AND MARKETING STRATEGY (Cont'd)

Execution Priorities for FY2026

Over the next twelve months, management's sales and marketing priorities include:

1. Converting existing Letters of Intent and Memoranda of Understanding into binding commercial agreements;
2. Securing initial scaled deployments under the licensing model;
3. Expanding channel partnerships to reduce direct sales overhead;
4. Advancing prototype development milestones tied to commercial agreements; and
5. Aligning marketing expenditures with measurable revenue pipeline outcomes.

Aquagreen Energy Systems Inc. - Memorandum of Understanding – October 2025

In October 2025, the Company entered into a Memorandum of Understanding ("MOU") with Aquagreen Energy Systems Inc. ("Aquagreen") to evaluate the potential integration of the Company's live performance data analytics, diagnostics, and system intelligence software with Aquagreen's renewable power generation systems.

The MOU established a framework for collaboration and outlined the parties' intention to negotiate a definitive commercial agreement addressing product specifications, pricing, logistics, and satellite communication services. The MOU was non-binding in nature (other than customary provisions) and did not constitute a revenue-generating contract. There can be no assurance that the discussions contemplated under the MOU would result in a definitive agreement.

Monitoring & Tracking Supply Agreement – December 1, 2025

On December 1, 2025, the Company entered into a Monitoring & Tracking Supply Agreement with Aquagreen relating to the integration of the Company's STAR-ISMS® software platform into Aquagreen's Hydrotor renewable energy system.

Under the agreement, the Company is responsible for developing a fully integrated monitoring and diagnostics prototype intended to function as an embedded OEM module within the Hydrotor generator platform. The prototype is expected to form part of Aquagreen's broader system certification process, which management understands is targeted for completion in late January 2026.

While the agreement represents the Company's first formal commercial engagement in the renewable energy sector, revenue generation under the arrangement is dependent on successful prototype development, system certification, commercial deployment of the Hydrotor platform, and customer adoption. There can be no assurance regarding the timing or extent of revenues to be derived from this relationship.

Management believes that the renewable energy monitoring market may offer diversification opportunities beyond aviation; however, expansion into this sector involves execution risk, including technology integration, regulatory requirements, certification timelines, and commercial scalability.

SALES AND MARKETING STRATEGY (Cont'd)

There can be no assurance that these initiatives will result in material revenue within the anticipated timeframes. The Company's ability to execute on this strategy is dependent upon securing sufficient working capital, customer adoption, regulatory acceptance, and continued technology validation.

SELECTED FINANCIAL INFORMATION ANALYSIS
General Financial Information update at March 31, 2026

Star continues to build its operations to generate sustainable revenues on a consistent basis. The Company is revamping its approach to selling its products. It is also looking at all available financing options to help sustain operations on a daily basis. However, it still requires debt and/or equity financing to sustain its operations. There can be no assurance that the Company will be successful in obtaining further financing.

Star had cash at March 31, 2026 of $161,885 (June 30, 2025 - $(83,940).

Accounts receivable are billed and collected on a regular basis.

		March 31, 2026 (Unaudited)		June 30, 2025 (Audited)
Opening balance	**$**	**61,563**	$	17,182
Less: Allowance for expected credit losses		**-**		-
Balance	**$**	**61,563**	$	17,182

The current aging of the accounts receivables outstanding at March 31, 2026 is $61,563 (June 30, 2025 - $17,182).

	Current	**1 - 30**	**31 - 60**	**61 - 90**	**91+**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
TOTAL	**44,321**	**-**	**-**	**-**	**17,182**	**61,563**

The Company mitigates non-collection of accounts receivables through its assessment of customers prior to sales being made and managing customers with a hands-on approach after sale to keep on top of any customer concerns or problems that may lead to non-payment. Receivables are only written off after all avenues of reconciliation have been attempted with its customers.

