

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF STAR NAVIGATION
SYSTEMS GROUP LTD.**

MOTION RECORD

January 2, 2020

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Lawyers for Star Navigation Systems Group
Ltd.

TO: THE SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE NOTICE OF INTENTION TO
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SYSTEMS GROUP LTD.**

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF STAR NAVIGATION SYSTEMS
GROUP LTD.**

**NOTICE OF MOTION
(Returnable January 8, 2020)**

Star Navigation Systems Group Ltd. (the “**Company**”), will make a motion to the Court on January 8, 2020 at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1(1) because it is on consent or unopposed or made without notice;
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

THE MOTION IS FOR:

1. an Order, substantially in the form of the draft Order located at Tab 3 of the Company’s Motion Record:
 - (a) abridging the time for service of this notice of motion and dispensing with service on any person other than those served;
 - (b) extending the time for the Company to file a Proposal, pursuant to s. 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”), for a period of forty-five (45) days from January 10, 2020 through and until February 24, 2020;

- (c) if necessary, granting leave for this Motion and any other motions in this proceeding, to be heard by the Ontario Superior Court of Justice (Commercial List) (the “**Commercial List**”) in Toronto, Ontario; and
 - (d) granting a charge in favour of counsel to the Company in this proceeding, the Proposal Trustee and its counsel in the maximum amount of \$100,000 (plus HST and disbursements) to secure payment of their fees and disbursements incurred in connection with this proceeding (the “**Administration Charge**”); and
2. such further and other relief as to this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Overview of the Company’s Business Operations

3. The Company is a technology company focused on developing and licensing solutions for the aviation industry.
4. The Company does not currently generate material revenue, and the Company’s total assets as of March 31, 2019 have a book value of \$1,204,243.
5. The Company is in the midst of a shareholder dispute, which is currently the subject of litigation before the Commercial List in Court File No. CV-19-632073-00CL *Kapadia v. Lassche et. al.*, (the “**Toronto Litigation**”), where the former CEO, Viraf Kapadia (“**Kapadia**”), has sought to have the results of a shareholder meeting set aside.
6. Prior to Kapadia’s removal and termination as CEO, Kapadia caused the Company to file a Notice of Intention to Make a Proposal (the “**NOI**”) under the BIA, commencing these ongoing proceedings (the “**Proposal Proceedings**”), and A. Farber & Partners Inc., was named as Proposal Trustee (the “**Proposal Trustee**”). The NOI was filed the same day as the shareholders meeting to elect a new board of directors.
7. Injunctive relief sought by Kapadia within the Toronto Litigation was dismissed by the Hon. Madam Justice Conway on December 18, 2019, and a full hearing of the

merits of the Toronto Litigation is scheduled for January 22, 2020 before the Commercial List.

8. Since the filing of the NOI, the Company has complied with the requirements of the BIA and filed all documents required and conducted a number of matters, despite the shareholders' dispute, to move these Proposal Proceedings forward.

9. The Company is meeting its current financial obligations since the date of filing the NOI.

10. The new management of the Company has acted diligently to stabilize the operations of the Company, retain employees and customers, take steps to deal with the cease trading order to which the Company is currently subject and secure sufficient funding to carry it through the Proposal Proceedings. All of this has been done in face of the ongoing governance and shareholders dispute as well as ongoing interference by Kapadia

Extension of Proposal Period

11. The Company seeks a 45-day extension of the Proposal Period.

12. The Company requires this extension, in order to:

- (a) address the Toronto Litigation;
- (b) settle the Company's corporate governance issues; and
- (c) secure additional funding and put together a viable Proposal to creditors.

13. A 45-day extension of the Proposal Period would give the Company the time needed to complete the above and consider next steps in these Proposal Proceedings.

14. No creditors of the Company will be materially prejudiced by the requested extension.

15. The Company has acted, and continues to act in good faith during the Proposal Proceedings with the oversight of both the Proposal Trustee and the Honourable Court.

16. The Proposal Trustee supports the Company's motion for the extension sought herein.

Administration Charge

17. The Administration Charge is fair and reasonable in the circumstances. The professionals benefitting from the Administration Charge are necessary to the Company's restructuring efforts.

General

18. All provisions, including s. 50.4(9), of the BIA, and the inherent and equitable jurisdiction of this Honourable Court.

19. Rules 1.04, 1.05, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.

20. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the Affidavit of Peter Clausi, sworn January 2, 2020 and the Exhibits to which it refers;
- (b) the First Report of the Proposal Trustee, to be filed; and
- (c) such further and other documentary evidence, which counsel may advise and this Honourable Court may permit.

January 2, 2020

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Group Ltd.

TO: THE SERVICE LIST

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
STAR NAVIGATION SYSTEMS GROUP LTD.**

Estate/Court File No.: 32-2594575

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced in Toronto

NOTICE OF MOTION

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TAB

2

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF STAR NAVIGATION SYSTEMS GROUP LTD.**

AFFIDAVIT OF PETER M. CLAUSI

I, Peter M. Clausi, of the City of St. Catharines in the Province of Ontario, MAKE OATH AND SAY:

1. I am a director and the Interim CEO of Star Navigation Systems Group Ltd. ("**Star**" or the "**Company**"). I was elected as a director at a special meeting of the Company's shareholders, which is further described below. I am also an Ontario lawyer and was called to the Bar in 1990. Although I am not a shareholder of the Company, have been involved in the shareholder dispute further described below since April 2019, and as such, have knowledge to the matters which I hereinafter depose. To the extent I have received information from others, I have stated the source of that information and believe it to be true.

2. I swear this affidavit in support of a motion for an Order:

- (a) if necessary, seeking leave to have this matter heard by the Ontario Superior Court of Justice (Commercial List) (the "**Commercial Court**");
- (b) extending the time for the Company to file a Proposal for a period of 45 days from January 10, 2020 through and until February 24, 2020; and
- (c) granting an Administration Charge to a maximum amount of \$100,000 as security for the professional fees and disbursements of Miller Thomson LLP, counsel to the Company, A. Farber & Partners Inc. (the "**Proposal Trustee**") and, if retained, counsel to the Proposal Trustee incurred prior to and during these Proposal Proceedings.

Overview of the Company

3. The Company is a technology company focused on developing and licensing solutions for the aviation industry.

4. The Company currently has 14 employees. However, some of the Company's employees have not been paid for months.

5. The Company is an Ontario reporting issuer with operations in Brampton, Ontario and Montreal, Quebec. The Company is headquartered in Toronto, Ontario.

Assets

6. Attached as **Exhibit "A"** are copies of the Company's unaudited interim financial statements for the six and nine month periods ending on December 31, 2018 and March 31, 2019, respectively (the "**Financial Statements**").

7. According to the Financial Statements, the Company's assets consist primarily of current assets (cash, accounts receivable, inventory) and exclusive licenses for certain patented technology for the aviation industry.

8. The Company does not currently generate material revenue.

9. According to the Financial Statements, the Company's total assets, as of March 31, 2019, had a book value of \$1,204,243.

Liabilities

10. Attached as **Exhibit "B"** is the list of creditors produced by the Proposal Trustee (the "**Creditors List**"). According to the Creditors List, the Company has unsecured liabilities in the amount of approximately \$3,450,064.85.

11. Of this aggregate amount, approximately \$2,319,894.00 is said to be owed to the Company's former CEO, Viraf Kapadia ("**Kapadia**"). The validity and quantum of amounts allegedly owing to Kapadia are in dispute, as is further described below.

12. According to the Financial Statements, accrued liabilities include amounts owing to the Canada Revenue Agency on account of unpaid source deductions (as at June 30, 2018 - \$221,068). Liabilities also include amounts on account of unpaid wages.

Cease Trade Order

13. On November 1, 2019, the Ontario Securities Commission issued a Failure to File Cease Trade Order (the "**Cease Trade Order**") because the Company failed to timely file required periodic disclosures. A copy of the Cease Trade Order is attached as **Exhibit "C"**.

The Shareholders' Dispute

14. The Company is in the midst of a shareholders dispute, which is currently the subject of litigation before the Commercial Court bearing Court File No. CV-19-632073-00CL, *Kapadia v. Lassche et. al.* (the “**Toronto Litigation**”) wherein the former CEO of the Company, Kapadia, is seeking to have the Commercial Court set aside the results of a shareholders meeting held on December 11, 2019, which is described in greater detail below.

The December 11 Meeting

15. On November 12, 2019, in connection with a special meeting of the shareholders that was held on December 11, 2019 (the “**December 11 Meeting**”), a group of concerned shareholders¹ (the “**Concerned Shareholders**”) issued an Information Circular in connection with the December 11 Meeting advocating in respect of the following:

- (a) removing the Company’s then-current Board of Directors and replacing it with a new Board of Directors consisting of: myself (Peter M. Clausi), J. Birks Bovaird, Dr. S. Coutts, Dr. Ali Jomaa, Zachary Goldenberg, Randy Hoback and Brian Crawford (the “**New Board**”); and
- (b) authorizing the New Board to take any and all steps to investigate related party transactions of the Company.

A copy of the Information Circular is attached as **Exhibit “D”**.

16. Prior to the December 11 Meeting, the directors of the Company were Kapadia, Gus Nariman and Ibrahim Al Hamer (the “**Old Board of Directors**”). Until his termination by the New Board following the December 11 Meeting, Kapadia had been the Chair and CEO since 2003. Other than Kapadia, no member of the Old Board of Directors resides in Canada.

17. The December 11 Meeting occurred. At that meeting, the New Board was elected by the support of over 99% of the voting shareholders. The New Board terminated Kapadia as CEO, appointed Mr. Bovaird Chair of the Board, and appointed me as Interim CEO.

18. On the same date, December 11, 2019, prior to his removal and termination, Kapadia caused the Company to file a Notice of Intention to Make a Proposal (the “**NOI**”) under the

¹ Namely, Jasvinder Kaur, Gurdeep K. Narula, Sugar Valley Estate Ltd., Gurdeep Panaich, Gursharn Singh Sidhu, Ali Jomaa, Harvey Beishuizen, Karl Reichert, Brian J. Pulis, Gurman Deep Singh Brar, Sukhjinder Singh Purewal, Surjit Singh Brar, Barney Lassche, Randu Childs, Urvashi Yadav, and Natley Uppal.

Bankruptcy and Insolvency Act (Canada) (the “**BIA**”) naming A. Farber & Partners Inc. as the Proposal Trustee, thereby commencing these proceedings (the “**Proposal Proceedings**”). A copy of the NOI Certificate is attached as **Exhibit “E”**.

19. On the same date, December 11, 2019, Kapadia also brought an Application in the Commercial Court seeking, among other things, an order that the results of the December 11 Meeting be set aside on the basis that the December 11 Meeting was not properly called. At the same time, Kapadia brought an emergency interlocutory injunction motion seeking to have the Old Board of Directors reinstated pending the hearing of the Application (the “**Toronto Litigation**”).

20. Kapadia’s motion for injunctive relief was ultimately adjourned to and heard on December 18, 2019 by the Hon. Madam Justice Conway of the Commercial Court. Attached as **Exhibit “F”** is a true copy of Her Honour’s endorsement of December 18th dismissing Kapadia’s motion for injunctive relief.

21. Kapadia’s Application is now scheduled for a full hearing on the merits on January 22, 2020, before the Commercial Court.

22. There is also a motion pending to remove Kapadia as a director of the Company under Section 64 of the BIA if he is reinstated to that role. This motion would be heard immediately following the hearing of Kapadia’s Application on January 22, 2020 in the event that the December 11 Meeting is set aside and Kapadia is reinstated. A copy of this Notice of Motion is attached as **Exhibit “G”**. The materials relied upon in support of this motion are essentially the same affidavits filed in the Toronto Litigation.

Public Disclosures After December 10, 2019

23. On December 11, 2019, Star issued a Press Release announcing the results of Star’s Meeting of Shareholders of December 11, 2019, a true copy of which is attached hereto as Exhibit “**H**”.

24. On December 12, 2019, Kapadia issued a Press Release (purportedly on behalf of Star) stating that no meeting of shareholders had taken place on December 11, 2019, a true copy of which is attached hereto as Exhibit “**I**”.

25. On December 19, 2019, Star issued a Press Release announcing the dismissal of Kapadia's motion seeking to suspend the result of Star's Meeting of Shareholders of December 11, 2019, a true copy of which is attached hereto as Exhibit "J".

26. On December 23, 2019, Capital Transfer Agency issued the Notice of Meeting and related dates, including the Record Date, for a meeting of shareholders of Star for February 14, 2020, a true copy of which is attached hereto as Exhibit "K".

Filing of the NOI

27. The shareholders' dispute has been years in the making. It is apparent from the public record at SEDAR that the Concerned Shareholders have been attempting to have Kapadia step down or be removed from his positions with the Company for some time. Historically, including in the weeks preceding the December 11 Meeting, Kapadia and his personal lawyers, Norton Rose Fulbright LLP ("NRF") attempted to prevent a shareholders' meeting from being held.

28. When it became apparent that the Concerned Shareholders were not going to be deterred from proceeding with the December 11 Meeting, Kapadia:

- (a) initiated these last-second Proposal Proceedings,
- (b) registered a financing statement under the PPSA in respect of secured debt allegedly owed to him;
- (c) finished cleaning out his office; and
- (d) took other steps to, in my view, thwart the best interests of the Company and its various stakeholders, which are further described below.

29. There was an alleged meeting of the Old Board of Directors on December 9, 2019 wherein Kapadia was allegedly authorized to sign off on the NOI. The Proposal Trustee has produced excerpts of Minutes of the Old Board of Directors Meeting held on December 9, 2019 wherein the Old Board of Directors authorized Kapadia to sign off on the NOI. A copy of such meeting minutes is attached as **Exhibit "L"**.

30. Kapadia did not cause the Company to retain outside legal counsel for any advice on the Proposal process prior to filing the NOI.

31. The Company has had a general counsel for fifteen (15) years, Mr. Roger Peacock. I understand from Mr. Peacock and I believe that he has had no involvement with and was not

consulted regarding the filing of the NOI. Further, with respect to the December 11 Meeting, I have read and I believe Mr. Peacock's two affidavits filed in the Toronto Litigation in which he affirms that he was not instructed by Kapadia to protect the Company's interests at such meeting. Mr. Peacock's affidavits are attached as **Exhibit "M"**.

32. I am not aware of any planning done by Kapadia prior to the filing of the NOI. I know from my general experience that it is usual for a debtor to prepare and plan the restructuring process prior to commencing proposal proceedings under the BIA. One critical component of such planning is to ensure that the debtor has access to interim funding during the restructuring process. I am not aware of any steps taken by Kapadia to solicit or obtain funding – even to simply “keep the lights on” – during these Proposal Proceedings. Currently, the operations of the Company during these Proposal Proceedings have been funded directly and separately by the Concerned Shareholders.

33. In addition, the filing of the NOI on December 11, 2019 meant that the initial 30-day stay of proceedings under the BIA would include the 2019 holiday period, making it very difficult to accomplish a great deal during the initial 30-day stay in terms of advancing the Proposal process. Despite the timing and practical difficulties of the holiday season, the Company has made significant efforts, which are further detailed below.

34. I am not aware of any recent demands for payment or enforcement steps taken by any creditors other than employees who were unpaid during Kapadia's tenure as CEO. Aside from the registration under the PPSA filed by Kapadia's personal lawyers on his behalf, the Company has no secured creditors. I do not believe there are any extraneous circumstances necessitating an urgent filing of the NOI without any prior planning or legal advice. Attached as **Exhibit "N"** is a copy of the Enquiry Response Certificate under the PPSA of the Company showing that the only registration under the PPSA is in respect of the alleged secured debt of Kapadia for which no supporting documentation has been provided despite requests.

35. I believe that the only pending material event affecting the Company was the December 11 Meeting seeking to replace the Old Board of Directors and to commence investigations into Kapadia's related party transactions with the Company.

Interference with Obtaining Books and Records

36. I have spoken with and I believe Randy Koroll, who had been the Chief Financial Officer for the Company for over a decade. After a decade of service, he was terminated by Kapadia without notice or cause by email at the end of June, 2019. The Company did not announce his

termination, thereby breaching mandatory disclosure obligations, and did not replace him. Kapadia out-sourced the role of bookkeeper to a third party service provider.

37. Since the filing of the NOI and the conclusion of the December 11 Meeting, I, in consultation with the New Board, have been working to obtain the Company's books and records from that third-party service provider. The books and records are essential to the Company moving forward with the Proposal process. In doing so, I have encountered interference from Kapadia and his personal lawyers, which is further described in this section.

38. The Company's books and records were until recently in the hands of Branson Corporate Services ("**Branson**") who refused to release the books and records until such time as their outstanding invoices were paid.

39. On December 23, 2019, General Counsel for the Company, Roger Peacock, sent an email to Branson advising that Branson was required to release the books and records of the Company and that given the filing of the NOI, Branson could not insist upon payment of the outstanding invoices prior to releasing the books and records.

40. NRF (Kapadia's personal lawyers) then intervened to advise that the books and records of the Company should only be released to Kapadia or the Proposal Trustee.

41. The Proposal Trustee refused to take possession and the Company's lawyers advised NRF to cease interfering in the Company's affairs. NRF then instructed Branson that the books and records could be released directly to the Company.

42. Attached as **Exhibit "O"** are true copies of the emails reflecting the above events and communications.

Alleged Kapadia Debt and Security

43. The signed NOI is itself dated December 10, 2019. Also, on December 10, 2019, Kapadia's personal lawyers, NRF, registered a financing statement naming Kapadia as a secured party under the *Personal Property Security Act* (Ontario) (the "**PPSA**").

44. The Creditors List does not indicate that Kapadia is a secured creditor. Kapadia had not previously indicated that any or all of the indebtedness owing to him was secured, and the Company's financial statements filed with SEDAR state that the debt (the validity and quantum of which is in dispute) is unsecured.

45. Attached as **Exhibit “P”** are communications between Robert Isles, Miller Thomson LLP and NRF wherein the documents regarding Kapadia’s security and overall debt were requested. On December 26, 2019, the Company sent a letter to Kapadia’s lawyers pursuant to Section 18 of the PPSA requesting particulars of the security held by and indebtedness owing to Kapadia. A copy of the Section 18 letter is attached as **Exhibit “Q”**.

46. Despite repeated requests, Kapadia and his lawyers have failed to produce any documentation in support of Kapadia’s unsecured and secured debt.

Letter from Kapadia

47. Following the filing of the NOI, on December 23, 2019, the Company’s counsel received a letter from Kapadia’s personal lawyers, NRF (the “**Kapadia Letter**”). A copy of the Kapadia Letter is attached as **Exhibit “R”**.

48. Despite causing the Company to file the NOI, in the Kapadia Letter, Kapadia asserts, among other things, that:

- (a) Kapadia is the largest creditor of the Company and the only creditor “holding security”;
- (b) Kapadia is concerned that steps may be taken by the Company that may be prejudicial to Kapadia and other creditors;
- (c) Kapadia’s personal lawyers have instructions to oppose any motion brought by the Company seeking (i) any charges in priority to Kapadia’s debt, and (ii) any authorization for the Company to borrow any funds other than the minimum to “keep the lights on”, which Kapadia asserts is \$14,500 based on the cash flow forecast prepared by the Proposal Trustee;
- (d) Kapadia holds in excess of 66% of all debt owing by the Company and as such, the Company will be unable to make a viable proposal unless it is acceptable to Kapadia; and
- (e) seeking to receive a draft Proposal by no later than January 3, 2020.

49. In effect, Kapadia led this Company to the state in which it currently finds itself, then caused the filing of the NOI without any prior planning or legal advice, registered an alleged security interest on the eve of the NOI filing, instructed his personal lawyers to oppose any funding

in excess of \$14,500 for the month of January, 2020 (which does not account for any professional fees incurred in connection with the restructuring) and asserts a veto position over any proposal, all while neglecting or refusing to provide any supporting documentation for the alleged debts owed to Kapadia and associated security interest despite repeated requests for same.

50. At the same time, Kapadia has a pending motion (described above) before the Commercial Court to invalidate the results of the December 11 Meeting and effectively reinsert himself as the Company's CEO and Chairman of the Board.

51. For the foregoing reasons, I believe the filing of the NOI, at this time, was done for an improper purpose by Kapadia, without proper authority and was not in the best interests of the Company.

52. Kapadia's interference in the Company and its affairs did not cease with the denial of the injunction he sought before the Hon Madam Justice Conway on December 18, 2019. Attached as **Exhibit "S"** is a copy of a press release issued by Kapadia allegedly on behalf of the Company. This press release was not properly authorized, contains several misrepresentations and, in my view, does not inspire the confidence of the Company's stakeholders.

53. I have provided this information in order to inform the Court of all that the Company has had to deal with it since the filing of the NOI on December 11, 2019 and to show that the Company's best efforts to move the Proposal process forward were in the context of all of these events.

Relief Sought By Company

Extension of Time to File a Proposal

54. With the NOI now filed, the Company is attempting to move forward with these Proposal Proceedings. Accordingly, the Company seeks an extension of the time to file a proposal for a period of 45 days from January 10, 2020 through and until February 24, 2020.

55. At the December 11 Meeting, the Old Board of Directors was replaced with a new slate of seven with the support of over 99% of the voting shareholders. The New Board then terminated Kapadia. Mr. Koroll agreed to return to Star in his role as CFO on the condition that Kapadia not be involved in any way. The New Board, working with Mr. Koroll and Star's 15-year General Counsel Mr. Roger Peacock, have since December 11, 2019:

- (a) populated the audit committee and appointed a highly experienced CPA to be its chair;

- (b) populated the Compensation Committee, with the Chair of Audit to be the Chair of the Compensation Committee;
- (c) appointed J. Birks Bovaird, to be the independent Chair of the New Board;
- (d) appointed me as Interim CEO;
- (e) arranged for current funding to pay Star's current critical expenses;
- (f) arranged for future funding for Star's ongoing expenses;
- (g) comforted the employees who were owed significant back wages under Kapadia's tenure;
- (h) met with employees for their feedback as to Star's future;
- (i) instructed the sales team with respect to new sales efforts;
- (j) communicated with numerous shareholders;
- (k) updated the Canadian Securities Exchange and the Company's transfer agent about the New Board and management team;
- (l) gained possession of Star's bookkeeping records, which will allow Mr. Koroll to begin the audit process with the goal of filing the missing mandatory disclosure documents and ultimately having the Cease Trade Order revoked;
- (m) Reviewed books and records at Star's premises to get a better picture of Star's status. This was more difficult than expected since all of the current documents appear to have been removed from the Company's premises. The most current record I could find was a document from January, 2019 about a possible meeting in Toulouse. The filing cabinets in Kapadia's office contained nothing but trivial items, empty folders and some personal effects. Kapadia's personal effects have been delivered to him; and
- (n) defended against an injunction application brought by Kapadia seeking to overturn the results of the December 11, 2019 shareholder meeting. Kapadia's request for an injunction was denied on December 18, 2019.

56. The New Board has achieved a great deal in a short period of time and the Company has made best efforts to move the Proposal process forward in the interests of all creditors and stakeholders despite the many obstacles it faced during the first 30 days of these Proposal Proceedings.

57. A key result of these efforts has been to maintain and re-engage the Company's employees and management team.

58. The Company has taken immediate action on critical tasks such as filing mandatory disclosure documents, which is part of having the cease trade order lifted. These items are a priority and the re-hiring of the Company's CFO was the first major step along this path.

59. The Company has also cooperated and worked with the Proposal Trustee to ensure that the Company's cash flow statements were completed and filed by December 20, 2019 as required by the BIA. This was no easy task given that the injunction hearing in the Toronto Litigation was only heard on December 18, 2019.

60. Since the NOI filing, the Company has met all of its current financial obligations and made payments as they have become due. The Company has been able to do so because the Concerned Shareholders and other shareholders have been personally paying or buying the Company's critical obligations, including payments to employees. I have been advised by Barney Lassche and I believe the total amount raised to date is roughly \$465,000.

61. The Concerned Shareholders and other shareholders have advised me and I believe they will continue to fund the Company's ongoing financial obligations. I believe an extension is required to give the Company an opportunity and time to address the Toronto Litigation in order to settle the Company's corporate governance issues and to then put together a viable Proposal to the creditors of the Company.

62. In terms of making a viable Proposal to the Company's creditors, I have been engaged in discussions with several of the Company's prominent shareholders, including those who created the initial funding available to keep the Company's financial obligations current during these Proposal Proceedings and am confident that the Company will be able to raise money to fund a viable Proposal to its creditors once the Company's corporate governance issues are addressed on January 22, 2020.

63. A resolution of such matters will provide the Company and its stakeholders with finality and clarity on the Company's corporate governance. With the corporate governance issues finally resolved, I believe the Company will be able to focus its efforts on restructuring its affairs and will likely be able to make a viable proposal to its creditors.

64. Since the filing of the NOI, the Company has complied with the requirements of the BIA and filed all documents required to be filed. The New Board is highly competent, comprised of two Ontario lawyers, one Chartered Public Accountant, one federal Member of Parliament, a

medical doctor, a Ph.D., and a highly experienced public company executive. I believe the Company has been acting in good faith and with due diligence.

65. The Company's actions to move the Proposal process forward in good faith and due diligence were carried out despite the substantial obstacles posed by the governance dispute and the Toronto Litigation, the continued interference of Kapadia and his lawyers in the affairs of the Company and the timing of the filing of the NOI in the context of the Christmas and New Year's holidays.

66. I do not believe creditors will be materially prejudiced if the requested extension were granted. To the contrary, I believe the denial of an extension would be seriously prejudicial to the Company's creditors as well as to its shareholders. I believe that all of the stakeholders in the Company will benefit from the Company being provided with an extension to make a Proposal to its Creditors. I also believe that the proposed extension will make it much more likely that the Company will be able to make a viable Proposal to its creditors.

Administration Charge

67. The Company seeks an order granting a charge over all of the Company's assets, properties and undertaking (the "Property") securing the fees and disbursements of counsel to the Company, the Proposal Trustee and its counsel in the amount of \$100,000 (the "Administration Charge").

68. The professionals whose fees are to be secured by the Administration Charge have taken on, and will continue to take on, a critical role in these Proposal Proceedings.

69. The Company and its counsel have worked with the Proposal Trustee to estimate the proposed quantum of the Administration Charge and I believe it to be reasonable and appropriate in the circumstances.

70. The amount of the Administration Charge contemplates that the professionals are paid on a current basis during these Proposal Proceedings.


71. The Administration Charge is proposed to rank first in priority on the Property.

SWORN BEFORE me at the City of Toronto, in the Province of Ontario, on January 2, 2020.

A Commissioner for taking affidavits.

Asim Iqbal

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PETER M. CLAUSI

This is **Exhibit "A"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

Star Navigation Systems Group Ltd.

**Interim Condensed Consolidated Financial
Statements**

(Unaudited – Prepared by Management)

**For the three and six month periods ended December 31, 2018 and
December 31, 2017**

(Expressed in Canadian dollars)

NOTICE TO READER

The accompanying interim condensed consolidated financial statements are unaudited and have been prepared by the Company's management and the Company's independent auditors have not performed a review of these financial statements.

Toronto, Ontario
March 1, 2019

Star Navigation Systems Group Ltd.
Interim Condensed Consolidated Statements of Financial Position
As at December 31, 2018 and June 30, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
Assets		
Current		
Cash (Note 8)	\$ 967,038	\$ -
Accounts receivable	289,837	46,062
Inventory (Note 7)	159,976	186,804
Prepaid expenses and deposits	119,022	-
Sales tax recoverable (Note 6)	181,468	126,640
	1,717,341	359,506
Property and equipment (Note 4)	73,451	57,675
Intangible assets (Note 5)	360	861
	\$ 1,791,152	\$ 418,042
Liabilities		
Current		
Bank indebtedness (Note 8)	\$ -	\$ 59,956
Accounts payable and accrued liabilities (Note 9)	332,387	660,499
Other payables (Note 10)	196,000	196,000
Deferred revenue	134,561	162,706
Due to related parties (Note 15)	2,061,915	1,995,990
	2,724,863	3,075,151
Shareholders' Deficiency		
Share capital (Note 11)	40,566,795	38,772,715
Shares to be issued	-	18,750
Contributed surplus (Note 12)	16,823,916	15,695,446
Deficit	(58,324,422)	(57,144,020)
	(933,711)	(2,657,109)
	\$ 1,791,152	\$ 418,042

Nature of Operations and Going Concern (Note 1)

Commitments and Contingencies (Note 16)

Approved by the Board "Viraf S. Kapadia"
Director (Signed)

 "Gus Nariman"
Director (Signed)

Star Navigation Systems Group Ltd.
Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
Three and Six Months Ended December 31, 2018 and December 31, 2017
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Three months ended December 31		Six months ended December 31	
	2018	2017	2018	2017
Revenue (Note 17)	\$ 223,241	\$ -	\$ 301,037	\$ 4,520
Expenses				
Cost of inventory consumed (Note 7)	48,831	7,009	77,817	9,403
General and administrative (Note 18)	296,166	290,409	584,555	587,960
Research and development (Note 18)	208,144	201,601	423,600	532,991
Marketing and promotion (Note 18)	139,390	95,094	344,355	363,022
Foreign exchange loss (gain)	-	(1,907)	100	(1,400)
	692,531	592,206	1,430,427	1,491,976
Loss from Operations	(469,290)	(592,206)	(1,129,390)	(1,487,456)
Other Income (Expenses)				
Interest expense (Note 15)	(24,579)	(21,366)	(51,012)	(40,619)
Net Loss and Comprehensive Loss for the year	\$ (493,869)	\$ (613,572)	\$ (1,180,402)	\$ (1,528,075)
Basic and diluted loss per common share	\$ (0.001)	\$ (0.001)	\$ (0.003)	\$ (0.003)
Weighted average number of common shares outstanding	458,844,059	443,993,196	470,611,237	434,165,537

Star Navigation Systems Group Ltd.
Interim Condensed Consolidated Statements of Changes in Deficiency
Six Months Ended December 31, 2018 and December 31, 2017
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Number of common shares	Number of Series I preferred shares	Share capital	Contributed surplus	Deficit	Total
Balance at June 30, 2017	399,689,805	615,000	\$34,605,977	\$15,518,908	\$(54,638,255)	\$(4,513,370)
Issued on settlement of debt (Note 11(c))	27,333,615	-	2,186,690	-	-	2,186,690
Issued for cash on options exercised (Note 11(d))	3,898,000	-	261,900	-	-	261,900
Issued for cash on warrants exercised (Note 11(b))	13,514,004	-	1,199,598	-	-	1,199,598
Loss for the period	-	-	-	-	(1,528,075)	(1,528,075)
Balance at December 31, 2017	444,435,424	615,000	\$38,254,165	\$15,518,908	\$(56,166,330)	\$(2,393,257)
Balance at June 30, 2018	455,154,996	615,000	\$38,772,715	\$15,695,446	\$(57,144,020)	\$(2,675,859)
Issued for cash on private placement (Note 11(j))	42,100,000	-	2,105,000	-	-	2,105,000
Issued as finder's fees on private placement (Note 11(j))	4,210,000	-	210,500	-	-	210,500
Value allocated to warrants as part of private placement (Note 11(j))	-	-	(955,861)	955,861	-	-
Issued for cash on warrants exercised (Note 11(k))	10,654,179	-	763,800	-	-	763,800
Issued for cash on options exercised (Note 11(l))	550,000	-	35,000	-	-	35,000
Value allocated to options granted (Note 12)	-	-	(172,609)	172,609	-	-
Issued for cash on options exercised	375,000	-	18,750	-	-	18,750
Share issuance costs (Note 11(j))	-	-	(210,500)	-	-	(210,500)
Loss for the period	-	-	-	-	(1,180,402)	(1,180,402)
Balance at December 31, 2018	513,044,175	615,000	\$40,566,795	\$16,823,916	\$(58,324,422)	\$(933,711)

Star Navigation Systems Group Ltd.
Interim Condensed Consolidated Statements of Cash Flows
Three and Six Months Ended December 31, 2018 and December 31, 2017
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Three months ended December 31		Six months ended December 31	
	2018	2017	2018	2017
Cash provided by (used in)				
Operations				
Net loss	\$ (493,869)	\$ (613,572)	\$ (1,180,402)	\$ (1,528,075)
Items not affecting cash				
Depreciation	4,683	13,045	8,602	24,871
Amortization of intangible assets	250	4,620	501	9,246
	(488,936)	(595,907)	(1,171,299)	(1,493,958)
Net changes in non-cash working capital				
Accounts receivable	(190,753)	25,820	(243,775)	67,358
Inventory	17,331	-	26,828	-
Sales tax recoverable	(37,174)	(26,730)	(54,828)	(51,775)
Prepaid expenses and deposits	(119,022)	-	(119,022)	-
Accounts payable and accrued liabilities	(143,227)	(171,772)	(328,112)	(264,285)
Deferred revenue	(28,145)	-	(28,145)	80,718
	(989,926)	(768,589)	(1,918,353)	(1,661,942)
Investing				
Purchase of property and equipment	(24,378)	-	(24,378)	(4,870)
Financing				
Subscription proceeds rec'd in advance	-	296,200	-	296,200
Due to related parties	35,079	55,646	65,925	(93,484)
Proceeds of warrants exercised	763,800	127,000	763,800	1,199,598
Proceeds from options exercised	35,000	31,500	35,000	261,900
Proceeds from private placement	-	-	2,105,000	-
	833,879	510,346	2,969,725	1,664,214
Net change in cash	(180,425)	(258,243)	1,026,994	(2,598)
Cash (bank indebtedness), beginning of period	1,147,463	397,536	(59,956)	141,891
Cash, end of period	\$ 967,038	\$ 139,293	\$ 967,038	\$ 139,293
Supplemental Disclosure				
Interest paid	\$ 24,579	\$ 21,366	\$ 51,012	\$ 40,619
Shares issue for settlement of Accounts payables	-	-	-	563,566
Shares issued for settlement of Loans payable	-	-	-	794,943
Shares issued for settlement of related party loans	-	-	-	828,181

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

1. NATURE OF OPERATIONS AND GOING CONCERN

Star Navigation Systems Group Ltd. (the “Company”) is devoting substantially all of its activity to the development, marketing and promotion of an In-flight Safety Monitoring System (“STAR-ISMS®”), whereby data from an aircraft can be transmitted to ground stations for the duration of a flight. The Company has been granted supplemental type certificates for use of the systems on a Boeing 737, 727, Airbus A321, A320, A340 and a Learjet 45.

The Company was incorporated by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (*Ontario*) in May 2000 and its registered address is located at 11 Kenview Blvd, Brampton, Ontario L6T 5G5. The Company is listed on the Canadian Securities Exchange trading under the symbol of “SNA”.

Going Concern

These consolidated financial statements have been prepared using accounting policies applicable to a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they become due. The Company incurred a net loss of \$1,180,402 for the period ended December 31, 2018 (December 31, 2017 – \$1,528,075), has an accumulated deficit of \$58,324,422 (June 30, 2018 - \$57,144,020) and has negative working capital of \$1,007,522 (June 30, 2018 – \$2,715,645). Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. These material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue operations, meet its obligations and realize its investment in development costs is dependent on the continued support from investors and related parties to finance sales to customers, continue the project development, obtain the necessary certifications from regulatory agencies as well as successfully marketing the STAR-ISMS® for gain. These consolidated financial statements do not reflect adjustments in the carrying values of the Company’s assets and liabilities, revenues and expenses, and the financial position classifications used, that may be necessary should the Company be unable to continue as a going concern or be unable to realize its assets and discharge its liabilities in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These interim condensed consolidated financial statements are unaudited and have been prepared on a condensed basis in accordance with the International Accounting Standard 34, Interim Financial Reporting, issued by the International Accounting Standards Board and interpretations of the International Financial Interpretations Committee using accounting policies consistent with International Financial Reporting Standards (“IFRS”). These interim condensed consolidated financial statements for the three and six months ended December 31, 2018 and 2017 should be read together with the annual consolidated financial statements as at and for the year ended June 30, 2018. The same accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements as were followed in the preparation of and as described in note 3 of the annual consolidated financial statements as at and for the year ended June 30, 2018.

(b) Basis of Measurement

These interim condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value.

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

2. BASIS OF PRESENTATION (Cont'd)

(c) Functional and Presentation Currency

These interim condensed consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiaries' functional currency.

(d) Basis of Consolidation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned and controlled operating subsidiaries, Star Navigation Systems Inc. ("Star"), Star Navigation Systems (Quebec) Inc. and Star Navigation Systems (U.K) Ltd. Star Navigation Systems (Quebec) Inc. and Star Navigation Systems (U.K) Ltd. are inactive. The financial statements of its subsidiaries are included in the consolidated statements from the date that control commences until the date that control ceases. All significant inter-company transactions and balances have been eliminated on consolidation. All references to the Company should be treated as references to the Company and its subsidiaries.

(e) Critical Accounting Estimates, Judgments, and Assumptions

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant areas of estimation uncertainty considered by management in preparing the interim condensed consolidated financial statements were the same as those in the annual financial statements for the year ended June 30, 2018.

3. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET APPLIED

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2018 or later periods. Many are not applicable or do not have a significant impact to the Company. The following have not yet been adopted and are being evaluated to determine the resultant impact on the Company.

Financial Instruments: Disclosure – IFRS 7

IFRS 7, *Financial instruments: Disclosure* ("IFRS 7"), was amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The Company intends to adopt the amendments to IFRS 7 on July 1, 2018 and does not expect the implementation will result in a significant effect to the consolidated financial statements.

3. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET APPLIED (Cont'd)

Financial Instruments - IFRS 9

IFRS 9, *Financial Instruments* (“IFRS 9”), was issued by the International Accounting Standards Board (“IASB”) in July 2014 and will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss (“FVTPL”) and amortized cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. The Company will adopt IFRS 9 effective July 1, 2018. The Company has completed its assessment of the impact of this new standard and expects no significant changes as a result of this or elsewhere in the application of the new standard.

Revenue from Contracts with Customers – IFRS 15

IFRS 15, *Revenue from Contracts with Customers* (“IFRS 15”), was issued by the IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. On April 12, 2016, the IASB published final clarifications to IFRS 15 with respect to identifying performance obligations, principal versus agent considerations, and licensing. The Company will adopt IFRS 15 effective July 1, 2018. The Company has completed its assessment of the impact of this new standard and has noted beyond the required additional disclosures, there exist no material changes to the consolidated financial statements or required retroactive adjustments.

Leases – IFRS 16

IFRS 16, *Leases* (“IFRS 16”), replaces IAS 17, *Leases* (“IAS 17”). The new model requires the recognition of almost all lease contracts on a lessee’s statement of financial position as a lease liability reflecting future lease payments and a ‘right-of-use asset’ with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company is still evaluating the impact of the adoption of IFRS 16.

Share-based Payments – IFRS 2

IFRS 2, *Share-based Payments* (“IFRS 2”), - In September 2017, the IASB issued final amendments to IFRS 2, which clarifies how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: (i) the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and (iii) a modification to the terms and conditions of a share based payment that changes the classifications of the transaction from cash-settled to equity settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company intends to adopt the amendments to IFRS 2 on July 1, 2018 and does not expect the implementation will result in a significant effect to the consolidated financial statements.

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

4. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Furniture and Equipment	Computer Equipment and Software	Computer Equipment under Finance Lease	Total
Cost					
Balance at June 30, 2018	\$ 84,626	\$ 278,822	\$ 156,292	\$ 318,795	\$ 838,535
Additions	-	20,258	4,120	-	24,378
Balance at Dec 31, 2018	\$ 84,626	\$ 299,080	\$ 160,412	\$ 318,795	\$ 862,913
Accumulated Depreciation					
Balance at June 30, 2018	\$ 84,626	\$ 234,952	\$ 153,260	\$ 308,022	\$ 780,860
Amortization for the period	-	4,893	1,016	2,693	8,602
Balance at Dec 31, 2018	\$ 84,626	\$ 239,845	\$ 154,276	\$ 310,715	\$ 789,462
Carrying Amounts					
As at June 30, 2018	\$ -	\$ 43,870	\$ 3,032	\$ 10,773	\$ 57,675
As at Dec 31, 2018	\$ -	\$ 59,235	\$ 6,136	\$ 8,080	\$ 73,451

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

5. INTANGIBLE ASSETS

Cost	License Rights ^(a)	STAR-MMI Technology and Patents ^(b)	Website Costs	GUI System	STAR-ISMS® and Peripherals	Total
Balance at June 30, 2018	\$ 136,146	\$ 908,726	\$ 25,037	\$ 264,810	\$ 619,498	\$ 1,954,217
Additions	-	-	-	-	-	-
Balance at Dec 31, 2018	\$ 136,146	\$ 908,726	\$ 25,037	\$ 264,810	\$ 619,498	\$ 1,954,217
Accumulated Amortization and Impairment						
Balance at June 30, 2018	\$ 135,285	\$ 908,726	\$ 25,037	\$ 264,810	\$ 619,498	\$ 1,953,356
Amortization for year	501	-	-	-	-	501
Balance at Dec 31, 2018	\$ 135,786	\$ 908,726	\$ 25,037	\$ 264,810	\$ 619,498	\$ 1,953,857
Carrying Amounts						
As at June 30, 2018	\$ 861	\$ -	\$ -	\$ -	\$ -	\$ 861
As at Dec 31, 2018	\$ 360	\$ -	\$ -	\$ -	\$ -	\$ 360

- (a) In 2002, the Company acquired the license rights to the STAR-ISMS® from a director and a former director of the Company. The underlying patents are now owned by the CEO and director of the Company (see Note 15). The Company owns the exclusive, worldwide license for the lifetime of the patents.