Prepaid expenses have increased in FY2026 by $30,000 since June 30, 2025 after the Company paid a deposit on a prototype monitoring device.

Capital and Right of Use assets have changed due to normal depreciation and amortization charges taken during the year.

SELECTED FINANCIAL INFORMATION ANALYSIS (Cont'd)
General Financial Information at March 31, 2026 (Cont'd)

Accounts payable and accrued liabilities have increased since June 30, 2025 due to an increase in accrued liabilities.

		March 31, 2026 (Unaudited)		June 30, 2025 (Audited)
Trade payables (a)	**$**	**284,581**	$	294,973
Accrued liabilities (b)		**3,528,682**		3,704,179
	$	**3,813,263**	$	3,999,152

(a) Trade payables are amounts incurred in the normal everyday operation of the business.

(b) Accrued liabilities include amounts for non-cash consulting contracts and CRA payroll deductions and other accrued expenses not included in day-to-day trade payables.

Due to Related parties has been reduced substantially as certain related parties participated in a shares for debt transaction whereby debt was reduced by receiving common shares of the Corporation at a paid-up price of five ($0.05) cents per share that included a warrant that can be redeemed into common shares of the Corporation for the next five (5) years at a redemption price of five ($0.05) cents per share purchase warrant.

On February 24, 2021, The Honourable Mr. Justice Cavanagh of The Ontario Superior Court of Justice (Commercial Court) granted an order approving the Proposal put forward by the Company on January 24, 2020 and as approved by the creditors on February 14, 2020. The proposal provides for $90,000 for unsecured creditor claims as at January 24, 2020 and $65,223 for secured creditors claims. The Trustee for the Company paid out the unsecured creditors and secured creditor partially in October 2023.

As part of the approval there is an amount due the unsecured creditors of $900,000. Of the amount owing, $614,700 was paid out in the form of common stock of the Company after the Ontario Securities Commission ("OSC") revoked the Company's failure to file cease trade order ("FFCTO"). The remaining shares will be distributed at a later date. The price of common shares to be distributed was determined to be five cents.

The Company received a total of $120,000 in the form of the Canadian Emergency Business account ("CEBA") loans from the Government of Canada in February 2023. The Company paid back $60,000 plus interest of the CEBA loans in February 2026. These loans are interest free loans with no principal payments until March 31, 2025. Interest on these loans for the nine month period ended March 31, 2026 is $1,500 (June 30, 2025 – $8,418)

If the Company repays $80,000 of the total loan prior to March 31, 2024 then the balance of $40,000 will be forgiven. If the balance is not paid by March 18, 2025 then the balance of the loan is converted to a three (3) year term loan with interest at 5% starting on January 1, 2024. The balance of the loan must be paid no later than December 31, 2026.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected financial information, presented in Canadian dollars and prepared in accordance with IFRS. The information contained herein is drawn from interim financial statements of the Company for each of the aforementioned eight quarters.

(Expressed in $)

	2026	**2025**	**2025**	**2025**
Period Ending	**March 31**	**December 31**	**September 30**	**June 30**
Revenue	44,381	-	-	55,277
Working Capital/(Deficit)	(4,158,480)	(6,508,139)	(5,849,438)	(5,837,088)
Expenses	1,548,195	1,092,320	586,859	2,065,511
Net Loss from Operations	(1,503,814)	(1,092,320)	(586,859)	(2,010,234)
Net Loss (per Share)	(0.001)	(0.001)	(0.0004)	(0.003)

	2025	**2024**	**2024**	**2024**
Period Ending	**March 31**	**December 31**	**September 30**	**June 30**
Revenue	5,160	7,940	6,305	108,599
Working Capital/(Deficit)	(4,041,552)	(3,698,569)	(3,007,248)	(3,017,184)
Expenses	774,879	697,902	455,182	2,057,942
Net Loss from Operations	(769,719)	(689,962)	(448,877)	(1,949,341)
Net Loss (per Share)	(0.001)	(0.001)	(0.0004)	(0.05)

REVENUES:

Star revenues have been $Nil the last three quarters as revenue from its customer has been put on hold while the Company waits for the customer to resume flights with a different aircraft. Otherwise, revenues have been consistent from quarter to quarter except for periods that contain orders received on its STAR-M.M.I.™ division. Star received an order in March 2026 for the M.M.I. division totaling $44,381.