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

6. SALES TAX RECOVERABLE

Sales tax recoverable is due from the Government of Canada in relation to Harmonized Sales Tax refunds, which as at December 31, 2018 amounted to \$181,468 (June 30, 2018 - \$126,640).

7. INVENTORY

Inventory is comprised of the following:

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
Finished goods – STAR-ISMS®	\$ 85,000	\$ 85,000
Parts and components – STAR-ISMS®	33,444	50,776
Parts and components – STAR-MMI	41,532	51,028
	\$ 159,976	\$ 186,804

For the period ended December 31, 2018, the cost of inventory consumed in connection with revenue recognized was \$77,817 (June 30, 2018 – \$52,435).

8. BANK CREDIT FACILITY

The Company utilizes a revolving line of credit (“LOC”) from The Toronto-Dominion Bank to provide working capital flexibility. The LOC is available up to a maximum of \$50,000, which has been fully utilized as at December 31, 2018 and 2017. The LOC is presented on a net basis in cash on the statements of financial position.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
Trade payables	\$ 187,653	\$ 270,671
Accrued liabilities ^(a)	144,734	389,828
	\$ 332,387	\$ 660,499

(a) Included in accrued liabilities are payroll remittance arrears owing to the Canada Revenue Agency (“CRA”) totaling \$93,266 (June 30, 2018 - \$221,068).

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

10. OTHER PAYABLES

Other payables include amounts due to a former employee of the Company with respect to unpaid compensation.

11. SHARE CAPITAL

Authorized

- 615,000 Series I First Preferred Shares, non-voting, entitled to non-cumulative dividends at a rate of 7% in priority to common shares, redeemable at \$1.00 at the option of the Company and have no par value.
- 350,000 Series II First Preferred Shares, non-voting, entitled to cumulative dividends at 9% per annum in priority to common shares and exchangeable for common shares at the rates of 5 common shares, 3.33 common shares and 2.5 common shares for each Series II Preferred Share in each of the first, second and third years after issue respectively. These shares have no par value and are redeemable at \$1.00 per share at the option of the Company.
- Unlimited common shares, no par value.

Share Capital Activity

- (a) In June 2017, 8,795,000 warrants to purchase common shares of the Company were exercised at a price of \$0.06 per common share, resulting in proceeds to the Company of \$527,700.
- (b) In July-December 2017, 13,514,004 warrants to purchase common shares of the Company were exercised at prices of \$0.06-\$0.12 per common share, resulting in proceeds to the Company of \$1,199,598.
- (c) In July 2017, the Company issued 27,335,615 common shares of the Company at a price of \$0.08 per share in settlement of \$563,566 of trade payables, \$794,943 of loans payable and \$828,181 of amounts due to related parties being the fair market value of the debt at the time of settlement.
- (d) In July-December 2017, 3,898,000 options to purchase common shares of the Company were exercised at prices of \$0.05-\$0.10 per common share, resulting in proceeds to the Company of \$261,900.

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

11. SHARE CAPITAL (Cont'd)

Share Capital Activity (Cont'd)

- (e) On January 11, 2018, the Company closed a non-brokered private placement, having issued 4,000,000 units of the Company (the "Units") at a price per Unit of \$0.10 for gross proceeds of \$400,000. Each Unit consists of one common share in the capital of the Company and one warrant. Each warrant entitles the holder to purchase one (1) additional common share of the Company at fifteen (\$0.15) cents per warrant exercised. The warrants are exercisable during the one (1) year period from the date of issue. In addition, the Company has agreed to pay finder's fees in the amount of 400,000 Units valued at \$40,000.
- (f) On April 27, 2018, the Company closed a non-brokered private placement, having issued 3,766,667 units of the Company (the "Units") at a price per Unit of \$0.06 for gross proceeds of \$226,000. Each Unit consists of one common share in the capital of the Company and one warrant. Each warrant entitles the holder to purchase one (1) additional common share of the Company at seven (\$0.07) cents per warrant exercised. The warrants are exercisable during the one (1) year period from the date of issue. In addition, the Company has agreed to pay finder's fees in the amount of 376,667 Units valued at \$22,600.
- (g) During the year ended June 30, 2018, the Company issued a total of 629,571 common shares valued at \$44,070, to a consultant of the Company for services rendered.
- (h) During the year ended June 30, 2018, 4,190,000 options to purchase common shares of the Company were exercised at prices of \$0.05-\$0.10 per common share, resulting in proceeds to the Company of \$235,500.
- (i) During the year ended June 30, 2018, 14,768,671 warrants to purchase common shares of the Company were exercised at prices of \$0.06-\$0.12 per common share, resulting in proceeds to the Company of \$1,251,016.
- (j) On September 6, 2018, the Company closed a non-brokered private placement issuing 42,100,000 units of the Company (the "Units") at a price per Unit of \$0.05 for gross proceeds of \$2,105,000. Each Unit consists of one common share in the capital of the Company and one warrant. Each warrant entitles the holder to purchase one (1) additional common share of the Company at seven (\$0.07) cents per warrant exercised. The warrants are exercisable during the one (1) year period from the date of issue. In addition, the Company has agreed to pay finder's fees in the amount of 4,210,000 Units valued at \$210,500.
- (k) During the period ended December 31, 2018, 10,654,179 warrants to purchase common shares of the Company were exercised at a price of \$0.07 per common share, resulting in proceeds to the Company of \$763,800.
- (l) During the year ended June 30, 2019, 550,000 options to purchase common shares of the Company were exercised at prices of \$0.05-\$0.10 per common share, resulting in proceeds to the Company of \$35,000.

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

12. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS

Stock-Based Compensation

The Company has a Stock Option Plan (the "Plan") for employees, officers, directors and consultants performing special technical or other services of the Company ("Optionees"). During 2010, the Company amended the Plan whereby the number of common shares to be issued under the Plan is not to exceed 30,000,000 common shares. The designation of Optionees, amount and vesting provisions of awards under the Plan are determined by the Board of Directors.

Stock Option Transactions	Number	Exercise Price	Weighted Average Exercise Price
Balance at June 30, 2017	9,497,900		\$0.09
Options exercised	(4,190,000)	\$0.05-\$0.07	\$0.06
Options expired	(2,412,900)	\$0.07-\$0.15	\$0.13
Balance at June 30, 2018	2,895,000		\$0.05
Options expired	(25,000)	\$0.07	\$0.07
Options exercised	(550,000)	\$0.05-\$0.10	\$0.075
Options granted	1,500,000	\$0.075-\$0.15	\$0.09
Balance at December 31, 2018	3,820,000		\$0.033
Exercisable at December 31, 2018	2,320,000		\$0.033

The fair value of the options issued is determined using the Black-Scholes model for pricing options under the following weighted average assumptions

On September 6, 2018, the Company granted 1,500,000 stock options with an exercise price of \$0.075-\$0.15. The options expire on August 31, 2020 and will vest in their entirety after 4 months from the grant date. The fair value of each of these options was determined to be \$0.0397.

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
Expected dividend yield	Nil	-
Risk free interest rate	2.05%	-
Expected volatility	132%	-
Expected life	2 years	-
Share price	\$0.075	-

Expected volatility is based on the average historical volatility over the life of the option on the Company's share price.

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

12. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS (Cont'd)

Stock-Based Compensation (Cont'd)

As at December 31, 2018 the Company had stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

Date of Grant	Options Granted	Options Exercisable	Exercise Price	Expiry Date
March 31, 2016	1,300,000	1,300,000	\$0.05	March 1, 2021
October 21, 2016	1,020,000	1,020,000	\$0.05	March 1, 2021
September 6, 2018	1,500,000	-	\$0.075-\$0.15	August 31, 2020
	3,820,000	2,320,000		

The weighted average remaining contractual life of the outstanding options is 0.56 years (June 30, 2018 – 1.07 years).

Warrants

	Number	Weighted-Average Exercise Price	Expiry Date
Balance at June 30, 2017	125,344,971	\$0.09	
Exercised	(14,768,671)	\$0.03	July 25, 2017-April 15, 2019
Issued	8,543,334	\$0.11	January 11, 2019-April 27, 2019
Expired	(44,037,458)	\$0.11	July 25, 2017-May 15, 2018
Balance at June 30, 2018	75,082,176	\$0.01	
Expired	(595,821)	\$0.08	October 18, 2018
Exercised	(10,654,179)	\$0.07	October 18, 2018
Issued	46,310,000	\$0.05	September 6, 2019
Balance at December 31, 2018	110,142,176	\$0.01	

Star Navigation Systems Group Ltd.
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(Unaudited – Prepared by Management)

12. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS (Cont'd)

As at December 31, 2018, the Company had warrants issued and outstanding as follows:

Date of Issue	Warrants Issued	Exercise Price	Expiry Date
April 15, 2014	23,146,596	\$0.08	April 12, 2019
April 15, 2016	32,142,246	\$0.07	April 15, 2019
January 11, 2018	4,400,000	\$0.15	January 11, 2019
April 27, 2018	4,143,334	\$0.07	April 27, 2019
September 6, 2018	46,310,000	\$0.05	September 6, 2019
110,142,176			

The fair value of the warrants issued is determined using the Black-Scholes model for pricing options under the following weighted average assumptions.

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
Expected dividend yield	Nil	Nil
Risk free interest rate	2.05%	1.73-1.90%
Expected volatility	96%	126-149%
Expected life	1.0 years	1.0 years
Share price	\$0.075	\$0.055-\$0.085

Expected volatility is based on historical data.

Basic and diluted loss per common share based on net loss for the period ended December 31;

Numerator:	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
Net loss for the year	\$(1,180,402)	\$(1,528,075)
Denominator:		
Weighted average number of common shares outstanding - basic	470,611,237	434,165,537
Weighted average effect of diluted stock options and warrants	-	-
Weighted average number of common shares outstanding - diluted	470,611,237	434,165,537
Loss per common share based on net loss for the year:		
Basic	\$ (0.002)	\$(0.003)
Diluted	\$ (0.002)	\$(0.003)

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

12. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS (Cont'd)

Maximum share dilution:

The following table presents the maximum number of shares that would be outstanding if all outstanding stock options and warrants were exercised as at December 31, 2018:

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
Common shares outstanding	513,044,175	455,154,996
Warrants to purchase common shares	110,142,176	75,082,176
Stock options to purchase common shares	3,820,000	2,895,000
Fully diluted common shares outstanding	627,006,351	533,132,172

13. MANAGEMENT OF CAPITAL

The Company considers its capital to include all components of equity which amounts to a deficit of \$933,711 at December 31, 2018 (June 30, 2018 – \$2,675,109) and is comprised of issued share capital, contributed surplus and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to develop, market and promote its STAR-ISMS® technology and to maintain its ongoing operations. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the period ended December 31, 2018. The Company manages capital by obtaining loans from private investors and through the issuance of shares from private placements.

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

14. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including currency risk and interest rate risk), fair value risk, credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

(a) Market Risk

(i) Currency risk:

Currency risk is the risk that fluctuations in the rates of exchange on foreign currency would impact the Company's future cash flows. The Company is exposed to foreign exchange risk from various currencies, primarily US dollars. Foreign exchange risk arises from significant sales and purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

The Company's main objective in managing its foreign exchange is to maintain US cash on hand to support US forecasted cash flows over a 12-month horizon. To achieve this objective the Company monitors forecasted cash flows in foreign currencies and attempts to mitigate the risk by modifying the currency of cash held.

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

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
Cash	\$ 581	\$ 829
Accounts receivable	194,820	26,562
Accounts payable	(56,074)	(56,074)
	\$ 139,327	\$ (28,683)

Based on the Company's net exposure to US denominated instruments at December 31, 2018 and December 31, 2017, a sensitivity analysis has not been presented as the impact to profit and loss would be immaterial.

(ii) Interest rate risk:

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Company's debt is at fixed rates and due in the short term. Accordingly, there is limited exposure to cash flow or price interest rate risk.

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
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14. FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit Risk

The Company does not believe it is exposed to any significant concentration of credit risk. However, as disclosed in Note 17, the Company earns a significant amount of revenue from a few customers. As at December 31, 2018, approximately \$6,726 (June 30, 2018 - \$6,726) of the Company's receivables were past due the average credit period of 90 days. As at December 31, 2018, the Company's allowance for doubtful accounts was \$Nil (June 30, 2018 - \$Nil) and bad debts expense amounted to a recovery of \$Nil (December 31, 2017 – expense of \$Nil).

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at December 31, 2018, the Company has current liabilities of \$2,724,863 (June 30, 2018 - \$3,075,151) due within 12 months and cash of \$967,038 (June 30, 2018 – bank indebtedness of \$59,956). As at December 31, 2018, the Company has a working capital deficiency of \$1,007,522 (June 30, 2018 - \$2,715,645) and accordingly, the Company is subject to significant liquidity risk. Management will continue to raise capital to develop, market and promote its STAR-ISMS® technology and to maintain its operations. See Note 1 for going concern.

There have been no changes for the Company's risk management policies for market risk, credit risk, and liquidity risk since June 30, 2018.

15. RELATED PARTY TRANSACTIONS

The Company has accrued and carries a significant balance on its consolidated financial statements of amounts due to related parties. The amounts represent compensation accrued with respect to salary compensation for its officers, monthly compensation accrued for its directors and committee chairpersons that have accumulated over the past several years.

The Company has an exclusive license agreement in place with a company owned and controlled by its CEO and Chairman of the Board regarding the use of patents related to the STAR-ISMS® technology. There were no license payments made or required to be made for the periods ended December 31, 2018 and December 31, 2017.

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
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(Unaudited – Prepared by Management)

15. RELATED PARTY TRANSACTIONS (Cont'd)

The Company has an employment agreement in place with the CEO and Chairman of the Board regarding royalties to be paid upon future sales of the Company's STAR-ISMS® technology products which becomes effective under certain conditions on the termination of the CEO from the Company (Note 16(b)).

- (a) Amounts due to related parties at December 31, 2018 is \$2,061,915 (June 30, 2018 - \$1,995,990) and is comprised of the following:

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
Due to Directors	\$ 72,000	\$ 48,000
Due to Committee Chairpersons	18,000	12,000
Due to Chief Executive Officer – Viraf Kapadia ⁽ⁱ⁾	1,797,991	1,706,546
Due to Chief Operating Officer – Jean-Louis Larmor	173,924	224,924
Due to Chief Financial Officer – Randy Koroll	-	4,520
	\$ 2,061,915	\$ 1,995,990

- (i) \$1,988,147 (June 30, 2018 - \$1,644,663) of the balance bears interest at 5% per annum; \$61,883 (June 30, 2018 - \$61,883) of the balance is non-interest bearing. Interest accrued on the loan payable to the CEO for the period ended December 31, 2018 was \$51,053 (December 31, 2017 – \$40,488).

All amounts are unsecured and are due on demand.

- (b) The Company also owes \$9,313 (June 30, 2018 - \$7,550) in credit card debt that is guaranteed by the CEO and Chairman of the Board in accounts payables and accrued liabilities.
- (c) Compensation to key management personnel, directors and committee chairpersons included in general and administrative expenses in the interim condensed consolidated statement of comprehensive loss was as follows for the periods ended December 31:

	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
Chief Executive Officer	\$ 129,750	\$ 141,000
Chief Operating Officer	93,000	123,750
Chief Financial Officer	21,000	12,000
Board of Director fees	24,000	24,000
Committee Chairperson fees	6,000	12,000
Interest paid to Chief Executive Officer	51,053	41,488
Total at December 31, 2018	\$ 324,803	\$ 354,238

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

16. COMMITMENTS AND CONTINGENCIES

- (a) The Company is committed to leases of its premises. Minimum lease payments for successive years are as follows:

Item	2019	2020	2021	2022	2023	Total
Premises	\$ 99,000	\$130,500	\$ 167,188	\$194,346	\$196,066	\$787,100

- (b) The Company has an employment agreement with its Chief Executive Office and Chairman of the Board that will pay a royalty of 3% on gross sales of any STAR-ISMS® units that occur after the Termination Event as defined below. Termination Event includes the following; a) resignation within two years following a change of control and b) termination within two years following a change of control, other than termination for cause or death.

17. SIGNIFICANT CUSTOMER

During the period ended December 31, 2018, 74% (December 31, 2017 – 100%) of the revenue was generated from Star-ISMS sales. During the period ended December 31, 2018, 74% (December 31, 2017 – Nil%) of the revenue recognized during the period was generated from a customer located in the Middle East. During the period ended December 31, 2018, 26% (December 31, 2017 – Nil%) of revenue earned is from repairs and maintenance services on STAR-MMI flat panel displays units.

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
December 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

18. EXPENSE DISCLOSURES

	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
<u>General and Administrative</u>		
Bank charges and interest	\$ 2,516	\$ 2,967
Board and committee fees	30,000	36,000
Insurance	39,961	30,046
Miscellaneous	134,869	129,889
Professional fees	59,099	14,214
Rent	36,000	72,000
Wages	282,110	302,844
Total G&A expenses	\$ 584,555	\$ 587,960
<u>Research and Development</u>		
Amortization expense	9,103	34,117
Research and development costs	102,267	159,497
Travel costs	12,506	5,234
Wages	299,724	334,143
Total R&D expenses	\$ 423,600	\$ 532,991
<u>Marketing and Promotion</u>		
Consultant costs	\$ 273,642	\$ 264,315
Investor relations	40,880	60,000
Travel costs	29,833	38,707
Total M&P expenses	\$ 344,355	\$ 363,022

19. SEGMENT INFORMATION

The Company operates in a single segment, consisting of the development, marketing, and sale of in-flight safety monitoring systems, whereby data from an aircraft can be transmitted to ground stations for the duration of a flight. This segment operates entirely in Canada. All revenues are earned by this segment, and all assets are held by this segment. Accordingly, no segmented information is presented in these consolidated financial statements.

20. SUBSEQUENT EVENTS

On January 21, 2019, the Company announced the appointment of Mr. Michael Homer, P.Eng. ICD.D as Chief Operating Officer of the Company, effective January 14, 2019. He has held senior leadership positions including Executive Vice-President Breconridge, electronics manufacturing services (EMS), President of Americas Operations for Celestica, and Vice President, Honeywell Aerospace Airframe Systems. Along with this role he was also President, Honeywell Canada. He was a member of the Aerospace Association of Canada's (AIAC) Board of Directors, where he represented Honeywell Canada as a Canadian workshare partner on NATO programs. Before joining Honeywell, Mr. Homer had an 11-year career in the automotive industry with Ford Electronics Manufacturing Corporation. Mr. Homer is a Professional Engineer, certified by the Association of Professional Engineers of Ontario and a Certified Director by the Institute of Corporate Directors.

In January 2019, the Company acquired a majority controlling interest in SOLUTIONS ISONEO INC. ("ISONEO") from Finances Gestion & Développement SAS ("FGD"), a French Holding company. ISONEO is a specialised software subsidiary of FGD, developing complex solutions in engineering, simulation and development for Canadian customers. ISONEO was already working closely with Star in the development of Stars' MEDEVAC (STAR-ISAMM™ and STAR-LSAMM™) applications of the patented STAR-A.D.S. ® technology, and on Star's current R&D program with Bombardier. ISONEO be located in Star's new Montreal offices.

The Company has entered into a ten-year lease in November 2018 for new premises located in Brampton, Ontario. The move has taken place and setup is proceeding as scheduled.

Star Navigation Systems Group Ltd.

**Interim Condensed Consolidated Financial
Statements**

(Unaudited – Prepared by Management)

**For the three and nine month periods ended March 31, 2019 and March
31, 2018**

(Expressed in Canadian dollars)

NOTICE TO READER

The accompanying interim condensed consolidated financial statements are unaudited and have been prepared by the Company's management and the Company's independent auditors have not performed a review of these financial statements.