EXPENSES:

The Company spending has increased in Q3 of FY2026. The Company is generally consistent in its’ spending over these eight quarters with fluctuations in spending coming with year-end adjustments made during the Company’s audit and with cash flow issues.

RESULTS OF OPERATIONS

Comparison of the three-month periods ended March 31, 2026 and 2025

The Company had a net loss of $1,503,814 for the period ending March 31, 2026 vs. a loss of $786,631 for March 31, 2025. Contributing factors for the increased loss are increases in marketing and promotional costs.

Revenues:

	March 31,		
	2026	**2025**	**Variance**
Total Revenues	**44,381**	5,160	**39,222**
Star-A.D.S.®	**-**	**5,160**	**(5,160)**
Star-MMI	**44,381**	-	**44,381**

Star revenues increased in Q3 of 2026. The Company received no STAR-A.D.S.® revenue but did receive MMI revenue which was recognized in the period. Star STAR-A.D.S.® revenues are on hold as its customer is changing its aircraft fleet.
Revenues are dependent on an airlines' flying hours and these fluctuate on a month-to-month basis. There were no STAR-A.D.S.® hardware revenues generated in either 2026 or 2025.
The Company continues to try and get its STAR-A.D.S.® System recognized globally by the Airline industry. The Company has shifted is sales focus to the countries of Africa and along with its partnership with Operators in Africa is working diligently to gain orders from those airlines.

Cost of Inventory Consumed:

	March 31,		
	2026	**2025**	**Variance**
Cost of Inventory Consumed	**1,491**	4,752	**(3,261)**
Star-A.D.S.®	**-**	4,057	**(4,057)**
Star MMI	**1,491**	695	**796**

Cost of inventory consumed for the period ended March 31, 2026 decreased due to no STAR-A.D.S.® revenue being generated. However, Star MMI costs increased as the Company completed an order in March 2026.
Airtime costs which the Company incurs each month increase/(decrease) depending on how much flight time the customer consumes. These costs were relatively the same from year to year.

RESULTS OF OPERATIONS (Cont'd)
Comparison of the three-month periods ended March 31, 2026 and 2025 (Cont'd)

General and Administrative:

	March 31,		
	2026	**2025**	**Variance**
Total G&A expenses	**476,026**	423,786	**52,240**
Amortization-Right of use assets	**26,519**	26,516	**3**
Board and Committee fees	**348,000**	277,000	**71,000**
Filing fees	**4,823**	6,380	**(1,557)**
Insurance	**9,524**	11,371	**(1,847)**
Office and general	**909**	35,484	**(32,859)**
Professional fees	**17,500**	-	**17,500**
Wages	**68,751**	68,751	**-**

Filing fees are down compared to the FY2025 results. Filing fees consist of CSE regulatory fees, transfer agent fees and press release fees along with the Annual General Meeting fees.
Board and Committee have increased this quarter.
Insurance costs have decreased this year due to decreases in group and commercial coverages.
Professional fees increased due to increased accounting costs.
Office and general expenses decreased as the Company reduces unnecessary expenditure.
Wages expense has remained the same.

Marketing and Promotion

		March 31,	
	2026	**2025**	**Variance**
Total M&P expenses	**668,000**	247,935	**420,065**
Consultant costs	**668,000**	247,000	**421,000**
Travel Cost	**-**	935	**(935)**

Consultant costs are up this period as the Company has the Company is pursuing more projects in various locations this fiscal year.
Travel costs have decreased in this period.

RESULTS OF OPERATIONS (Cont'd)
Comparison of the three-month periods ended March 31, 2026 and 2025 (Cont'd)

Product Maintenance & Operating costs:

		March 31,	
	2026	**2025**	**Variance**
Total Maintenance expenses	**423,601**	98,405	**325,196**
Amortization expense	**2,236**	3,427	**(1,191)**
Maintenance costs	**5,086**	4,119	**967**
Wages	**416,280**	90,860	**325,420**

Maintenance costs have increased minimally over FY2025 due to increased wages and maintenance costs paid.
For the period ended March 31, 2026 total Maintenance costs relate only to the STAR-A.D.S.®. The STAR-A.D.S.®. is the only program that the Company is actively working on currently. For FY2026 the STAR-A.D.S.® program accounted for all of the expenditures. There were no LSAMM and ISAMM costs in the period ended March 31, 2026.
Wages have increased this period as certain staff had salary increases.

Comparison of the nine-month periods ended March 31, 2026 and 2025

The Company had a net loss of $3,182,993 for the period ended March 31, 2026 vs. a loss of $1,925,471 for March 31, 2025.

Revenues:

		March 31,	
	2026	**2025**	**Variance**
Total Revenues	**44,381**	5,160	**39,222**
Star-A.D.S.®	**-**	5,160	**(5,160)**
Star-MMI	**44,381**	-	**44,381**

Star revenues increased in 2026 due to the completion of an M.M.I order in March 2026. No STAR-A.D.S.® revenue was recognized in the period.
Revenues are dependent on an airlines' flying hours and these fluctuate on a month-to-month basis. There were no STAR-A.D.S.® hardware revenues generated in either 2026 or 2025.
The Company continues to try and get its STAR-A.D.S.® System recognized globally by the Airline industry. The Company has shifted is sales focus to the countries of Africa and along with its partnership with Operators in Africa is working diligently to gain orders from those airlines.

RESULTS OF OPERATIONS (Cont'd)
Comparison of the nine month periods ended March 31, 2026 and 2025
(Cont'd)

Cost of Inventory Consumed:

	March 31,		
	2026	**2025**	**Variance**
Total CGS expenses	**1,491**	12,529	**(11,038)**
Star-A.D.S.®	**-**	11,834	**(11,834)**
Star-M.M.I.	**1,491**	695	**796**

Cost of inventory consumed for the period ended March 31, 2026 decreased due to no STAR-A.D.S.® revenue being generated.

Airtime costs which the Company incurs each month increase/(decrease) depending on how much flight time the customer consumes. These costs were relatively the same from year to year.

General and Administrative:

	March 31,		
	2026	**2025**	**Variance**
Total G&A expenses	**915,770**	1,042,937	**(127,167)**
Amortization-Right of use assets	**79,551**	79,548	**3**
Board and Committee fees	**444,000**	598,000	**(154,000)**
Filing fees	**23,911**	22,659	**1,251**
Insurance	**31,793**	40,332	**(8,538)**
Office and general	**37,762**	83,625	**(45,863)**
Professional fees	**92,500**	12,520	**79,980**
Wages	**206,253**	206,253	**-**

Filing fees are up slightly compared to FY2025. Filing fees consist of CSE regulatory fees, transfer agent fees and press release fees and Annual General meeting fees.
Board and Committee fees have decreased this year.
Insurance costs have decreased this year due to decreases in group and commercial coverage.
Professional fees increased due to increased accounting costs.
Office and general expenses decreased as the Company has reduced expenses due to decreased cash flow.
Wages expense has remained the same.

RESULTS OF OPERATIONS (Cont'd)
Comparison of the nine month periods ended March 31, 2026 and 2025 (Cont'd)

Marketing and Promotion

	March 31,		
	2026	**2025**	**Variance**
Total M&P expenses	**1,674,600**	544,685	**1,129,915**
Consultant costs	**1,659,160**	537,500	**1,121,660**
Salaries and benefits	**-**	6,250	**(6,250)**
Travel Cost	**15,440**	935	**14,505**

Consultant costs are up this period as the Company has added consultants to pursue various other projects.
Travel costs have increased due to the increase in consultants.