Toronto, Ontario
May 30, 2019

Star Navigation Systems Group Ltd.
Interim Condensed Consolidated Statements of Financial Position
As at March 31, 2019 and June 30, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Assets		
Current		
Cash (Note 9)	\$ 290,740	\$ -
Accounts receivable	310,898	46,062
Inventory (Note 8)	159,976	186,804
Prepaid expenses and deposits	57,280	-
Sales tax recoverable (Note 7)	215,801	126,640
	1,034,695	359,506
Property and equipment (Note 5)	89,438	57,675
Intangible assets (Note 6)	80,110	861
	\$ 1,204,243	\$ 418,042
Liabilities		
Current		
Bank indebtedness (Note 9)	\$ -	\$ 59,956
Accounts payable and accrued liabilities (Note 10)	365,485	660,499
Other payables (Note 11)	196,000	196,000
Deferred revenue	134,561	162,706
Due to related parties (Note 16)	2,082,527	1,995,990
	2,778,573	3,075,151
Shareholders' Deficiency		
Share capital (Note 12)	40,697,795	38,772,715
Shares to be issued	-	18,750
Contributed surplus (Note 13)	16,823,916	15,695,446
Deficit	(59,085,764)	(57,144,020)
	(1,564,053)	(2,657,109)
Non-controlling interest	(10,277)	-
	(1,574,330)	-
	\$ 1,204,243	\$ 418,042

Nature of Operations and Going Concern (Note 1)

Commitments and Contingencies (Note 17)

Approved by the Board "Viraf S. Kapadia"
Director (Signed)

"Gus Nariman"
Director (Signed)

Star Navigation Systems Group Ltd.
Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
Three and Nine Months Ended March 31, 2019 and March 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Three months ended March 31		Nine months ended March 31	
	2019	2018	2019	2018
Revenue (Note 18)	\$ 21,061	\$ 150,588	\$ 322,098	\$ 155,108
Expenses				
Cost of inventory consumed (Note 8)	8,264	3,608	86,081	13,012
General and administrative (Note 19)	399,703	231,198	984,258	819,173
Research and development (Note 19)	272,285	195,720	695,884	728,711
Marketing and promotion (Note 19)	87,817	51,663	432,172	414,685
Foreign exchange loss (gain)	-	3,231	100	1,831
	768,069	485,420	2,198,495	1,977,412
Loss from Operations	(747,008)	(334,832)	(1,876,397)	(1,822,304)
Other Income (Expenses)				
Interest expense (Note 15)	(24,612)	(22,503)	(75,624)	(63,106)
Net Loss and Comprehensive Loss for the year	\$ (771,620)	\$ (357,335)	\$ (1,952,021)	\$ (1,885,410)
Basic and diluted loss per common share	\$ (0.001)	\$ (0.001)	\$ (0.004)	\$ (0.004)
Weighted average number of common shares outstanding	458,844,059	445,704,037	470,611,237	438,807,471
Net Loss and Comprehensive Loss attributable to:				
Shareholders	\$(761,343)	\$(357,335)	\$(1,941,744)	\$(1,885,410)
Non-controlling interest	(10,277)	-	(10,744)	-
	\$(771,620)	\$(357,335)	\$(1,952,021)	\$(1,885,410)

Star Navigation Systems Group Ltd.
Interim Condensed Consolidated Statements of Changes in Deficiency
Nine Months Ended March 31, 2019 and March 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Number of common shares	Number of Series I preferred shares	Share capital	Contributed surplus	Deficit	Non- controlling interest	Total
Balance at June 30, 2017	399,689,805	615,000	\$34,605,977	\$15,518,908	\$(54,638,255)	-	\$(4,513,370)
Issued for cash on private placement (Note 11(d))	4,000,000	-	400,000	-	-	-	400,000
Issued for cash on private placement (Note 11(d))	400,000	-	40,000	-	-	-	40,000
Issued on settlement of debt (Note 11(b))	27,333,615	-	2,186,690	-	-	-	2,186,690
Issued for cash on options exercised (Note 11(c))	3,898,000	-	261,900	-	-	-	261,900
Issued for cash on warrants exercised (Note 11(c))	13,514,004	-	1,199,598	-	-	-	1,199,598
Share Issuance costs	-	-	(40,000)	-	-	-	(40,000)
Loss for the period	-	-	-	-	(1,885,410)	-	(1,885,410)
Balance at March 31, 2018	448,835,424	615,000	\$38,654,165	\$15,518,908	\$(56,523,665)	-	\$(2,350,592)
Balance at June 30, 2018	455,154,996	615,000	\$38,772,715	\$15,695,446	\$(57,144,020)	-	\$(2,675,859)
Issued for cash on private placement (Note 11(i))	42,100,000	-	2,105,000	-	-	-	2,105,000
Issued as finder's fees on private placement (Note 11(i))	4,210,000	-	210,500	-	-	-	210,500
Value allocated to warrants as part of private placement (Note 11(i))	-	-	(955,861)	955,861	-	-	-
Issued for cash on warrants exercised (Note 11(j))	10,654,179	-	854,800	-	-	-	854,800
Issued for cash on options exercised (Note 11(k))	550,000	-	35,000	-	-	-	35,000
Value allocated to options granted (Note 13)	-	-	(172,609)	172,609	-	-	-
Shares issued upon acquisition of majority interest in ISONEO	686,106	-	40,000	-	-	-	40,000
Issued for cash on options exercised	375,000	-	18,750	-	-	-	18,750
Share issuance costs (Note 11(i))	-	-	(210,500)	-	-	-	(210,500)
Loss for the period	-	-	-	-	(1,941,744)	(10,277)	(1,952,021)
Balance at March 31, 2019	513,730,281	615,000	\$40,697,795	\$16,823,916	\$(59,085,764)	\$(10,277)	\$(1,574,330)

Star Navigation Systems Group Ltd.
Interim Condensed Consolidated Statements of Cash Flows
Three and Nine Months Ended March 31, 2019 and March 31, 2018
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Three months ended March 31		Nine months ended March 31	
	2019	2018	2019	2018
Cash provided by (used in)				
Operations				
Net loss	\$ (771,620)	\$ (357,335)	\$ (1,952,021)	\$ (1,885,410)
Items not affecting cash				
Depreciation	4,683	13,044	13,285	37,915
Amortization of intangible assets	250	250	751	9,496
	(766,687)	(344,041)	(1,937,984)	(1,837,999)
Net changes in non-cash working capital				
Accounts receivable	(21,061)	(73,548)	(264,836)	(6,190)
Inventory	-	-	26,828	-
Sales tax recoverable	(34,333)	-	(89,161)	(67,416)
Prepaid expenses and deposits	21,742	(15,641)	(97,280)	-
Accounts payable and accrued liabilities	33,099	711	(295,014)	(263,573)
Deferred revenue	-	(45,554)	(28,145)	35,164
	(767,240)	(478,073)	(2,685,593)	(2,140,014)
Investing				
Purchase of property and equipment	(20,670)	(3,191)	(45,048)	(8,062)
Financing				
Subscription proceeds rec'd in advance	-	50,000	-	50,000
Due to related parties	20,612	145,393	86,537	51,909
Proceeds of warrants exercised	91,000	-	854,800	1,199,598
Proceeds from options exercised	-	-	35,000	261,900
Proceeds from private placement	-	103,800	2,105,000	400,000
	111,612	299,193	3,081,337	1,963,407
Net change in cash	(676,298)	(182,071)	350,696	(184,669)
Cash (bank indebtedness), beginning of period	967,038	139,293	(59,956)	141,891
Cash, (Bank Indebtedness) end of period	\$ 290,740	\$ (42,778)	\$ 290,740	\$ (42,778)
Supplemental Disclosure				
Interest paid	\$ 20,612	\$ 22,503	\$ 71,624	\$ 63,106
Shares issue for settlement of accounts payables	-	-	-	643,504
Shares issued for settlement of loans payable	-	-	-	810,005
Shares issued for settlement of related party loans	-	-	-	733,181

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
March 31, 2019
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

1. NATURE OF OPERATIONS AND GOING CONCERN

Star Navigation Systems Group Ltd. (the “Company”) is devoting substantially all of its activity to the development, marketing and promotion of an In-flight Safety Monitoring System (“STAR-ISMS®”), whereby data from an aircraft can be transmitted to ground stations for the duration of a flight. The Company has been granted supplemental type certificates for use of the systems on a Boeing 737, 727, Airbus A321, A320, A340 and a Learjet 45.

The Company was incorporated by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (*Ontario*) in May 2000 and its registered address is located at 11 Kenview Blvd, Brampton, Ontario L6T 5G5. The Company is listed on the Canadian Securities Exchange trading under the symbol of “SNA”.

Going Concern

These consolidated financial statements have been prepared using accounting policies applicable to a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they become due. The Company incurred a net loss of \$1,952,021 for the period ended March 31, 2019 (March 31, 2018 – \$1,885,410), has an accumulated deficit of \$59,085,764 (June 30, 2018 - \$57,144,020) and has negative working capital of \$1,743,878 (June 30, 2018 – \$2,715,645). Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. These material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue operations, meet its obligations and realize its investment in development costs is dependent on the continued support from investors and related parties to finance sales to customers, continue the project development, obtain the necessary certifications from regulatory agencies as well as successfully marketing the STAR-ISMS® for gain. These consolidated financial statements do not reflect adjustments in the carrying values of the Company’s assets and liabilities, revenues and expenses, and the financial position classifications used, that may be necessary should the Company be unable to continue as a going concern or be unable to realize its assets and discharge its liabilities in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These interim condensed consolidated financial statements are unaudited and have been prepared on a condensed basis in accordance with the International Accounting Standard 34, Interim Financial Reporting, issued by the International Accounting Standards Board and interpretations of the International Financial Interpretations Committee using accounting policies consistent with International Financial Reporting Standards (“IFRS”). These interim condensed consolidated financial statements for the three and nine months ended March 31, 2019 and 2018 should be read together with the annual consolidated financial statements as at and for the year ended June 30, 2018. The same accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements as were followed in the preparation of and as described in note 3 of the annual consolidated financial statements as at and for the year ended June 30, 2018.

(b) Basis of Measurement

These interim condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value.

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2. BASIS OF PRESENTATION (Cont'd)

(c) Functional and Presentation Currency

These interim condensed consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiaries' functional currency.

(d) Basis of Consolidation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned and controlled operating subsidiaries, Star Navigation Systems Inc. ("Star"), Star Navigation Systems (Quebec) Inc. and Star Navigation Systems (U.K) Ltd. Star Navigation Systems (Quebec) Inc. and Star Navigation Systems (U.K) Ltd. are inactive. The financial statements of its subsidiaries are included in the consolidated statements from the date that control commences until the date that control ceases. All significant inter-company transactions and balances have been eliminated on consolidation. All references to the Company should be treated as references to the Company and its subsidiaries.

(e) Critical Accounting Estimates, Judgments, and Assumptions

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant areas of estimation uncertainty considered by management in preparing the interim condensed consolidated financial statements were the same as those in the annual financial statements for the year ended June 30, 2018.

3. ACCOUNTING POLICY CHANGES

Financial Instruments - IFRS 9

IFRS 9, *Financial Instruments* ("IFRS 9"), was issued by the International Accounting Standards Board ("IASB") in July 2014 and will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. The Company adopted IFRS 9 effective July 1, 2018. The Company has completed its assessment of the impact of this new standard and there were no significant changes as a result of this or elsewhere in the application of the new standard.

3. ACCOUNTING POLICY CHANGES (Cont'd)

Share-based Payments – IFRS 2

IFRS 2, *Share-based Payments* (“IFRS 2”), - In September 2017, the IASB issued final amendments to IFRS 2, which clarifies how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: (i) the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and (iii) a modification to the terms and conditions of a share based payment that changes the classifications of the transaction from cash-settled to equity settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company adopted the amendments to IFRS 2 on July 1, 2018 and the implementation did not result in a significant effect to the consolidated financial statements.

Financial Instruments: Disclosure – IFRS 7

IFRS 7, *Financial instruments: Disclosure* (“IFRS 7”), was amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The Company adopted the amendments to IFRS 7 on July 1, 2018 and the implementation did not result in a significant effect to the consolidated financial statements.

Revenue from Contracts with Customers – IFRS 15

IFRS 15, *Revenue from Contracts with Customers* (“IFRS 15”), was issued by the IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. On April 12, 2016, the IASB published final clarifications to IFRS 15 with respect to identifying performance obligations, principal versus agent considerations, and licensing. The Company adopted IFRS 15 effective July 1, 2018. The Company has completed its assessment of the impact of this new standard and has noted beyond the required additional disclosures, there exist no material changes to the consolidated financial statements or required retroactive adjustments.

4. RECENT ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET APPLIED

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2018 or later periods. Many are not applicable or do not have a significant impact to the Company. The following have not yet been adopted and are being evaluated to determine the resultant impact on the Company.

Leases – IFRS 16

IFRS 16, *Leases* (“IFRS 16”), replaces IAS 17, *Leases* (“IAS 17”). The new model requires the recognition of almost all lease contracts on a lessee’s statement of financial position as a lease liability reflecting future lease payments and a ‘right-of-use asset’ with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company is still evaluating the impact of the adoption of IFRS 16.

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5. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Furniture and Equipment	Computer Equipment and Software	Computer Equipment under Finance Lease	Total
Cost					
Balance at June 30, 2018	\$ 84,626	\$ 278,822	\$ 156,292	\$ 318,795	\$ 838,535
Additions	-	36,489	8,559	-	45,048
Balance at Mar 31, 2019	\$ 84,626	\$ 315,311	\$ 164,851	\$ 318,795	\$ 883,583
Accumulated Depreciation					
Balance at June 30, 2018	\$ 84,626	\$ 234,952	\$ 153,260	\$ 308,022	\$ 780,860
Amortization for the period	-	7,593	1,652	4,040	13,285
Balance at Mar 31, 2019	\$ 84,626	\$ 242,545	\$ 154,912	\$ 312,062	\$ 794,145
Carrying Amounts					
As at June 30, 2018	\$ -	\$ 43,870	\$ 3,032	\$ 10,773	\$ 57,675
As at Mar 31, 2019	\$ -	\$ 72,766	\$ 9,939	\$ 6,733	\$ 89,438

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6. INTANGIBLE ASSETS

Cost	License Rights ^(a)	STAR-MMI Technology and Patents ^(b)	Website Costs	Goodwill	STAR-ISMS® and Peripherals	Total
Balance at June 30, 2018	\$ 136,146	\$ 908,726	\$ 25,037	\$ -	\$ 619,498	\$ 1,689,407
Additions	-	-	-	80,000	-	80,000
Balance at Mar 31, 2019	\$ 136,146	\$ 908,726	\$ 25,037	\$ 80,000	\$ 619,498	\$ 1,769,407
Accumulated Amortization and Impairment						
Balance at June 30, 2018	\$ 135,285	\$ 908,726	\$ 25,037	\$ -	\$ 619,498	\$ 1,688,546
Amortization for year	751	-	-	-	-	751
Balance at Mar 31, 2019	\$ 136,036	\$ 908,726	\$ 25,037	\$ -	\$ 619,498	\$ 1,689,297
Carrying Amounts						
As at June 30, 2018	\$ 861	\$ -	\$ -	\$ -	\$ -	\$ 861
As at Mar 31, 2019	\$ 110	\$ -	\$ -	\$ 80,000	\$ -	\$ 80,110

- (a) In 2002, the Company acquired the license rights to the STAR-ISMS® from a director and a former director of the Company. The underlying patents are now owned by the CEO and director of the Company (see Note 15). The Company owns the exclusive, worldwide license for the lifetime of the patents.
- (b) On January 14, 2019 the Company purchased an 80% stake in Solutions ISONEO Inc. Consideration for the purchase was accomplished by paying \$40,000 in cash and issuing \$40,000 in common shares (686,106 shares) of the Company for a total of \$80,000. The purchase price has been fully allocated to Goodwill and no amortization has been recorded.

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7. SALES TAX RECOVERABLE

Sales tax recoverable is due from the Government of Canada in relation to Harmonized Sales Tax refunds, which as at March 31, 2019 amounted to \$215,801 (June 30, 2018 - \$126,640).

8. INVENTORY

Inventory is comprised of the following:

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Finished goods – STAR-ISMS®	\$ 85,000	\$ 85,000
Parts and components – STAR-ISMS®	33,444	50,776
Parts and components – STAR-MMI	41,532	51,028
	\$ 159,976	\$ 186,804

For the period ended March 31, 2019, the cost of inventory consumed in connection with revenue recognized was \$86,081 (March 31, 2018 – \$13,012).

9. BANK CREDIT FACILITY

The Company utilizes a revolving line of credit (“LOC”) from The Toronto-Dominion Bank to provide working capital flexibility. The LOC is available up to a maximum of \$50,000, which has been fully utilized as at March 31, 2019 and June 30, 2018. The LOC is presented on a net basis in cash on the statements of financial position.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Trade payables	\$ 170,971	\$ 270,671
Accrued liabilities ^(a)	194,514	389,828
	\$ 365,485	\$ 660,499

(a) Included in accrued liabilities are payroll remittance arrears owing to the Canada Revenue Agency (“CRA”) totaling \$150,422 (June 30, 2018 - \$221,068).

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11. OTHER PAYABLES

Other payables include amounts due to a former employee of the Company with respect to unpaid compensation.

12. SHARE CAPITAL

Authorized

- 615,000 Series I First Preferred Shares, non-voting, entitled to non-cumulative dividends at a rate of 7% in priority to common shares, redeemable at \$1.00 at the option of the Company and have no par value.
- 350,000 Series II First Preferred Shares, non-voting, entitled to cumulative dividends at 9% per annum in priority to common shares and exchangeable for common shares at the rates of 5 common shares, 3.33 common shares and 2.5 common shares for each Series II Preferred Share in each of the first, second and third years after issue respectively. These shares have no par value and are redeemable at \$1.00 per share at the option of the Company.
- Unlimited common shares, no par value.

Share Capital Activity

- (a) In July-December 2017, 13,514,004 warrants to purchase common shares of the Company were exercised at prices of \$0.06-\$0.12 per common share, resulting in proceeds to the Company of \$1,199,598.
- (b) In July 2017, the Company issued 27,335,615 common shares of the Company at a price of \$0.08 per share in settlement of \$563,566 of trade payables, \$794,943 of loans payable and \$828,181 of amounts due to related parties being the fair market value of the debt at the time of settlement.
- (c) In July-December 2017, 3,898,000 options to purchase common shares of the Company were exercised at prices of \$0.05-\$0.10 per common share, resulting in proceeds to the Company of \$261,900.
- (d) On January 11, 2018, the Company closed a non-brokered private placement, having issued 4,000,000 units of the Company (the "Units") at a price per unit of \$0.10 for gross proceeds of \$400,000. Each unit consists of one common share in the capital of the Company and one warrant. Each warrant entitles the holder to purchase one additional common share of the Company at fifteen \$0.15 cents per warrant exercised. The warrants are exercisable during the one year period from the date of issue. In addition, the Company has agreed to pay finder's fees in the amount of 400,000 units valued at \$40,000.
- (e) On April 27, 2018, the Company closed a non-brokered private placement, having issued 3,766,667 units of the Company (the "Units") at a price per unit of \$0.06 for gross proceeds of \$226,000. Each unit consists of one common share in the capital of the Company and one warrant. Each warrant entitles the holder to purchase one additional common share of the Company at \$0.07 cents per warrant exercised. The warrants are exercisable during the one year period from the date of issue. In addition, the Company has agreed to pay finder's fees in the amount of 376,667 units valued at \$22,600.
- (f) During the year ended June 30, 2018, the Company issued a total of 629,571 common shares valued at \$44,070, to a consultant of the Company for services rendered.

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12. SHARE CAPITAL (Cont'd)

Share Capital Activity (Cont'd)

- (g) During the year ended June 30, 2018, 4,190,000 options to purchase common shares of the Company were exercised at prices of \$0.05-\$0.10 per common share, resulting in proceeds to the Company of \$235,500.
- (h) During the year ended June 30, 2018, 14,768,671 warrants to purchase common shares of the Company were exercised at prices of \$0.06-\$0.12 per common share, resulting in proceeds to the Company of \$1,251,016.
- (i) On September 6, 2018, the Company closed a non-brokered private placement issuing 42,100,000 units of the Company (the "Units") at a price per unit of \$0.05 for gross proceeds of \$2,105,000. Each unit consists of one common share in the capital of the Company and one warrant. Each warrant entitles the holder to purchase one additional common share of the Company at \$0.07 cents per warrant exercised. The warrants are exercisable during the one year period from the date of issue. In addition, the Company has agreed to pay finder's fees in the amount of 4,210,000 units valued at \$210,500.
- (j) During the period ended March 31, 2018, 10,654,179 warrants to purchase common shares of the Company were exercised at a price of \$0.07 per common share, resulting in proceeds to the Company of \$854,800.
- (k) During the year ended June 30, 2019, 550,000 options to purchase common shares of the Company were exercised at prices of \$0.05-\$0.10 per common share, resulting in proceeds to the Company of \$35,000.

13. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS

Stock-Based Compensation

The Company has a Stock Option Plan (the "Plan") for employees, officers, directors and consultants performing special technical or other services of the Company ("Optionees"). During 2010, the Company amended the Plan whereby the number of common shares to be issued under the Plan is not to exceed 30,000,000 common shares. The designation of Optionees, amount and vesting provisions of awards under the Plan are determined by the Board of Directors.