Product Maintenance & Operating costs:

	March 31,		
	2026	**2025**	**Variance**
Total Maintenance expenses	**648,380**	293,031	**355,349**
Amortization expense	**6,707**	10,280	**(3,573)**
Maintenance costs	**18,260**	7,998	**10,262**
Wages	**623,414**	274,753	**348,660**

Maintenance costs have increased over FY2025 due to an increase in repairs of equipment and salary increases.

For the period ended March 31, 2026 total Maintenance costs relate only to the STAR-A.D.S.®. The STAR-A.D.S.®. is the only program that the Company is actively working on currently. For FY2026 the STAR-A.D.S.® program accounted for all of the expenditures. There were no LSAMM and ISAMM costs in the period ended March 31, 2026.

FOREIGN EXCHANGE GAIN/LOSS:

Monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rate. Non-monetary assets and liabilities as well as revenue and expense transactions denominated in foreign currencies are translated at the rate prevailing at the time of the transaction. Translation gain or loss adjustments are recognized in the year in which they occur.

The Company is exposed to fluctuations in the value of the following financial instruments which are denominated in US dollars:

		March 31, 2026 (Unaudited)		June 30, 2025 (Audited)
Cash	$	-	$	-
Accounts receivable		61,563		17,182
Accounts payable		(35,487)		(36,999)
	$	26,076	$	(19,817)

Based on the Company's net exposure to US dollar denominated instruments at March 31, 2026 and June 30, 2025, a sensitivity analysis has not been presented as it would be immaterial.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2026, the Company had cash of $161,885 compared to a cash overdraft of $(83,940) at June 30, 2025. Despite the improvement in cash on hand, the Company continues to operate with a significant working capital deficiency. As at March 31, 2026, the working capital deficiency was $4,128,480 compared to $5,837,088 at June 30, 2025. The increase primarily reflects continued operating losses and the timing of trade and other payables.

The Company has not generated sufficient revenues to achieve positive cash flow from operations. Revenues from STAR-M.M.I.™ and STAR-A.D.S.® remain inconsistent and insufficient to fund ongoing operating expenditures. As a result, the Company continues to incur operating losses and negative cash flows.

The Company's ability to continue as a going concern is dependent upon its ability to generate profitable operations and/or secure additional financing to fund its operations and meet its obligations as they become due. These conditions represent material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

Historically, the Company has funded operations through equity financings and shares-for-debt transactions. During FY2026 and FY2025, the Company completed additional equity issuances as described below. While management believes it may be able to access additional capital through private placements, strategic partnerships, or other financing arrangements, there can be no assurance that such financing will be available on terms acceptable to the Company, or at all.

LIQUIDITY AND CAPITAL RESOURCES (Cont'd)

Failure to obtain additional funding on a timely basis could require the Company to curtail operations, reduce planned expenditures, or pursue other strategic alternatives.

The Company's constrained liquidity has limited its ability to undertake longer-term operational initiatives, including strategic inventory purchases intended to improve gross margins and reduce per-unit costs. As a result, the Company remains focused on short-term cash preservation measures, including cost containment, liability management through shares-for-debt transactions, and evaluation of partnership structures intended to reduce cash burn.

Equity Financings

FY2025

February 2025 – Shares for Debt Transaction

The Company converted $447,528 of outstanding indebtedness into 89,505,600 units at a deemed price of $0.01 per unit. Each unit consisted of one common share and one warrant exercisable at $0.05 per share for a period of five years. This transaction reduced outstanding liabilities and preserved cash; however, it resulted in dilution to existing shareholders.

September 2024 – Shares for Debt Transaction

The Company converted $480,250 of outstanding indebtedness into 48,025,000 units at a deemed price of $0.01 per unit. Each unit consisted of one common share and one warrant exercisable at $0.05 per share for one year. All securities were subject to a four-month statutory hold period under applicable securities laws.

FY2026

July 2025 – Shares for debt transaction

In July 2025 the Company converted $607,850 of outstanding indebtedness into 121,570,000 units at a deemed price of $0.005 per unit. Each Unit consists of one common share in the capital of the Company and one warrant exercisable at $0.05 per share for five years. All securities issued in the Offering and any shares issued upon exercise of warrants are subject to a four-month statutory hold period from the date of issuance.

October 2025 - Non-Brokered Private Placement

The Company completed a non-brokered private placement of 47,500,000 units at $0.01 per unit for gross proceeds of $475,000. Each unit consists of one common share and one warrant exercisable at $0.05 per share for a five-year period. Net proceeds are intended to be used for general working capital, operations development, and sales and marketing initiatives related to the Star-A.D.S.® system. While this financing improved short-term liquidity, the proceeds are not sufficient to fund operations over the next twelve months absent increased revenues or additional financing.

LIQUIDITY AND CAPITAL RESOURCES (Cont'd)

February 2026 - Non-Brokered Private Placement

The Company completed a non-brokered private placement of 88,366,000 units at $0.01 per unit for gross proceeds of $886,366. Each unit consists of one common share and one warrant exercisable at $0.05 per share for a five-year period. Net proceeds are intended to be used for general working capital, operations development, and sales and marketing initiatives related to the Star-A.D.S.® system. While this financing improved short-term liquidity, the proceeds are not sufficient to fund operations over the next twelve months absent increased revenues or additional financing.

March 2026 – Shares for debt transaction

In July 2025 the Company converted $3,165,933 of outstanding indebtedness into 63,318,660 units at a deemed price of $0.05 per unit. Each Unit consists of one common share in the capital of the Company and one warrant exercisable at $0.05 per share for five years. All securities issued in the Offering and any shares issued upon exercise of warrants are subject to a four-month statutory hold period from the date of issuance.

OUTLOOK

The Company's near-term priorities are to:

- Improve revenue consistency from existing product lines
- Reduce operating cash burn through cost control measures and partnership structures
- Strengthen its balance sheet through equity financing and liability restructuring

The Company expects that it will require additional financing during FY2026 to fund ongoing operations and meet its obligations.

Management is actively pursuing additional capital raising initiatives; however, the Company's ability to secure funding will depend on market conditions, investor appetite for early-stage technology issuers, and the Company's ability to demonstrate progress in commercializing its products.

There can be no assurance that the Company will achieve its revenue objectives, secure additional financing, or attain profitability. If the Company is unable to obtain adequate funding or generate sufficient revenues, it may be required to materially reduce operations, delay strategic initiatives, or pursue alternative transactions.

Forward-looking information in this section reflects management's current expectations and assumptions as at the date of this MD&A and is subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those anticipated.

OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 2026, the Company had no off balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company.

OUTSTANDING SHARE DATA

Series I First Preferred Shares	615,000
Common Shares	1,686,720,589
Share Purchase Warrants	889,497,228 (exercise price of $0.05)
Stock Options	55,500,000 (exercise price of $0.05 with expiry dates up to March 30, 2031).

ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Actual outcomes may differ from these estimates under different assumptions and conditions.

The most significant estimates relate to the determination of the useful lives and impairment of property and equipment, intangible assets and right-of-use assets, net realizable value of inventory and the valuation of warrants granted and stock-based compensation.

The most significant area of judgments are going concern and deferred tax assets.

RELATED PARTY TRANSACTIONS

The Company has accrued amounts due to related parties. The Company's Board of Directors are compensated at the rate of $3,000 per month for performing duties such as providing guidance to management in areas such as corporate governance, reviewing strategic plans, budgeting, material contracts or joint ventures. Committee Chairpersons are remunerated at the rates of $1,000 per month.