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13. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS (Cont'd)

Stock Option Transactions	Number	Exercise Price	Weighted Average Exercise Price
Balance at June 30, 2017	9,497,900		\$0.09
Options exercised	(4,190,000)	\$0.05-\$0.07	\$0.06
Options expired	(2,412,900)	\$0.07-\$0.15	\$0.13
Balance at June 30, 2018	2,895,000		\$0.05
Options expired	(25,000)	\$0.07	\$0.07
Options exercised	(550,000)	\$0.05-\$0.10	\$0.075
Options granted	1,500,000	\$0.075-\$0.15	\$0.09
Balance at March 31, 2019	3,820,000		\$0.033
Exercisable at March 31, 2019	3,820,000		\$0.033

The fair value of the options issued is determined using the Black-Scholes model for pricing options under the following weighted average assumptions

On September 6, 2018, the Company granted 1,500,000 stock options with an exercise price of \$0.075-\$0.15. The options expire on August 31, 2020 and will vest in their entirety after 4 months from the grant date. The fair value of each of these options was determined to be \$0.0397.

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Expected dividend yield	Nil	-
Risk free interest rate	2.05%	-
Expected volatility	132%	-
Expected life	2 years	-
Share price	\$0.075	-

Expected volatility is based on the average historical volatility over the life of the option on the Company's share price.

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13. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS (Cont'd)

Stock-Based Compensation (Cont'd)

As at March 31, 2019 the Company had stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

Date of Grant	Options Granted	Options Exercisable	Exercise Price	Expiry Date
March 31, 2016	1,300,000	1,300,000	\$0.05	March 1, 2021
October 21, 2016	1,020,000	1,020,000	\$0.05	March 1, 2021
September 6, 2018	1,500,000	1,500,000	\$0.075-\$0.15	August 31, 2020
	3,820,000	3,820,000		

The weighted average remaining contractual life of the outstanding options is 0.32 years (June 30, 2018 – 1.07 years).

Warrants

	Number	Weighted-Average Exercise Price	Expiry Date
Balance at June 30, 2017	125,344,971	\$0.09	
Exercised	(14,768,671)	\$0.03	July 25, 2017-April 15, 2019
Issued	8,543,334	\$0.11	January 11, 2019-April 27, 2019
Expired	(44,037,458)	\$0.11	July 25, 2017-May 15, 2018
Balance at June 30, 2018	75,082,176	\$0.01	
Expired	(4,995,821)	\$0.08	October 18, 2018-January 12, 2019
Exercised	(10,654,179)	\$0.07	October 18, 2018
Issued	46,310,000	\$0.05	September 6, 2019
Balance at March 31, 2019	105,742,176	\$0.01	

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13. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS (Cont'd)

As at March 31, 2019, the Company had warrants issued and outstanding as follows:

Date of Issue	Warrants Issued	Exercise Price	Expiry Date
April 15, 2014	23,146,596	\$0.08	April 12, 2019
April 15, 2016	32,142,246	\$0.07	April 15, 2019
April 27, 2018	4,143,334	\$0.07	April 27, 2019
September 6, 2018	46,310,000	\$0.05	September 6, 2019
	105,742,176		

The fair value of the warrants issued is determined using the Black-Scholes model for pricing options under the following weighted average assumptions.

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Expected dividend yield	Nil	Nil
Risk free interest rate	2.05%	1.73-1.90%
Expected volatility	96%	126-149%
Expected life	1 year	1 year
Share price	\$0.075	\$0.055-\$0.085

Expected volatility is based on historical data.

Basic and diluted loss per common share based on net loss for the period ended March 31;

Numerator:	March 31, 2019 (Unaudited)	March 31, 2017 (Unaudited)
Net loss for the year	\$(1,952,021)	\$(1,885,410)
Denominator:		
Weighted average number of common shares outstanding - basic	470,611,237	434,165,537
Weighted average effect of diluted stock options and warrants	-	-
Weighted average number of common shares outstanding - diluted	470,611,237	434,165,537
Loss per common share based on net loss for the year:		
Basic	\$ (0.004)	\$(0.003)
Diluted	\$ (0.004)	\$(0.003)

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13. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS (Cont'd)

Maximum share dilution:

The following table presents the maximum number of shares that would be outstanding if all outstanding stock options and warrants were exercised as at March 31, 2019:

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Common shares outstanding	513,730,281	455,154,996
Warrants to purchase common shares	105,742,176	75,082,176
Stock options to purchase common shares	3,820,000	2,895,000
Fully diluted common shares outstanding	623,292,457	533,132,172

14. MANAGEMENT OF CAPITAL

The Company considers its capital to include the components of equity attributable to common shareholders which amounts to a deficit of \$1,614,330 at March 31, 2019 (June 30, 2018 – \$2,675,109) and is comprised of issued share capital, contributed surplus and deficit in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to develop, market and promote its STAR-ISMS® technology and to maintain its ongoing operations. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the period ended March 31, 2019. The Company manages capital by obtaining loans from private investors and through the issuance of shares from private placements.

15. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including currency risk and interest rate risk), fair value risk, credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

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15. FINANCIAL RISK MANAGEMENT (Cont'd)

Risk management is carried out by management under policies approved by the Board of Directors. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

(a) Market Risk

(i) Currency risk:

Currency risk is the risk that fluctuations in the rates of exchange on foreign currency would impact the Company's future cash flows. The Company is exposed to foreign exchange risk from various currencies, primarily US dollars. Foreign exchange risk arises from significant sales and purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

The Company's main objective in managing its foreign exchange is to maintain US cash on hand to support US forecasted cash flows over a 12-month horizon. To achieve this objective the Company monitors forecasted cash flows in foreign currencies and attempts to mitigate the risk by modifying the currency of cash held.

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

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Cash	\$ 581	\$ 829
Accounts receivable	194,820	26,562
Accounts payable	(56,074)	(56,074)
	\$ 139,327	\$ (28,683)

Based on the Company's net exposure to US denominated instruments at March 31, 2019 and March 31, 2018, a sensitivity analysis has not been presented as the impact to profit and loss would be immaterial.

(ii) Interest rate risk:

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Company's debt is at fixed rates and due in the short term. Accordingly, there is limited exposure to cash flow or price interest rate risk.

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15. FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit Risk

The Company does not believe it is exposed to any significant concentration of credit risk. However, as disclosed in Note 17, the Company earns a significant amount of revenue from a few customers. As at March 31, 2019, approximately \$6,726 (June 30, 2018 - \$6,726) of the Company's receivables were past due the average credit period of 90 days. As at March 31, 2019, the Company's allowance for doubtful accounts was \$Nil (June 30, 2018 - \$Nil) and bad debts expense amounted to a recovery of \$Nil (March 31, 2018 – expense of \$Nil).

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at March 31, 2019, the Company has current liabilities of \$2,778,573 (June 30, 2018 - \$3,075,151) due within 12 months and cash of \$290,740 (June 30, 2018 – bank indebtedness of \$59,956). As at March 31, 2019, the Company has a working capital deficiency of \$1,703,878 (June 30, 2018 - \$2,715,645) and accordingly, the Company is subject to significant liquidity risk. Management will continue to raise capital to develop, market and promote its STAR-ISMS® technology and to maintain its operations. See Note 1 for going concern.

There have been no changes for the Company's risk management policies for market risk, credit risk, and liquidity risk since June 30, 2018.

16. RELATED PARTY TRANSACTIONS

The Company has accrued and carries a significant balance on its consolidated financial statements of amounts due to related parties. The amounts represent compensation accrued with respect to salary compensation for its officers, monthly compensation accrued for its directors and committee chairpersons that have accumulated over the past several years.

The Company has an exclusive license agreement in place with a company owned and controlled by its CEO and Chairman of the Board regarding the use of patents related to the STAR-ISMS® technology. There were no license payments made or required to be made for the periods ended March 31, 2019 and March 31, 2018.

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16. RELATED PARTY TRANSACTIONS (Cont'd)

The Company has an employment agreement in place with the CEO and Chairman of the Board regarding royalties to be paid upon future sales of the Company's STAR-ISMS® technology products which becomes effective under certain conditions on the termination of the CEO from the Company (Note 16(b)).

- (a) Amounts due to related parties at March 31, 2019 is \$2,082,527 (June 30, 2018 - \$1,995,990) and is comprised of the following:

	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
Due to Directors	\$ 84,000	\$ 48,000
Due to Committee Chairpersons	27,000	12,000
Due to Chief Executive Officer – Viraf Kapadia ⁽ⁱ⁾	1,797,603	1,706,546
Due to Chief Operating Officer – Jean-Louis Larmor	173,924	224,924
Due to Chief Financial Officer – Randy Koroll	-	4,520
	\$ 2,082,527	\$ 1,995,990

- (i) \$1,735,720 (June 30, 2018 - \$1,644,663) of the balance bears interest at 5% per annum; \$61,883 (June 30, 2018 - \$61,883) of the balance is non-interest bearing. Interest accrued on the loan payable to the CEO for the period ended March 31, 2019 was \$75,624 (March 31, 2018 – \$40,488).

All amounts are unsecured and are due on demand.

- (b) The Company also owes \$1,877 (June 30, 2018 - \$7,550) in credit card debt that is guaranteed by the CEO and Chairman of the Board in accounts payables and accrued liabilities.
- (c) Compensation to key management personnel, directors and committee chairpersons included in general and administrative expenses in the interim condensed consolidated statement of comprehensive loss was as follows for the periods ended March 31:

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
Chief Executive Officer	\$ 154,225	\$ 141,000
Chief Operating Officer	203,833	123,750
Chief Financial Officer	45,000	12,000
Board of Director fees	36,000	24,000
Committee Chairperson fees	15,000	12,000
Interest paid to Chief Executive Officer	75,624	41,488
Total at March 31, 2019	\$ 529,682	\$ 354,238

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
March 31, 2019
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

17. COMMITMENTS AND CONTINGENCIES

- (a) The Company is committed to leases of its premises. Minimum lease payments for successive years are as follows:

Item	2019	2020	2021	2022	2023	Total
Premises	\$ 99,000	\$130,500	\$ 167,188	\$194,346	\$196,066	\$787,100

- (b) The Company has an employment agreement with its Chief Executive Office and Chairman of the Board that will pay a royalty of 3% on gross sales of any STAR-ISMS® units that occur after the Termination Event as defined below. Termination Event includes the following; a) resignation within two years following a change of control and b) termination within two years following a change of control, other than termination for cause or death.

18. SIGNIFICANT CUSTOMER

During the period ended March 31, 2019, 74% (March 31, 2018 – 100%) of the revenue was generated from Star-ISMS sales. During the period ended March 31, 2019, 74% (March 31, 2018 – Nil%) of the revenue recognized during the period was generated from a customer located in the Middle East. During the period ended March 31, 2019, 26% (March 31, 2018 – Nil%) of revenue earned is from repairs and maintenance services on STAR-MMI flat panel displays units.

Star Navigation Systems Group Ltd.
Notes to the Interim Condensed Consolidated Financial Statements
March 31, 2019
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

19. EXPENSE DISCLOSURES

	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)
<u>General and Administrative</u>		
Bank charges and interest	\$ 3,656	\$ 4,379
Board and committee fees	51,000	54,000
Insurance	64,546	37,567
Miscellaneous	185,961	159,440
Professional fees	84,232	25,214
Rent	57,251	108,000
Wages	537,612	430,573
Total G&A expenses	\$ 984,258	\$ 819,173
<u>Research and Development</u>		
Amortization expense	14,036	47,412
Research and development costs	125,315	203,875
Travel costs	22,798	9,784
Wages	533,735	467,640
Total R&D expenses	\$ 695,884	\$ 728,711
<u>Marketing and Promotion</u>		
Consultant costs	\$ 353,142	\$ 315,978
Investor relations	48,880	60,000
Travel costs	30,150	38,707
Total M&P expenses	\$ 432,172	\$ 414,685

20. SEGMENT INFORMATION

The Company operates in a single segment, consisting of the development, marketing, and sale of in-flight safety monitoring systems, whereby data from an aircraft can be transmitted to ground stations for the duration of a flight. This segment operates entirely in Canada. All revenues are earned by this segment, and all assets are held by this segment. Accordingly, no segmented information is presented in these consolidated financial statements.

21. SUBSEQUENT EVENTS

At the end of April, 2019 the Company announced the resignations of Mr. David H. Tsubouchi, B.A., J.D., LL.D., D.S.Litt., C.DIR, and Ms. Mary Meffe, CPA, CA, C.DIR., as directors of the Company, effective April 30, 2019 and May 1, 2019 respectively. No candidates to replace Mr. Tsubouchi and Ms. Meffe have been identified at this time.

A Special General Meeting of shareholders has been requested by certain shareholders with respect to the Chief Executive Officer. The Board of Directors is considering this request.

The Company announced that it had entered into a long-term agreement with AMS Heli Design (“AMS”) of Denison, Texas. (www.amsheli.com). AMS is a Helicopter EMS Interior provider, specializing in Air Ambulance configuration through the use of new lightweight materials and new generation technologies.

The Company has received a request from its Indian distributor send a technical presentation team to India in order to support discussions with a large potential customer. The Company is advised that those discussions have reached a critical stage and has agreed to send a team at the end of May.

This is **Exhibit "B"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Star Navigation Systems Group Ltd.
 of the City of Brampton, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
10789291 Canada Inc.	621 Via Campanile Woodbridge ON L4H 0X1		54,616.00
Adlink Tech Inc. / Ampro Adlink Technology Inc.	5215 Hellyer Ave, #110 San Jose CA 95138 USA		15,400.00
ARM Collection Agency	795, 5e Rue de la Pointe Shawinigan QC G9N 1G2	USD to CAD	1,672.00
Batth Harmanjeet	53 Executive Court Brampton ON L6R 0L4		10,833.00
Branson Corporate Services	77 King St. W. Suite 2905, P.O. Box 121 Toronto ON M5K 1H1		29,000.00
BSI British Standards Institute	Suite 108, 6205b Airport Road Mississauga ON L4V 1E3		46,000.00
Capital Transfer Agency	390 Bay Street, Suite 920 Toronto ON M5H 2Y2	A	979.00
Capital Transfer Agency	390 Bay Street, Suite 920 Toronto ON M5H 2Y2	B	2,907.32
Chirag Chokshy	#505-41 Garfella Drive Etobicoke ON M9V 2G3		2,275.00
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	890984354RP0001	173,858.00
David Lynch	2-1821 Ambrosi Road Kelowna BC V1Y 4R8		15,000.00
Durigraj (Terry) Patan	593 Silverthorn Cres. Mississauga ON L5R 1W7		7,000.00
ECI Solutions	4400 Alliance Gateway Freeway, Suite 154 FT Worth TX 76177 USA	USD to CAD	26,221.00
Eulix Digital Printing	1645 Bonhill Road, Unit #6 Mississauga ON L5T 1C1		3,185.00

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Star Navigation Systems Group Ltd.
 of the City of Brampton, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Fernando Dion	1102-2440 Hurontario Street Mississauga ON L5B 1N2		9,497.50
Fizra Arif	1501-60 Pavane Linkway Toronto ON M3C 1A2		19,250.00
Gurdip Panaich	-- -- --		15,000.00
Gus Nariman	-- -- --		84,000.00
Hardy, Normand, & Associes S.E.N.C.R.L.	7875, Louis-H.-Lafontaine Blvd, Suite 200 Anjou QC H1K 4E4		12,939.00
Henkel Corporation	P.O. Box 281666 Atlanta GA 30384-1666 USA	USD to CAD	796.00
Henkel Corporation	P.O. Box 281666 Atlanta GA 30384-1666 USA		651.00
Hiba Zaidi	Unit 4509, 8 Eglinton Ave East Toronto ON M4P 0C1		642.86
Ibrahim Al Hamer	-- -- --		84,000.00
International Cargo	11 Sprinwood Heights Crescent Brampton ON L6P 2C3		585.00
Intrado Digital Media Canada Inc. (West Canada Holdings ULC)	25 York Street, Suite 900 Toronto ON M5J 2V5		9,545.40
Jean Louis Larmor	229 Avenue Clarke Westmount QC H3Z 2E3		54,000.00
Jeannot Inc.	Place Du Canada 1010 De La Gauchetiere West, Suite 950 Montreal QC H3B 2N2		10,000.00
JII Accrual	229 Avenue Clarke Westmount QC H3Z 2E3		144,334.00

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Star Navigation Systems Group Ltd.
 of the City of Brampton, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Junaid Malik	5312 Lismic Boulevard Mississauga ON L5V 1P5		33,000.00
Karthikeyan Retnaganthan	237 Melrose Avenue Toronto ON M5M 1Y9		10,415.00
Kjr Mach Infinity Inc.	5360 Bellagio Crescent Mississauga ON L5V 0C9		33,900.00
Lazertech	33 Melford Drive, Unit #1 Scarborough ON M1B 2G6		3,000.00
Manulife	200 Bloor Street East Toronto ON M4W 1E5		2,800.00
McCarthy Tetrault	66 Wellington St W, Suite 5300 Toronto ON M5K 1E6		4,143.48
Metocean	21 Thornhill Drive Darthmouth NS B3B 1R9	USD to CAD	454.00
Ministry of Finance - ON PST, EHT & Other Taxes Mrs. Asta Alberry	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5	A	4,782.00
Ministry of Labour	410 - 70 Foster Drive Sault Ste. Marie ON P6A 6V4	Garnishment	9,000.00
Mouser Electronics	1000 North Main Street Mansfield TX 76063 USA	A	300.00
Mouser Electronics	1000 North Main Street Mansfield TX 76063 USA	B	1,185.59
Nighat Fatima	9 Allendale Road Brampton ON L6W 2Y7		24,000.00
Patmark Consultants LLP / Aditya & Co	Hubtown Solaris, 121, 1st Floor, NS Phadke Marg, JN. Telli Gully & E-W Bridge Andheri (E) Mumbai 400 069 India	INR to CAD	1,590.00
Ping Shen	75 Eaton Street Georgetown ON L7G 5T1		15,000.00

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Star Navigation Systems Group Ltd.
 of the City of Brampton, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
RMF Designs	5675 Timberlea Blvd. Mississauga ON L4W 2S4		19,049.70
Rob Hancock Designated Aviation Rep / 1319309 Ontario Inc. / Westfield Consultants	2144 Grosvenor Street Oakville ON L6H 5L2		12,000.00
Roger Peacock	403 Davisville Ave Toronto ON M4S 1H4		13,500.00
Rovatec	4 Bayfield Court Caledon ON L7C 1C7		2,745.00
Russell Designated Aviation Rep / 2052065 Ontario Inc.	976 Essa Cres Pickering ON L1W 2J1		6,000.00
Scaleyourbiz.com c/o Bilal Asad / 2570211 Ontario Inc.	105 Trammel Drive Woodbridge ON L4H 0W3	USD to CAD	3,465.00
Sunaik Corp.	-- -- --		17,000.00
TD Canada Trust Visa CC&R Insolvency and Credit Counselling	4720 Tahoe Blvd, 3rd Flr, Bldg 1 Mississauga ON L4W 5P2	Visa	5,000.00
TD Canada Trust CC&R Insolvency and Credit Counselling	4720 Tahoe Blvd, 3rd Flr, Bldg 1 Mississauga ON L4W 5P2	Overdraft	50,000.00
Transport Canada	4900 Yonge Street, Unit 400 North York ON M2N 6A5		4,100.00
Versatile Spray Paint	102 Healey Rd Caledon ON L7E 5A7		452.00
Viraf S Kapadia	4117 Mississauga Road Mississauga ON L5L 2S5		2,319,894.00
W.Ralston (Canada) Inc.	135 East Drive Brampton ON L6T 1B5	Landlord	9,700.00
Wifi Computers Canada	105 Father Tobin Rd, Unit 3 Brampton ON L6R 0W9		2,610.00

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Star Navigation Systems Group Ltd.
of the City of Brampton, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Workplace Safety and Insurance Board c/o Collection Services	200 Front St W Toronto ON M5V 3J1	A	6,000.00
Workplace Safety and Insurance Board c/o Collection Services	200 Front St W Toronto ON M5V 3J1	B	792.00
Total			3,450,064.85



Per Star Navigation Systems Group Ltd.
Insolvent Person

This is **Exhibit "C"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.

A handwritten signature in black ink, appearing to be 'Asim Iqbal', written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Asim Iqbal



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF
STAR NAVIGATION SYSTEMS GROUP LTD. (the Issuer)

CEASE TRADE ORDER
Under the securities legislation of Ontario (Legislation)

Background

1. This is the order of the Ontario Securities Commission (the **Decision Maker**).
2. The Issuer has not filed the following periodic disclosure required by the Legislation:
 - audited annual financial statements for the year ended June 30, 2019;
 - management's discussion and analysis relating to the audited annual financial statements for the year ended June 30, 2019; and
 - certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.
3. As a result of this order, if the Issuer is a reporting issuer in a jurisdiction in which Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* applies, a person or company must not trade in or purchase a security of the issuer in that jurisdiction, except in accordance with the conditions that are contained in this order, if any, for so long as this order remains in effect.
4. Further, this order takes automatic effect in each jurisdiction of Canada that has a statutory reciprocal order provision, subject to the terms of the local securities legislation.