RELATED PARTY TRANSACTIONS (Cont'd)

(a) amounts due to related parties at March 31, 2026 is $641,202 (June 30, 2025 - $2,161,244) and is comprised of the following:

		March 31, 2026 (Unaudited)		June 30, 2025 (Audited)
Due to Directors – (included in Due to Related parties)	$	45,000	$	1,189,000
Due to Directors – (included in Accounts payables and accrued liabilities)		566,978		850,020
Due to Committee Chairpersons – (included in Due to Related parties)		14,000		107,000
Due to Former Chief Executive Officer (included in Due to Related parties)		15,224		15,224
	$	641,202	$	2,161,244

(b) Compensation to key management personnel, directors and committee chairpersons included in the unaudited interim consolidated statement of loss and comprehensive loss was as follows for the period ended March 31, 2026:

	March 31, 2026 (Unaudited)			March 31, 2025 (Unaudited)		
	Officers	Directors	Total	Officers	Directors	Total
	$	$	$	$	$	$
Salaries	206,253	-	206,253	206,253	-	206,253
Directors' fees	-	444,000	444,000	-	598,000	598,000
	206,253	444,000	650,253	206,253	598,000	804,253

SUBSEQUENT EVENTS

On March 10, 2026 the Company announced the addition of Gugni Gill Panaich ("Ms. Panaich") to its Board of Directors effective immediately.

Ms. Panaich is the Co-Founder of GYSK Energy Solutions ("GYSK"), a Canadian renewable-energy company focused on delivering practical electricity solutions to remote and underserved communities. GYSK designs and deploys small-scale thermoelectric generators that produce electricity during everyday household activities such as cooking and heating.

This background directly aligns with Star's new role in monitoring and supporting Hydrotor generator systems. She understands both the technical and practical realities of bringing power solutions into developing regions. Star's renewable-energy initiative is not just a technical expansion, it is a market expansion into regions where relationships, cultural understanding, and local trust are essential.

RISK FACTORS AND RISK MANAGEMENT

Although management is working diligently towards generating revenue, improving cost containment and achieving profitable operations, the Company is subject to the risks generally associated with high-technology companies. These risks include fluctuations in operating expenses, lengthy sales cycles, the pace of technological change, human resource costs of necessary additional research and development, competition, regulatory approvals and permitting, and the need to secure further equity or debt financing and/or funding.

The Company is also subject to the risk of competition in a fast-moving high technology industry. Protection of the Company's intellectual property carries the risk of expensive litigation. Retention of highly skilled key personnel, fluctuation of input costs, travel costs and general economic conditions may impact the Company's performance.

Economic Dependence

The Company essentially has two customer groups at the present time. One is the STAR-A.D.S.® In flight safety monitoring System. This is marketed to commercial airlines of which two airlines are currently customers and revenue generating. The second customer group relates to maintenance support of equipment installed on the P-3 Orion aircraft operated by various military organizations, with maintenance support sub-contracted to the Company by Lockheed Martin. Requests for service are on an “as required” basis and cannot be predicted with certainty.

While the loss of any business would cause difficulties for the Company, the loss of one customer such as Lockheed Martin would not materially alter the viability of the Company.

Operations in Foreign Jurisdictions:

The Company’s operations offshore have historically been concentrated in India and the Middle East, primarily due to the local experience and contacts of various senior executives of the Company, and the number and rate of expansion of commercial airlines in that area. The Company has now shifted its focus to Africa.

While sales to a smaller and perhaps more innovative airlines can often be more easily accomplished, the Company is from time to time obliged to offer terms that potentially expose it to issues such as payment problems and the difficulty and expense inherent in enforcing contractual obligations in a foreign jurisdiction. In addition, the expense of servicing or repairing equipment, whether onsite or at the Company’s premises in Ontario, can be troubling.