Interpretation

Terms defined in the Legislation, National Instrument 14-101 *Definitions* or National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Order

5. The Decision Maker is satisfied that the decision concerning the cease trade meets the test set out in the Legislation to make this decision.
6. It is ordered under the Legislation that trading and acquiring, whether direct or indirect, cease in respect of each security of the Issuer.

7. Despite this order a beneficial security holder of the Issuer who is not, and was not at the date of this order, an insider or control person of the Issuer, may sell securities of the Issuer acquired before the date of this order if both of the following apply:
- (a) the sale is made through a “foreign organized regulated market”, as defined in section 1.1 of the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; and
 - (b) the sale is made through an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation.

DATED at Toronto this 1st day of November, 2019.

Ontario Securities Commission

“Michael Balter”

Michael Balter
Manager
Corporate Finance Branch

This is **Exhibit "D"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

HOW TO CAST YOUR VOTE IN SUPPORT OF THE CONCERNED SHAREHOLDERS

SAVE STAR NAVIGATION BY VOTING YOUR BLUE PROXY

You are urged to seize this opportunity for change at Star Navigation Systems Group Ltd. by completing, signing and returning the enclosed **BLUE** proxy (if you are a registered shareholder) or by voting online or by mail (if you are a non-registered shareholder).

In order to ensure that your proxy is received in time for Star Navigation Systems Group Ltd.'s special meeting to be held on December 11, 2019, we recommend that you vote in the following ways as soon as possible.

PROXIES MUST BE RECEIVED NO LATER THAN December 9, 2019 at 8:00 A.M. (TORONTO TIME) OR, IF THE MEETING IS ADJOURNED OR POSTPONED, BY THE TIME TO WHICH THE MEETING IS SO POSTPONED OR ADJOURNED. PLEASE ENSURE THAT YOU SIGN AND DATE YOUR PROXY.

REGISTERED SHAREHOLDERS

If you are a registered shareholder (your share certificate is registered in your name):

- **MAIL:** complete, date, sign and return your **BLUE** proxy in the enclosed return envelope to Odyssey Trust Company, Attn: Proxy Dept, 25 Adelaide St. E, Suite 1717, Toronto, Ontario, Canada M5C 3A1; or
- **INTERNET:** visit <http://odysseytrust.com/transfer-agent/login>, click VOTE and enter your 12 digit control number located on the enclosed **BLUE** voting instruction form.

NON-REGISTERED SHAREHOLDERS

If you are a non-registered shareholder (your shares are held by a bank, broker or other intermediary), vote by following the instructions located on the voting instruction form provided by your bank or broker.

**CONCERNED SHAREHOLDERS
PROXY CIRCULAR**

TO BE USED IN CONNECTION WITH THE SPECIAL MEETING OF HOLDERS OF
COMMON SHARES OF

STAR NAVIGATION SYSTEMS GROUP LTD.

TO BE HELD ON DECEMBER 11, 2019
FOR THE SOLICITATION OF PROXIES
BY AND ON BEHALF OF:

JASVINDER KAUR
GURDEEP K NARULA
SUGAR VALLEY ESTATE LTD
GURDIP PANAICH
GURSHARN SINGH SIDHU
ALI JOMAA
HARVEY BEISHUIZEN
KARL REICHERT
BRIAN J PULIS
GURMAN DEEP SINGH BRAR
SUKHJINDER SINGH PUREWAL
SURJIT SINGH BRAR
BARNEY LASSCHE
RANDY CHILDS
URVASHI YADAV
NATLEY UPPAL

(the “**Concerned Shareholders**”)

November 12, 2019

THE CONCERNED SHAREHOLDERS URGE YOU TO DISREGARD ANY PROXY SENT TO YOU BY STAR NAVIGATION SYSTEMS GROUP LTD.'S MANAGEMENT SHOULD THEY CHOOSE TO SEND ONE.

THE CONCERNED SHAREHOLDERS RECOMMEND SHAREHOLDERS VOTE IN FAVOUR OF:

VOTE FOR THE ELECTION OF THE CONCERNED SHAREHOLDERS' NOMINEES TO THE BOARD OF DIRECTORS OF STAR NAVIGATION SYSTEMS GROUP LTD. (SUCH NOMINEES BEING PETER M. CLAUSI, BRIAN CRAWFORD, J. BIRKS BOVAIRD, ZACHARY GOLDENBERG, DR. STEPHEN COUTTS, ALI JOMAA, RANDY HOBACK)

VOTE FOR AUTHORIZING THE BOARD OF DIRECTORS OF STAR NAVIGATION SYSTEMS GROUP LTD. TO INVESTIGATE AT ITS DISCRETION ANY AND ALL RELATED PARTY TRANSACTIONS

IN ORDER TO BE VOTED AT THE MEETING, YOUR BLUE PROXY MUST BE RECEIVED BY ODYSSEY TRUST COMPANY AT OR PRIOR TO 8:00 A.M. (TORONTO TIME) ON DECEMBER 9, 2019 OR, IF THE MEETING IS POSTPONED OR ADJOURNED, BY THE TIME TO WHICH THE MEETING IS SO POSTPONED OR ADJOURNED

Please follow the instructions set forth under the heading "General Proxy Information" in this circular with respect to depositing a proxy. You may support the Concerned Shareholders Nominees (as defined herein) even if you have previously deposited a proxy in support of management.

These securityholder materials are being sent to both registered and non-registered owners of securities. If you are a non-registered owner, and have had these materials sent directly to you, your name and address and information about your holdings of securities have been obtained in accordance with the applicable securities regulatory requirements from the intermediary holding on your behalf.

Dear Fellow Shareholders:

In the pages that follow you will find a notice of meeting and a circular for the special meeting of shareholders of Star Navigation Systems Group Ltd. (“**SNS**” or “**the Corporation**”) which will be held at 8:00 am (Toronto time) on December 11, 2019 at Chandni Convention Centre, 5 Gateway Blvd., Brampton, Ontario, Canada. The meeting has been called, pursuant to section 105(4) of the *Ontario Business Corporations Act* (the “**OBCA**”), so SNS shareholders can have the opportunity to vote to reconstitute the board of directors of SNS by replacing each of Viraf Kapadia, Ibrahim Al Hamer and Gus Nariman as directors (“**Directors to be Removed**”), with the following independent nominees: J. Birks Bovaird, Brian Crawford, Peter M. Clausi, Dr. Stephen Coutts, Zachary Goldenberg, Randy Hoback and Ali Jomaa.

This letter explains why the Concerned Shareholders were forced to call the meeting and why it is important that shareholders vote to replace the Directors to be Removed with seven (7) highly qualified nominees.

Reasons for Reconstitution of Board

The Concerned Shareholders have the following concerns in respect of the Directors to be Removed including:

- The Concerned Shareholders lost faith in the performance and leadership skills of Viraf Kapadia, the Chair and CEO, and from the ongoing erosion in the Company’s share price it is obvious the market has lost faith as well. On March 23, 2019 some of the Concerned Shareholders wrote the Board and asked Viraf Kapadia to resign.
- The Concerned Shareholders received no response from the Board.
- The Concerned Shareholders became concerned when two directors, David H. Tsubouchi and Mary Meffe, resigned abruptly on April 30, 2019 and May 1, 2019 respectively. The Concerned Shareholders have no faith in the Directors to be Removed.
- The financial statements and Management Discussion and Analysis of SNS disclose many red flags concerning related party transactions of Viraf Kapadia and the Directors to be Removed, which transactions demand independent investigation.

For these reasons and others it is critical to requisition a meeting of shareholders to elect a new team of independent directors. The Corporation cannot be successful with the Directors to be Removed in charge of the Corporation. The future Board will determine how best to proceed in the best interests of all shareholders.

Reasons why Concerned Shareholders were forced to call the meeting

In order to spare the Corporation the unnecessary expense of a shareholder meeting, on March 23, 2019, some of the Concerned Shareholders wrote the Board and asked Viraf Kapadia to immediately resign and requested that if Mr. Kapadia did not resign that the Board call a special meeting. A majority of the Board refused to call the meeting.

A subsequent letter was sent to the Board on June 25, 2019 by the Concerned Shareholders advising that they were concerned with the performance and leadership of the present management of the Corporation and again requesting that a meeting of shareholders be called to elect new directors. The Concerned Shareholders received no response from the Board and therefore proceeded to post notice of a meeting and record date on July 19, 2019 on SEDAR calling a special meeting to be held on September 18, 2019. The Board contested the validity of the notice and the Concerned Shareholders subsequently issued a notice on SEDAR on September 4, 2019 cancelling the September 18, 2019 meeting.

A subsequent letter was sent to the Board on September 16, 2019 by the Concerned Shareholders again advising of their concern with the performance and leadership of the present management of the Corporation and again

requesting that a meeting of shareholders be called to elect new directors. The Board has indicated that they have no intention of calling a meeting of shareholders.

The Concerned Shareholders are concerned about the activities of Viraf Kapadia and the Directors to be Removed on related party transactions in respect of the Company.

The Board had a duty to call the meeting, and it acted contrary to the OBCA in failing to do so. As a result, the Concerned Shareholders were compelled under section 105(4) of the OBCA to call the shareholders' meeting.

We urge all shareholders to vote in favour of the election of the following independent nominees: J. Birks Bovaird, Brian Crawford, Peter M. Clausi, Dr. Stephen Coutts, Zachary Goldenberg, Randy Hoback and Ali Jomaa. Please act now to protect your investment in the Corporation and enhance the value of the Corporation.

Contact Details:

Barney Lassche
Email: intelswot@gmail.com
Phone: 647-779-4247

STAR NAVIGATION SYSTEMS GROUP LTD.

NOTICE OF SPECIAL MEETING

AND

DISSIDENT INFORMATION CIRCULAR

**WITH RESPECT TO THE
SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON
December 11, 2019**

NOVEMBER 12, 2019

STAR NAVIGATION SYSTEMS GROUP LTD.**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN THAT a special meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of Star Navigation Systems Group Ltd. (“**SNS**” or the “**Corporation**”) has been called by Jasvinder Kaur, Gurdeep K Narula, Sugar Valley Estate Ltd., Gurdip Panaich, Gursharn Singh Sidhu, Ali Jomaa, Harvey Beishuizen, Karl Reichert, Brian J Pulis, Gurman Deep Singh Brar, Sukhjinder Singh Purewal, Surjit Singh Brar, Barney Lassche, Randy Childs, Urvashi Yadav and Natley Uppal (the “**Concerned Shareholders**”) pursuant to Section 105(4) of the *Business Corporations Act* (Ontario). The meeting is scheduled to be held at Chandni Convention Centre, 5 Gateway Blvd., Brampton, Ontario, Canada at 8:00 a.m. (Toronto time) on December 11, 2019 for the following purposes:

1. to elect J. Birks Bovaird, Brian Crawford, Peter M. Clausi, Dr. Stephen Coutts, Zachary Goldenberg, Randy Hoback and Ali Jomaa as directors of the Company;
2. to approve and authorize the board of directors of the Corporation to investigate at its discretion any and all related party transactions in respect of the Corporation; and
3. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying proxy circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice. Also accompanying this notice is a form of Proxy. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only shareholders of record at the close of business on November 4, 2019, will be entitled to receive notice of and vote at the Meeting. If you are unable to attend the Meeting in person, please complete, sign and date the enclosed Blue Proxy and return the same in the manner, within the time and to the location set out in the Blue Proxy accompanying this notice.

DATED at Toronto, Ontario this 12th day of November, 2019.

Registered shareholders unable to attend the Meeting are requested to date, sign and return their form of Blue Proxy. If you are a non-registered shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

“Barney Lassche”

On behalf of the Concerned Shareholders

PROXY CIRCULAR

This dissident shareholder's information circular (this "**Circular**"), dated November 12, 2019, and the accompanying **BLUE** form of proxy are provided to you in connection with the solicitation of proxies by and on behalf of Jasvinder Kaur, Gurdeep K Narula, Sugar Valley Estate Ltd., Gurdip Panaich, Gursharn Singh Sidhu, Ali Jomaa, Harvey Beishuizen, Karl Reichert, Brian J Pulis, Gurman Deep Singh Brar, Sukhjinder Singh Purewal, Surjit Singh Brar, Barney Lassche, Randy Childs, Urvashi Yadav and Natley Uppal (the "**Concerned Shareholders**"), to be used at the special meeting of holders of common shares (the "**Common Shares**") of Star Navigation Systems Group Ltd. ("**SNS**" or the "**Corporation**"), scheduled to be held at 8:00 a.m. (Eastern time) on December 11, 2019, at Chandni Convention Centre, 5 Gateway Blvd., Brampton, Ontario, Canada and at any and all adjournments or postponements thereof (the "**Meeting**").

This solicitation of proxies is made by the Concerned Shareholders. This solicitation of proxies is NOT made by or on behalf of management of SNS.

If you support the Concerned Shareholders, only use the **BLUE** form of proxy enclosed with this Circular.

The Concerned Shareholders are soliciting proxies in support of the election of the following nominees as directors of SNS: J. Birks Bovaird, Brian Crawford, Peter M. Clausi, Dr. Stephen Coutts, Zachary Goldenberg, Randy Hoback and Ali Jomaa (each, a "**Concerned Shareholders Nominee**" and collectively, the "**Concerned Shareholders Nominees**").

Your vote is very important to the future of your investment in SNS. If, after reading this Circular, you agree that changes to the current Board are necessary and that the Concerned Shareholders Nominees will better serve your interests as shareholders of SNS, please sign, date and deposit the enclosed BLUE form of proxy. Please follow the instructions under the heading "General Proxy Information" in this Circular with respect to depositing a proxy. The BLUE form of proxy automatically revokes any earlier proxy. The Concerned Shareholders urges you to disregard any proxy sent to you by SNS's management should they choose to send one.

Unless otherwise noted, the information concerning SNS contained in this Circular has been taken from, or is based upon, publicly available documents or records on file with Canadian securities regulatory authorities and other public sources. Although the Concerned Shareholders have no knowledge that would indicate that any statement contained therein is untrue or incomplete, the Concerned Shareholders do not assume responsibility for the accuracy or completeness of such information or for any failure by SNS to disclose material information which may affect the significance or accuracy of such information. Information concerning SNS is available for review on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

Based upon publicly available information, the Corporation's mailing address and head office is 300 – 2970 Lakeshore Blvd. West, Toronto, Ontario, Canada, M8V 1J7.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Circular constitute forward-looking statements. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions as they relate to the Concerned Shareholders, the Corporation or its future management, are intended to identify forward-looking statements. Such statements reflect the current views of the Concerned Shareholders with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements that may be expressed or implied by such forward-looking statements to vary from those described herein should one or more of these risks or uncertainties materialize. Such factors include, but are not limited to, economic, business, technological, competitive and regulatory factors.

BACKGROUND AND REASONS FOR THIS SOLICITATION

Purpose of the Solicitation

The Concerned Shareholders are soliciting proxies to: (i) elect the Concerned Shareholders Nominees as directors of SNS at the Meeting, as described under “Particulars of Matters to be Acted Upon, and (ii) authorize the board at its discretion to investigate any and all related party transactions involving SNS. In the letter to shareholders set out above, the Concerned Shareholders outline the principal reasons why they believe that new Board leadership is urgently needed at SNS, and why it is in the best interests of SNS and all of its shareholders to replace the Directors to be Removed with the Concerned Shareholders Nominees.

The Concerned Shareholders

The Concerned Shareholders are Jasvinder Kaur, Gurdeep K Narula, Sugar Valley Estate Ltd., Gurdip Panaich, Gursharn Singh Sidhu, Ali Jomaa, Harvey Beishuizen, Karl Reichert, Brian J Pulis, Gurman Deep Singh Brar, Sukhjinder Singh Purewal, Surjit Singh Brar, Barney Lassche, Randy Childs, Urvashi Yadav and Natley Uppal. The Concerned Shareholders collectively hold 29,461,294 Common Shares, which represents approximately 5.7% of the number of SNS Common Shares issues and outstanding.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of the Concerned Shareholders Nominees

At the Meeting, shareholders will be asked to elect as a director of the Corporation, in each case to hold office until the next annual meeting of the shareholders of the Corporation or until their successors are elected or appointed, each of the Concerned Shareholders Nominees, namely J. Birks Bovaird, Brian Crawford, Peter M. Clausi, Dr. Stephen Coutts, Zachary Goldenberg, Randy Hoback and Ali Jomaa.

The Concerned Shareholders recommend that the shareholders of the Corporation vote **FOR** the election of the Concerned Shareholders Nominees. Unless the shareholder directs that his or her shares are to be withheld from voting in connection with the election of a Concerned Shareholders Nominee, the individuals **named in the enclosed BLUE Proxy will vote FOR the election of each such Concerned Shareholders Nominee.**

Each of these nominees, if elected, will hold office until the close of the next annual meeting of shareholders of the Corporation or until his or her successor is elected or appointed, unless his office is earlier vacated. If elected, the Concerned Shareholders Nominees intend to discharge their duties as directors of the Corporation consistent with all applicable legal requirements, including fiduciary obligations imposed on all corporate directors.

The following table contains certain information concerning the Concerned Shareholders Nominees, including their location of residence, their principal occupation or employment during the last five years and the number of Common Shares and any other securities of the Corporation beneficially owned by each, directly or indirectly, or over which they exercise control or direction, if any. Unless otherwise noted, the current occupation of each of the Concerned Shareholders Nominees has been their occupation for the past five years.

Name, Province or State and Country of Residence	Present Principal Occupation, Business or Employment and Principal Occupation, Business or Employment During the Preceding Five Years	Number of Common Shares Beneficially Owned or Controlled or Directed (Directly or Indirectly) ⁽¹⁾
J. Birks Bovaird Ontario, Canada	Chair of the Board, Energy Fuels Inc. Chairman, GTA Financecorp Inc. Director and Chair of Audit Committee, Noble Mineral Exploration Inc. Director and Member of Audit Committee, Interactive Capital Partners Corporation Chair of the Board, Buccaneer Gold Corp.	Nil
Brian Crawford Ontario, Canada	President, Brant Capital Partners Inc. Director and Chief Financial Officer, Tempus Capital Inc. (CSE) Director and CFO, CBLT Inc. (TSX-V) Director and CFO, GTA Financecorp Inc. Director and CFO, Colibri Resource Corporation (TSX-V) Director and CFO, Interactive Capital Partners Corporation Director and CFO, Falcon Gold Corp. (TSX-V) Director and CFO, Searchlight Resources Inc. (TSX-V)	Nil
Peter M. Clausi Ontario, Canada	President, Maplegrow Capital Inc. CEO and Director, CBLT Inc. (TSX-V) CEO and Director, GTA Financecorp Inc. Director, Camrova Resources Inc. (TSX-V) Director, Buccaneer Gold Corp. (TSXV) Director, Interactive Capital Partners Corporation Director, Searchlight Resources (TSXV)	Nil
Dr. Stephen Coutts Ontario, Canada	Dr. S. Coutts Medical Professional Corporation; practiced emergency medicine in the United States of America and Ontario Lecturer and consultant for major pharmaceutical companies on chronic musculoskeletal pain and cannabinoid therapies	Nil
Zachary Goldenberg Ontario, Canada	Principal of Liberty Venture Partners, a Toronto-based investment and advisory firm. Lawyer, private practise in Toronto and Vancouver	Nil
Randy Hoback Saskatchewan, Canada	Member of Parliament since 2008	Nil
Ali Jomaa Ontario, Canada	Senior Partner of GBB Consulting, a London, Ontario based international business consulting firm Professor, Fanshawe College's School of International Business	Nil

Notes

- (1) The information concerning the Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Concerned Shareholders, has been furnished by the respective Concerned Shareholders Nominees.

None of the Concerned Shareholders Nominees has been or is currently a director of the Corporation nor held any other position or office with the Corporation or any of its affiliates. All of the Concerned Shareholders Nominees are Canadian residents.

Each of the Concerned Shareholders Nominees has consented to being named as a nominee in this Circular. The Concerned Shareholders do not expect that any of the Concerned Shareholders Nominees will be unable to stand for election to the board of directors of the Corporation or to serve as a director if elected. In the event that a vacancy in the above slate of directors of the Concerned Shareholders should occur unexpectedly, the Concerned Shareholders may appoint a substitute nominee selected by the Concerned Shareholders. The representatives named in the enclosed Blue Proxy intend to cast the votes represented by such proxy for such substitute nominee at their discretion unless you have specified in your proxy that your shares are to be withheld from voting on the election of directors of the Corporation.

None of the Concerned Shareholders Nominees are involved in the solicitation of proxies for the Meeting (other than by virtue of their agreement to stand for election to the Board) and none are engaged in organizing, directing or financing the Concerned Shareholders' dissident shareholder activities, save and except for Peter M. Clausi who is providing advice based upon his experience as a lawyer and shareholder activist. Except as disclosed herein, there are no contracts, arrangements or understandings between any of the Concerned Shareholders Nominees and any other person pursuant to which the Concerned Shareholders Nominees are to be elected.

The Concerned Shareholders believe that, if elected, each of the Concerned Shareholders Nominees will be "independent" directors within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") being, among other things, a person other than an officer or employee of SNS or any other individual having a business or other relationship which, in the opinion of the Board, would (or could reasonably be perceived to) interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The members and chairs of each of the Audit Committee and Corporate Governance and Compensation Committee of SNS will be appointed by the board of directors of SNS including the Concerned Shareholders Nominees, once elected.

To the knowledge of the Concerned Shareholders, none of the Concerned Shareholders Nominees or any of their respective associates or affiliates, is or has been indebted to the Corporation or any of its subsidiaries at any time since the beginning of the Corporation's most recently completed financial year or which have indebtedness to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding by the Corporation or any of its subsidiaries.

To the knowledge of the Concerned Shareholders, none of the Concerned Shareholders Nominees, nor any of their respective associates or affiliates, has any contract, arrangement or understanding with any person with respect to future employment by the Corporation or any of its affiliates, or future transactions to which the Corporation or any of its affiliates will or may be a party.

To the knowledge of the Concerned Shareholders, there is no contract, arrangement or understanding between the Corporation and the Concerned Shareholders Nominees (other than their agreement to stand for election to the board of the Corporation).

Concerned Shareholders Nominees Profiles

Further background information with respect to the Concerned Shareholders Nominees is set forth below:

J. Birks Bovaird, ICD.D., age 72

For a majority of his career, Mr. Bovaird's focus has been the provision and implementation of corporate financial consulting and strategic planning services. He is the Chairman of Energy Fuels Inc., the largest producer of uranium in the United States. He was previously the Vice-President of Corporate Finance for one of Canada's major accounting firms. He is Chairman of GTA Financecorp Inc., a reporting issuer in good standing, currently not listed, as well as a member of the audit and compensation committees. He is an independent director of Noble Mineral

Exploration Inc. where he is a member of the audit committee and chair of the compensation committee. He also serves as an independent director and member of the audit committee of Interactive Capital Partners Corporation which is a reporting issuer whose common shares are not currently trading. Additionally, he acts as Chair of the Board of Buccaneer Gold Corp., a reporting issuer in good standing, not listed. Mr. Bovaird has previously been involved with numerous public resource companies, both as a member of management and as a director. He is a graduate of the Canadian Director Education Program and holds an ICD.D designation.

Brian Crawford, age 72

Mr. Crawford, a chartered professional accountant, is currently president of a private corporate finance company, and has many years' experience as a financial officer of private and public corporations as well as being a former partner of a national firm of chartered professional accountants. Brian is currently chief financial officer and a director of other reporting issuers, including Tempus Capital Inc., CBLT Inc., Colibri Resource Corporation, GTA Financecorp Inc., Falcon Gold Corp., Interactive Capital Partners Corporation and Searchlight Resources Inc.

Peter M. Clausi, age 55

Mr. Clausi is an Ontario lawyer, investment banker, public speaker and shareholder activist. Among other roles he is the President and CEO of CBLT Inc., GTA Financecorp Inc. and Interactive Capital Partners Inc. He is an independent director of Camrova Resources Ltd., Buccaneer Gold Corp. and Searchlight Resources Inc.

Dr. Stephen Coutts, age 55

Dr. Coutts received his medical degree from the University of Western Ontario, following which he completed his post graduate training in Victoria, BC. Dr. Coutts practiced Emergency Medicine in the United States for several years before returning to Northern Ontario. Dr. Coutts has extensive experience in pain management and addiction medicine. He acts as a lecturer and consultant for major pharmaceutical companies on chronic musculoskeletal pain and cannabinoid therapies. Dr. Coutts was a former registrant with an IIROC member firm for four years.

Zachary Goldenberg, age 30

Mr. Goldenberg is a lawyer by background with significant experience in both the private and public markets as an operator, investor and advisor. Mr. Goldenberg is a principal of Liberty Venture Partners, a Toronto-based investment and advisory firm which focuses on venture investments and providing corporate strategy and transaction advisory services. Prior to founding Liberty Ventures, Mr. Goldenberg practised corporate and securities law in Toronto and Vancouver, Canada. Mr. Goldenberg is a graduate of the combined JD / HBA from Western Law and Ivey School of Business and is a member of the Law Society of Ontario.

Randy Hoback, age 51

Mr. Hoback is a member of Canadian Parliament representing the federal riding of Prince Albert, Saskatchewan. First elected in 2008, he was re-elected in 2011 and 2015. He is a past director and past member of the advisory board of Getchell Gold Corp.

Ali Jomaa, age 53

Mr. Jomaa is a senior partner with GBB Consulting, an international business consulting firm.

Other Boards of Reporting Issuers

As at the date hereof, the following Concerned Shareholders Nominees are directors of reporting issuers as set out below:

Concerned Shareholders Nominees	Current Directorships
J. Birks Bovaird	Chairman of GTA Financecorp Inc. Independent Director and Chair of Audit Committee of Noble Mineral Exploration Inc. Independent Director and Member of Audit Committee of Interactive Capital Partners Corporation Chairman of the Board of Buccaneer Gold Corp.
Brian Crawford	Director and Chief Financial Officer of Tempus Capital Inc. (CSE) Director and CFO, CBLT Inc. (TSX-V) Director and CFO, GTA Financecorp Inc. Director and CFO, Interactive Capital Partners Corporation Director and CFO, Colibri Resource Corporation (TSX-V) Director and CFO, Falcon Gold Corp. (TSX-V) Director and CFO, Searchlight Resources Inc.
Peter M. Clausi	Director, President and Chief Executive Officer of CBLT Inc. (TSX-V) Director, President and Chief Executive Officer, GTA Financecorp Inc. (TSX-V) Director and Audit Committee, Camrova Resources Inc. (TSX-V) Director and Chair of Special Committee, Buccaneer Gold Corp. (TSX-V) Director and CEO, Interactive Capital Partners Corporation Director and Audit Committee, Searchlight Resources (TSXV)

Cease Trade Orders and Bankruptcies

Peter M. Clausi, Brian Crawford and J. Birks Bovaird each became a director and officer of Interactive Capital Partners Corporation on July 3, 2014 when such Corporation was already the subject of a cease trade order issued more than two years prior on May 8, May 9, and May 17, 2012 by the Ontario, British Columbia, and Alberta Securities Commissions respectively as a result of its failure to meet its timely disclosure filing obligations. Messrs. Clausi, Crawford and Bovaird were instrumental in bringing the company's filing obligations current, resulting in the cease trade orders being revoked by the Ontario and British Columbia Securities Commissions on April 4, 2016 and by the Alberta Securities Commission on April 6, 2016.

On October 4, 2019, CBLT Inc. became subject to a cease trade order from the Ontario Securities Commission as a result of its failure to meet its annual timely disclosure filing obligations. Mr. Clausi and Mr. Crawford were directors and officers at such date and continue to hold such positions. The cease trade order resulted from a contemplated larger corporate reorganization of CBLT Inc. and process is underway to have the cease trade order revoked.

Penalties and Sanctions

To the knowledge of the Concerned Shareholders, as of the date of this Circular, no Concerned Shareholders Nominee has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a Concerned Shareholders Nominee.

Other Business of the Meeting

As at the date hereof, the Concerned Shareholders know of no amendments, variations or other matters to be presented for action at the Meeting. If, however, any amendments, variations or other matters properly come before the Meeting, the persons named as proxyholder in the **BLUE** form of proxy will vote on such matters in accordance with his or her best judgment on the matter.

VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS

For purposes of the Meeting, the Concerned Shareholders established November 4, 2019 (the “**Record Date**”) as the record date for determining shareholders entitled to notice of the Meeting and to vote at the Meeting.

To the knowledge of the Concerned Shareholders, based on publicly available information: (i) the authorized capital of the Corporation consists of an unlimited number of Common Shares and as of the Record Date there were 519,476,538 Common Shares issued and outstanding; and (ii) each Common Share carries one vote per share.

To the knowledge of the Concerned Shareholders, based on publicly available information, no person beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding shares of SNS.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Concerned Shareholders, none of them, the Concerned Shareholders Nominees, nor any of their respective associates or affiliates, has, or has had, any material interest, direct or indirect, in any transaction or proposed transaction since the beginning of the Corporation’s most recently completed financial year which has materially affected or would materially affect the Corporation or any of its subsidiaries or affiliates, other than as publicly disclosed by the Corporation in its management information circular and proxy statement dated as of November 7, 2018.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

To the knowledge of the Concerned Shareholders, none of them, the Concerned Shareholders Nominees, nor any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter disclosed to date to be acted upon at the Meeting other than the election of directors.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished by the Concerned Shareholders in connection with the solicitation of proxies for use at the Meeting and at any adjournment or postponement thereof. Proxies may be solicited by mail, telephone, fax or other electronic means and in person, as well as by newspaper or other media advertising.

The costs incurred in the preparation and mailing of this proxy circular and the solicitation will initially be borne directly by the Concerned Shareholders. However, the Concerned Shareholders intend to seek reimbursement from the Corporation of the Concerned Shareholders out-of-pocket expenses, including any proxy solicitation expenses and legal fees, incurred in connection with the Meeting. The Concerned Shareholders may also reimburse brokers and other persons holding Common Shares in their name or in the name of nominees for their costs incurred in sending proxy materials to their principals in order to obtain their proxies.

No person is authorized to give information or to make any representations other than those contained in this Circular and, if given or made, such information or representations must not be relied upon as having been authorized by the Concerned Shareholders to be given or made.

Appointment of Proxies

The persons named as proxyholders in the enclosed **BLUE** form of proxy are Barney Lassche and, failing him, J. Birks Bovaird. **A shareholder of the Corporation has the right to appoint a person, who need not be a shareholder of SNS, other than the persons named in the BLUE form of proxy accompanying this Circular, as proxyholder to attend and act for and on behalf of such shareholder at the Meeting and may exercise such right by striking out the names of the persons named in the BLUE form of proxy and inserting the name of the person to be appointed as proxyholder in the blank space provided on the BLUE form of proxy or by completing another proper form of proxy.**

Shareholders should carefully complete and sign their proxies in accordance with the instructions contained in this Circular and on the **BLUE** proxy in order to ensure that their proxies can be used at the Meeting. Completed and executed proxies should be returned in accordance with the instructions on the form of proxy.

Registered Shareholders

If you are a registered shareholder of SNS (meaning your Common Shares are held by you directly and not by your broker or other intermediary), you should follow the procedures set out in the enclosed **BLUE** form of proxy and as set out below.

In order to vote FOR:

- A. the election of the Concerned Shareholders Nominees put forth in this Circular, you should complete the **BLUE** form of proxy enclosed by marking “**FOR**” with respect to the election of each of the Concerned Shareholders Nominees as outlined on the **BLUE** form of proxy;
- B. the resolution authorizing the board of directors of the Corporation to investigate at its discretion any and all related party transactions, you should complete the **BLUE** form of proxy enclosed by marking “**FOR**” with respect to the resolution

and sign and date the **BLUE** form of proxy and mail it back to the address indicated on the **BLUE** form of proxy. In order to ensure timely receipt before the deadline, the Concerned Shareholders recommend that all registered shareholders who wish to vote **FOR** the Concerned Shareholders Nominees vote via the internet as set out in the enclosed **BLUE** proxy.

Revocation of Proxies

A registered shareholder of the Corporation who has given a proxy may, in accordance with Section 110(4) of the *Business Corporations Act* (Ontario), also revoke the proxy at any time prior to use (i) by depositing an instrument in writing revoking the proxy, executed by such registered shareholder or by his, her or its attorney authorized in writing, either: (x) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or (y) with the chair of the Meeting on the day of the Meeting or any adjournment thereof; or (ii) in any other manner permitted by law.

IN ORDER TO BE VOTED AT THE MEETING, YOUR PROXY MUST BE RETURNED TO ODYSSEY TRUST COMPANY PRIOR TO 8:00 A.M. (TORONTO TIME) ON DECEMBER 9, 2019 OR, IF THE MEETING IS ADJOURNED OR POSTPONED, BY THE TIME TO WHICH THE MEETING IS SO POSTPONED OR ADJOURNED.

Exercise of Discretion

The Common Shares represented by the enclosed **BLUE** form of proxy will be voted for, against or withheld from voting, as applicable, in accordance with the instructions of the shareholder on any ballot that may be called for at the Meeting or any adjournment(s) or postponement(s) thereof, and where you specify a choice with respect to any matter to be acted upon, the Common Shares will be voted in accordance with your specification so made.

In the absence of such specification, Common Shares represented by the enclosed BLUE form of proxy will be voted FOR the election of each of the Concerned Shareholders Nominees and FOR the resolution authorizing the board of directors of the Corporation to investigate at its discretion any and all related party transactions. The enclosed form of proxy confers the persons appointed under the proxy with discretionary authority (which they will exercise in accordance with their best judgment) with respect to any variation or amendments to those matters specified in the proxy and with respect to any other matters which may properly be brought before the Meeting or any adjournment(s) or postponement(s) thereof. The Concerned Shareholders are not currently aware of any such amendment, variation or other matter.

Non-Registered Shareholders

The information in this section only applies to shareholders who hold their Common Shares through a broker or other Intermediary (as defined below).

Only registered shareholders of SNS or the persons they appoint as their proxyholders are permitted to attend and vote at the Meeting. In many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a depository, such as CDS Clearing and Depository Services Inc. in Canada and The Depository Trust Company in the United States.

The Concerned Shareholders have distributed copies of this Circular and form of proxy to the depositories and Intermediaries for distribution to the Non-Registered Holders. Intermediaries are required to forward all meeting materials to Non-Registered Holders. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. Generally, Non-Registered Holders will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the BLUE form of proxy and submit it to Odyssey Trust Company. A Non-Registered Holder should contact his, her or its broker for assistance in ensuring that the enclosed BLUE form of proxy is appropriately completed and properly voted in accordance with the instruction of the Non-Registered Holder; or
- (b) more typically, Non-Registered Holders will receive a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions. Non-Registered Holders should follow the instruction provided in the voting instructions form, using one of the described voting methods provided, to vote their shares.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. **Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or to have another person appointed as proxyholder to attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the BLUE form of proxy and insert the Non-Registered Holder’s or such other person’s name in the blank space provided.** In any case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy (or any proxy authorization form) is to be delivered.

A Non-Registered Holder wishing to vote **FOR** the election of the Concerned Shareholders Nominees and for the resolution authorizing the board of directors of the Corporation to investigate at its discretion any and all related party transactions should contact his, her or its broker for assistance in ensuring that the enclosed BLUE form of proxy is appropriately completed by the necessary person at their Intermediary and that the shares held are properly voted in accordance with the instructions of the Non-Registered Holder.

A Non-Registered Holder may revoke a form of proxy or voting instruction form given to an Intermediary or Broadridge at any time by written notice to the Intermediary in accordance with the instructions given to the Non-Registered Holder by its Intermediary. A Non-Registered Holder should contact his, her or its broker for assistance in ensuring that forms or proxies or voting instructions previously given to an Intermediary or Broadridge are properly revoked.

Delivery of Proxy-Related Materials to Objecting Beneficial Holders

The Concerned Shareholders do not intend to pay for intermediaries to deliver proxy-related materials and Form 54-101F7 – Request for Voting Instructions to “objecting beneficial owners”.

ADDITIONAL INFORMATION

Except as otherwise provided herein and as is disclosed in the public record by the Corporation, information regarding executive compensation, management contracts, securities authorized for issuance under equity compensation plans and indebtedness of directors and executive officers of the Corporation is not known to the Concerned Shareholders and are not reasonably within the power of the Concerned Shareholders to obtain. The Concerned Shareholders requested the information from the Corporation, through its counsel, but the request was ignored. As a result, as allowed by applicable securities laws, this information is not included in this Circular.

APPROVAL

Information contained in this Circular, unless otherwise indicated, is given as of the date hereof. The contents of this Circular have been approved by the Concerned Shareholders. In addition, the sending of this Circular has been approved by the Concerned Shareholders and a copy of the Circular has been sent to SNS, each director of SNS, each shareholder entitled to notice of the Meeting and the auditor of SNS. This Circular complies with the regulations made under the *Business Corporations Act* (Ontario).

November 12, 2019

[signature page follows]

By: "Jasvinder Kaur"
Jasvinder Kaur

By: "Gurdeep K. Narula"
Gurdeep K. Narula

By: "Gurdip Panaich"
Gurdip Panaich

By: "Gursharn Singh Sidhu"
Gursharn Singh Sidhu

By: "Ali Jomaa"
Ali Jomaa

By: "Harvey Beishuizen"
Harvey Beishuizen

By: "Karl Reichert"
Karl Reichert

By: "Brian J. Pulis"
Brian J. Pulis

By: "Gurman Deep Singh Brar"
Gurman Deep Singh Brar

By: "Sukhjinder Singh Purewal"
Sukhjinder Singh Purewal

By: "Surjit Singh Brar"
Surjit Singh Brar

By: "Barney Lassche"
Barney Lassche

By: "Randy Childs"
Randy Childs

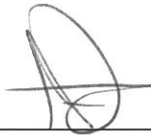
By: "Urvashi Yadav"
Urvashi Yadav

By: "Natley Uppal"
Natley Uppal

Sugar Valley Estate Ltd.

By: "R. Berkovich"
R. Berkovich, President

This is **Exhibit "E"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Mississauga
Court No. 32-2594575
Estate No. 32-2594575

In the Matter of the Notice of Intention to make a
proposal of:

Star Navigation Systems Group Ltd.
Insolvent Person

A. FARBER & PARTNERS INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: December 11, 2019

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: December 11, 2019, 09:35

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

This is **Exhibit "F"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

1

COUNSEL SLIP

COURT FILE

NO.: CV-19-632973-00CL

DATE: 18 December 2019

NO. ON LIST 2

TITLE OF PROCEEDING

Kapadia, V. V. Lassche, B. et al

COUNSEL FOR:

Andrew McCoomb

PLAINTIFF(S)

Norton Rose Fulbright Canada LLP

APPLICANT(S)

PETITIONER(S)

PHONE (416) 216-4039

FAX (416) 216-3930

EMAIL andrew.mccoomb@nortonrosefulbright.com

COUNSEL FOR:

Robert M. Isly

DEFENDANT(S)

RESPONDENT(S)

B. Sachdeva

PHONE 416-368-7116

FAX 416-368-6827

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JUDICIAL NOTES:

Dec 18/19

The App/moving party seeks an interlocutory injunction restoring the status quo for Star Navigation to what it was prior to Dec 11, 2019. On that day, the Resps purported to hold a shareholder meeting for Star. At the meeting, over 52% of the shares were represented and of those shares, 99% voted to replace ~~the board~~ in favour of ~~the Resps~~ with a new 7 person board consisting of the Resps. The new board subsequently terminated Mr K as the CEO of Star. (the "dissidents")

The 3 part injunction test follows.

1. Serious Issue to be Tried. Mr K submits that the Dec 11 meeting was invalid. He asserts that the Dec 16 requisition was not an effective 5% sh requisition as it was not signed by both ~~the~~ shareholders in the case of joint shareholders. He asserts that the address of the meeting ^{on the proxy} did not set out the correct address. He asserts that at the meeting, a resolution was not properly constituted to remove the existing directors & replace them with the new slate. Finally, he asserts that the shareholders who conspired in a WhatsApp group amounted to proxy solicitation

Before the respondents' circular was filed, all of this, he argues, 2
frankly invalidated the purported meeting. The Resp counter
and say that there was no requirement that both of the shareholders
sign a requisition (in light of the BCLA & the co bylaws that permit
one shareholder to vote the held shares); there was no legal
requirement to put the address on the proxy & in any event there
was no confusion about where the meeting was to be held; the
lack of removal of the existing board was strictly technical
and it was clear from the circular that the purpose of the meeting
was to do just that - replace the existing board with the new
slate - which was overwhelmingly approved. Finally, the respondents
that the WhatsApp conversations amounted to improper proxy
solicitation.

It appears to me from the record that the Resps were trying to
call a valid meeting but they may not have gotten all of the legal
and procedural requirements right. While a number of these
complaints seem technical, the rules and statutory
requirements are there to be followed. That said, the process
does not seem as ~~flagrant~~ + underhanded as Mr K says.
Nonetheless the serious issue to be tried - the threshold is a low
one and I conclude it met in this case.