Overseas sales can also be made more difficult due to local culture and business practices. The Company has had a Bribery Policy in place for many years and ensures, to the best of its ability, that all of its officers, employees, consultants and agents are fully aware of the policy and agree to abide by it. Having said that, the Company faces the same challenges in this regard as are faced by all North American companies operating in those jurisdictions.”

RISK FACTORS AND RISK MANAGEMENT (Cont'd)

The Company's revenues depend mainly upon three factors: hardware sales, ongoing monthly monitoring charges and airtime and STAR-M.M.I.™ repair activities. Revenues from hardware are normally a one-time event and are dependent upon sales. Therefore, these revenues will vary from year to year. Revenue from a customer from ongoing monthly monitoring is relatively stable, but can vary depending upon usage and, in rare cases, upon the financial health of the customer.

Revenue from the STAR-M.M.I.™ Division activities has been non-existent on an annualized basis for the past two years. When it occurs it can and does vary throughout the year, as has been noted earlier in this MD&A.

The Company is working diligently to increase the level of sales across its product suite, carefully monitors the payment records of its customers, and sets its pricing models to reflect risk and return realities.

Operating expenses are generally stable but will vary depending on required staffing levels, equipment update and replacement, sales activity and required engineering activities. These expense items are pre-revenue in nature. The Company now offers a fully developed STAR-A.D.S.® System to the commercial aviation world.

The Company's target clients for the flagship STAR-A.D.S.® System, and its variant applications, are mainly commercial airlines. As is the case with high technology sales to any large commercial operation operating on slim margins in a competitive environment, the sales cycle is generally a lengthy one, involving multiple varied sales presentations to several different departments and stakeholders, including engineering, finance, operations and the executive. The target clients for STAR-M.M.I.™ represent a much larger group which should require a shorter sales and installation cycle.

A large percentage of the Company's sales initiatives prior to STAR-A.D.S.® involved non-North American customers, with the attendant travel and time requirements.

Amongst other initiatives, the Company is continuing to review and reorganize its sales process. Where possible, it tries to make greater use of video conferencing, although face to face meetings are required with respect to already well defined and prepared prospects and opportunities.

It is also refocusing its efforts to provide an enhanced emphasis on potential North American customers, while maintaining its existing initiatives overseas.

Regulatory matters can delay the sales process to varying degrees. The Company relies upon entities such as Transport Canada to issue approvals such as Supplemental Type Certificates, required whenever the Company is installing equipment aboard an aircraft.

Until revenues exceed expenses, the Company raises the necessary capital through private placements and other financing tools. There can be no assurance that management will be successful in raising the necessary capital required to fund ongoing activities.

RISK FACTORS AND RISK MANAGEMENT (Cont'd)

As noted herein, there are a number of risks inherent in the business of the Company. As a result of those risks, and its present stage of development, an investment in the Company should be considered highly speculative.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

In accordance with National Instrument 52-109, Certification of Disclosure in Company's Annual and Interim Filings ("NI 52-109"), the CEO and CFO file a Venture Company Basic Certificate with respect to the financial information contained in the financial statements and accompanying Management's Discussion and Analysis. The Venture Company Basic Certification includes a "Note to Reader" stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in NI 52-109.

As part of our corporate governance practices, ICFR and DC&P have been designed. There has been no formal evaluation of the operation of these controls. The Company has designed its ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance IFRS.

Management works to mitigate the risk of a material misstatement in financial reporting; however, a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

The Company's DC&P have been designed to ensure that information required to be disclosed by Star is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

It should be noted that while the Company's CEO and CFO believe that the Company's DC&P provide a reasonable level of assurance that they are effective, they do not expect that the DC&P or ICFR will prevent all errors or fraud. There have been no material changes to the internal controls of the Company for the period ended March 31, 2026.