2. Irreparable Harm. I do not find that there is
irreparable harm here. As discussed below, there will be
another shareholders meeting in March '20 at which this issue
of which Bd should prevail
can be put before the shareholders to decide. That is a short
time away. I cannot see how Mr K will suffer irrep. harm
if the injN is not granted. If he is not re-elected, things
will stay as is. If he is re-elected, he will return to run the
company. He has not persuaded me that he will suffer
irreparable harm. ~~Therefore~~

3. Balance of Convenience. On this part of the test, I weigh who
would suffer more if the injN is ~~and~~ or is not granted. On
the one hand, Mr K has been CEO of this company for 10
years. On the other hand, the company has been in a state
of turmoil - it is insolvent, has filed an NOI to make a

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

proposal to its creditors. The Co is under a ~~court order~~ order suspending trading of its shares for failure to file financial statements. The CFO was terminated in June 2019. Mr K has not presented any plan as to how he would guide the company during these tumultuous times ahead, in terms of the insolvency, funding issues and dealing with a proposal trustee. The Respondents are extremely concerned about the state of the company and wish to salvage their investments. They have raised funds already & are targeting another \$1 million if the CTO can be evoked. They appear to have the confidence of many of their fellow shareholders who, whether or not the meeting was valid, voted overwhelmingly in ~~their~~ favour of their slot. They have ~~requested~~ ^{arranged to have the} CFO to ^{required} navigate them through the financial & regulatory filings required for the company - Mr Koroll states that he will not stay if Mr K is reinstated. Considering and balancing all of these factors, the balance of convenience lies with the Respondents pending the March meeting or

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

the hearing of the App, which comes first. I find that their interests would be affected more if the injunction is granted & Mr K is not DRed as CEO pending the meeting than Mr K's interests would be if the status quo is ~~kept~~^{kept} for the next 2 months. As mentioned, if he is re-elected at that time, he can reassume his position then.

I dismiss Mr K's motion for an interlocutory injunction. As agreed by counsel, costs of \$10,000, all in, payable by Mr K to the Resps. Counsel are to attend before me at 9:30 in January, on a date to be scheduled through the CL office, to schedule next steps for the Application.

Conroy J

This is **Exhibit "G"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

ONTARIO

**SUPERIOR COURT OF JUSTICE
(Commercial List)**

**IN THE MATTER OF THE PROPOSAL OF STAR NAVIGATION SYSTEMS GROUP
LTD., A COMPANY INCORPORATED PURSUANT TO THE LAWS OF ONTARIO
WITH A HEAD OFFICE IN THE CITY OF BRAMPTON
IN THE PROVINCE OF ONTARIO**

**NOTICE OF MOTION
(Returnable December 18, 2019)**

THE MOVING PARTIES Barney Lassche, Zachary Goldberg, Harvey Beishuizen, Ali Jomaa, Karl Reichert, Jasvinder Kaur, Gurman Deep Singh Brar, Sukhjinder Singh Purewal, Surjit Singh Brar, Urvashi Yadav, Natley Uppal, Brian Pulis, Gurdip Panaich, Gursharn Singh Sidhu, Randy Childs, Gurdeep K. Narula and Sugar Valley Estates Ltd. (the “**Applicants**”) will make a motion to a Judge of the Commercial List on December 18, 2019, at 10:00 a.m. or as soon after that time as the motion can be heard, by at 330 University Ave, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1(1) because it is;
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

THE MOTION IS FOR:

1. An Order substantially in the form attached as Schedule “A” to the herein Notice of Motion, including, *inter alia*, the following relief:
 - (a) If necessary, an Order abridging the time for service of this motion and validating service of notice hereof;

- (b) If necessary, an Order granting leave for the herein motion to be heard in Toronto on the Commercial List;
- (c) an Order pursuant to Section 64(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended (the “**BIA**”) removing Viraf Kapadia (“**Viraf**”), Gus Nariman (“**Nariman**”) and Ibrahim Alhamer (“**Alhamer**”) as directors of the Star Navigation Systems Group Ltd. (the “**Debtor**”);
- (d) an Order pursuant to Section 64(2) appointing the following individuals as directors of the Debtor: Peter Clausi, Brian Crawford, Birks Bovaird, Ali Jomaa, Stephen Coutts, Zachery Goldenberg and Randy Hoback;
- (e) an Order granting the Applicants their costs of this motion on a substantial indemnity basis; and
- (f) such further and other relief as may be required in the circumstances and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

1. The Debtor, Star Navigation Systems Group Ltd., is an Ontario public company based in Brampton with its head office in the City of Toronto. The Debtor develops products and technologies in the aviation innovation space.
2. Prior to December 11, 2019, the directors of the Debtor were Viraf Kapadia (“**Kapadia**”), Gus Nariman and Ibrahim Al Hamer (the “**Old Board of Directors**”). Kapadia was also the CEO of the Debtor prior to December 11, 2019. Pursuant to shareholders meeting requisitioned by the Applicants herein for December 11, 2019 (the “**Shareholders Meeting**”), the Old Board of Directors were voted out and the new Board of Directors, comprised of Peter Clausi, Brian Crawford, Birks Bovaird, Ali Jomaa, Stephen Coutts, Zachery Goldenberg and Randy Hoback (the “**New Board**”) was voted in with Yes votes

from over 99% of the voting shareholders. On the same day, Kapadia was terminated as the CEO of the Debtor.

3. Kapadia has brought an urgent motion in the Commercial Court in Court File No. ● seeking to have the Shareholders Meeting declared invalid and the Old Board of Directors reinstated (the “**Kapadia Commercial Court Proceeding**”). In the event this relief is granted by this Honourable Court, then the Applicants bring this motion with this Proposal proceeding to be heard in a similar manner as a cross-motion would be heard as against Kapadia and the other members of the Old Board of Directors.
4. There is a long history of Kapadia seeking to avoid any shareholders meetings as it was apparent that the so called dissident shareholders had sufficient votes to remove and replace the Old Board of Directors; this was in fact what eventually transpired at the Shareholders Meeting.
5. The Applicants believe that the filing of the Notice of Intent (“NOI”) is meant to personally benefit Kapadia at the expense of the Debtor and its various stakeholders.
6. For all of the reasons set out herein and in the supporting Affidavit evidence, it is readily apparent that the Debtor will not be able to file a successful Proposal under the leadership of Kapadia and the Old Board of Directors. Kapadia is neither willing nor capable of raising funds and putting together a plan which will lead to a successful Proposal at the end of the NOI process.
7. It is imperative that the New Board be confirmed as the Debtors board of directors if the Debtor is to have any chance of putting forward a viable Proposal to its creditors.
8. The NOI was filed in the Hamilton office of the OSB. The herein motion is closely tied to the Kapadia Commercial Court Proceeding and all of the evidence relied upon in support of the herein motion will be filed in the Kapadia Commercial Court Proceeding. The head office of the Debtor is in Toronto. Counsel for Kapadia and

9. It is highly practical that the herein motion be heard together with the Kapadia Commercial Court Proceeding with the same Judge hearing both matters.
10. Given that the NOI was filed on December 11, 2019 and the intervening Christmas holidays, it is imperative that the herein motion be heard together with the Kapadia Commercial Court Proceeding in order to ensure that the Company will be able to secure funds and an extension of the Proposal proceedings or file a Proposal prior to the expiry of the 30 day period from the filing of the NOI as mandated by the BIA.

Suspect Purpose for the Filing of the NOI

11. In the weeks preceding the Shareholders Meeting Kapadia and his personal lawyers, Norton Rose Fulbright repeatedly tried to get the Applicants to abandon the Shareholders Meeting.
12. When it became apparent that the Applicants were not going to be deterred from proceeding with the Shareholders Meeting, Kapadia initiated the last minute filing of an NOI, filed a PPSA registration securing an alleged debt, cleaned out his office and took other steps to thwart the best interests of the Debtor and its various stakeholders.
13. There was an alleged meeting of the Old Board of Directors on December 9, 2019 wherein Kapadia was allegedly authorized to sign off on the NOI. The Proposal Trustee has produced excerpts of Minutes of the Old Board of Directors Meeting held on December 9, 2019 wherein the Old Board of Directors authorized Kapadia to sign off on the NOI.
14. The signed NOI is itself dated December 10, 2019.
15. Also on December 10, 2019, Kapadia's personal lawyers, Norton Rose Fullbright, registered a security interest for Kapadia under the Ontario PPSA.
16. The list of Creditors produced by the Proposal Trustee does not show Kapadia to be as secured creditor. This list of creditors presumably came from Kapadia himself.

17. Kapadia had not previously indicated that any or all of the indebtedness to him was secured. Kapadia has to date failed or refused to produce any documentation in support of the alleged secured indebtedness including any GSA or supporting resolution from the Old Board of Directors.
18. Prior to the Shareholders Meeting, Kapadia emptied out his office and has removed his laptop and numerous records from the Debtor's premises.
19. The Debtor did not retain outside legal counsel for any advice on the NOI process prior to filing the NOI.
20. The Debtor has had a General Counsel for 15 years, Roger Peacock. Kapadia deliberately failed to consult with Roger Peacock as to the merits of an NOI filing or how the process would work. In fact, Roger Peacock knew nothing about the NOI until after it was filed.
21. Kapadia did none of the usual planning one would expect to see prior to filing an NOI. In addition to a complete absence of legal advice, no steps were taken to obtain funding to "keep the lights on" during the NOI process. In other words, there was no plan to bring in Debtor in Possession financing (a "DIP").
22. Kapadia also failed to engage professionals to put together any type of plan on how funds would be raised in order to sell any type of Proposal to the Debtor's creditors.

Financial Situation of Debtor

23. Kapadia is largely responsible for the financial predicament that the Debtor now finds itself.
 24. In June of 2019 Kapadia terminated the Debtor's long time CFO, Randy Koroll ("Koroll") by way of email. Koroll had been the CFO for over 10 years at the time of his termination.
 25. Following Koroll's termination, there was no one at the Debtor capable of creating the trial balances and managing the audit process to a successful conclusion. Kapadia is not a
-

Chartered Public Accountant and he was ultimately unable or unwilling or unwilling to try to effect the audit process. As a result the Debtor failed to file its annual audited financial statements or Management Discuss and Analysis for the year ended June 30, 2019. For that failure a Cease Trade Order was imposed by the Ontario Securities Commission, and a halt trade order was imposed by IIROC.

26. The Debtor also subsequently failed to file its unaudited financial statements or MDA for the quarter ended September 30, 2019.
27. Despite all of the financial and regulatory difficulties experienced by the Debtor in the preceding year, Kapadia was unable or unwilling to take steps to improve the financial situation of the Debtor.
28. Customers, creditors and employees all had issues working with Kapadia. There is evidence and good reason to believe that Kapadia's continued presence in the management and direction of the Debtor will lead to a number of such parties refusing to work with the Debtor and terminating their relationship with the Debtor

Conflict of Interest

29. Kapadia, either personally or through a corporation, owns patents being utilized by the Debtor through exclusive license and would benefit from the bankruptcy of the Debtor as the use of the patents would revert back to Kapadia or his corporation.
30. The alleged \$2.3MM indebtedness to Kapadia will be challenged by the Applicants and the other Stakeholders in the Bankrupt.
31. Kapadia's alleged security interest in the Debtor will also be challenged by the Applicants and other stakeholders.
32. The Applicants are also of the view that Kapadia has improperly taken out funds from the Debtor and the Shareholders have authorized an investigation into his actions.
33. It is very likely that Kapadia has breached his fiduciary obligations to the Debtor.

34. The remaining two members of the Old Board of Directors are similarly conflicted in that their only role appears to be to rubber stamp the actions and directions of Kapadia. The Shareholders refer to them as the “absentee directors”. They are not independent and have done little to indicate that they understand their fiduciary obligations to the Debtor.
35. Kapadia’s primary objectives have been, and will continue to be, to remain in power at the Debtor, to stifle all opposition and to look after the amounts he claims to be owed by the Debtor; and all to the detriment of the Debtor and its various stakeholders.

The New Board and the Best Interests of the Debtor and its Stakeholders

36. The New Board enjoys the support of the majority of the shareholders of the Debtor, its creditors and employees. Over 99% of the shareholders who voted at the Dec. 11, 2019 meeting elected the New Board and authorized investigations into Mr. Kapadia’s related party dealings with the Debtor. The Old Board of Directors has lost the trust of the majority of the Debtor’s shareholders and other stakeholders.
37. The New Board brings substantial expertise, skillset and capabilities that will be required to “right the ship”. The New Board members were described as follows in the Debtor’s most recent Information Circular:

Name, Province or State and Country of Residence	Present Principal Occupation, Business or Employment and Principal Occupation, Business or Employment During the Preceding Five Years
J. Birks Bovaird Ontario, Canada	Chair of the Board, Energy Fuels Inc. Chairman, GTA Financecorp Inc. Director and Chair of Audit Committee, Noble Mineral Exploration. Director and Member of Audit Committee, Interactive Capital Partners Corporation Chair of the Board, Buccaneer Gold Corp.

Brian Crawford Ontario, Canada	President, Brant Capital Partners Inc. Director and Chief Financial Officer, Tempus Capital Inc. (CSE) Director and CFO, CBLT Inc. (TSX-V) Director CFO, GTA Financecorp Inc. Director and CFO, Colibri Resource Corporation (TSX- V) Director and CFO, Interactive Capital Partners Corporation Director and CFO, Falcon Gold Corp. (TSX-V) Director and CFO, Searchlight Resources Inc. (TSX-V)
Peter M. Clausi Ontario, Canada	President, Maplegrow Capital Inc. CEO and Director, CBLT Inc. (TSX-V) CEO and Director, GTA Financecorp Inc. Director, Camrova Resources Inc. (TSX-V) Director, Buccaneer Gold Corp. (TSXV) Director, Interactive Capital Partners Corporation Director, Searchlight Resources (TSXV)
Dr. Stephen Coutts Ontario, Canada	Dr. S. Coutts Medical Professional Corporation; practiced emergency medicine in the United States of America and Ontario Lecturer and consultant for major pharmaceutical companies on chronic musculoskeletal pain and cannabinoid therapies
Zachary Goldenberg Ontario, Canada	Principal of Liberty Venture Partners, a Toronto-based investment and advisory firm. Lawyer, private practise in Toronto and Vancouver
Randy Hoback Saskatchewan, Canada	Member of Parliament since 2008, Prince Albert, Sask
Dr. Ali Jomaa Ontario, Canada	Senior Partner of GBB Consulting, a London, Ontario based international business consulting firm Professor, Fanshawe College's School of International Business

38. The capabilities and skillset of the Old Board of Directors pales in comparison to the New Board.
39. The New Board has also lined up funding to carry the Debtor through the Proposal Process.
40. The Newt Board is much more capable and better situated than Kapadia and the Old Board of Directors to take all of the steps necessary to allow the Debtor to navigate and survive the Proposal process and to then thrive outside of the Proposal process.

41. Koroll has returned to the Debtor order to assist the Debtor in completing its outstanding financial statements and regulatory filings. He will not remain as the Debtor's CFO if Kapadia is in charge.
42. Similarly, employees, creditors and customers of the Debtor are prepared to work with the Debtor and see it through the Proposal process and beyond.
43. The Applicants rely upon Section 64(1) and 64(2) of the BIA and Bankruptcy Rules 11 and 14 under the BIA.
44. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:
Notice of Motion herein together with draft Order;

1. All responding materials filed by the Applicants in response to Kapadia's Application and Notice of Motion dated December 11, 2019 in Court File No. CV-19-00632973-00CL;
2. Kapadia's Application Record in Court File No. CV-19-00632973-00CL along with any supplementary Affidavits of Kapadia; and
3. such further and other evidence as counsel may advise and this Honourable Court may permit.

December 19, 2019.

Robert M. Isles (LSUC No. 30702M)
Barrister and Solicitor
1102 - 44 Victoria Street
Toronto, ON M5C 1Y4

Tel: 416-368-7117
Fax: 416-368-6827
Email: risles@isleslaw.com
Lawyer for the Applicants

BARNEY LASSCHE ET AL.

**-and-
Applicants**

VIRAF KAPADIA

Respondents

Court File No.: 32-2594575

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

NOTICE OF MOTION

**Robert M. Isles (LSUC No. 30702M)
Barrister and Solicitor
1102 - 44 Victoria Street
Toronto, ON M5C 1Y4**

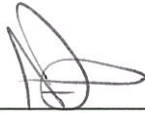
Tel: 416-368-7117

Fax: 416-368-6827

Email: risles@isleslaw.com

Lawyer for the Applicants

This is **Exhibit "H"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

Star Navigation Systems Group Ltd. Announces Results of Shareholder Meeting

Brampton, Ontario--(Newsfile Corp. - December 11, 2019) - Star Navigation Systems Group Ltd. (CSE: SNA) (CSE: SNA.CN) (OTCQB: SNAVF) ("Star" or the "Corporation") reports that at the Special Shareholder Meeting ("Meeting") held on December 11, 2019, the shareholders passed the resolutions proposed in the Concerned Shareholders Proxy Circular.

Peter Clausi, Brian Crawford, Birks Bovaird, Ali Jomaa, Stephen Coutts, Zachery Goldenberg, and Randy Hoback were elected as directors of the Corporation with the support of 99% of the shareholders voting at the Meeting.

The motion to authorize the directors to investigate any and all related party transactions in respect of the Corporation was passed with the support of 99% of the shareholders voting at the Meeting.

At a board of directors' meeting immediately following the Special Shareholder Meeting, the following were appointed to management positions:

- Peter M. Clausi was appointed Star's Interim Chief Executive Officer;
- Randy Koroll was appointed Star's Chief Financial Officer and Corporate Secretary;
- Jean-Louis Larmour was confirmed as Star's Vice-President, Corporate Development;
- Barney Lassche was appointed as Star's Vice-President, Human Resources;
- Birks Bovaird was appointed as Star's Chairman of the Board.

Star has learned that the former CEO, Viraf Kapadia, has purported to file security documents related to a debt he claims was incurred to him by Star during his tenure as CEO. This alleged debt is part of the related party transactions to be investigated in the shareholder-sanctioned investigations. Star will investigate this debt and will report to the shareholders when better facts are known.

The new board intends to take steps to finance Star, bring it into compliance with the regulators, file the financial statements and MDA that the former CEO failed to file resulting in a cease trade order, and advance Star's business plan.

For further information please contact Mr. Clausi at 1 416 890 1232 or Mr. Lassche at 1 647 779 4274

About Star Navigation:

Star Navigation Systems Group Ltd. owns the exclusive worldwide license to its proprietary, patented In-flight Safety Monitoring System, STAR-ISMS®, the heart of the STAR-A.D.S.® and of the STAR-ISAMM™ 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-Isonoe Inc. 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 (STAR-ISAMM™ and STAR-LSAMM™) applications of the patented STAR-A.D.S.® technology, and on its current R&D program with Bombardier.

Certain statements contained in this News Release constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "expected" and similar expressions, as they relate to Star or its management are intended to identify forward-looking statements. Such statements reflect Star's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause Star's actual performance or achievements to vary from those described herein. Should one or more of these factors or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Star does not assume any obligation to update these forward-looking statements, except as required by law.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of the content of this release.

Please visit www.star-navigation.com or contact

Mr. Peter Clausi, Interim CEO at 1 416 890 1232 or Mr. Lassche at 1 647 779-4274

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/50707>

This is **Exhibit "I"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal



Star Confirms No Shareholder Meeting Was Held

TORONTO, Dec. 12, 2019 -- Star Navigation Systems Group Ltd. (CSE: SNA) (CSE: SNA.CN) (OTCQB: SNAVF) ("**Star**" or the "**Company**") responds to the latest illegal and disruptive tactics of a dissident shareholder group (the "**Dissidents**") and confirms that no special meeting of shareholders of the Company was held on December 11, 2019. The Company also confirms that the press release filed by the Dissidents on December 11, 2019, which falsely alleges that certain persons have been elected and appointed as directors and officers, respectively, was not authorized by Star and no such election or appointments have been made. The reckless and illegal acts of the Dissidents continue to jeopardize the Company's operation.

The Company has commenced legal action to prohibit the Dissidents from engaging in any further illegal and disruptive activities and the matter is now being heard before the Ontario Superior Court of Justice.

As was previously announced and reiterated to the dissidents and their counsel, the Company's board of directors have resolved to call an annual and general meeting of Shareholders on March 9, 2020.

About Star Navigation:

Star Navigation Systems Group Ltd. owns the exclusive worldwide license to its proprietary, patented In-flight Safety Monitoring System, STAR-ISMS[®], the heart of the STAR-A.D.S.[®] and of the STAR-ISAMM[™] 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-Isonoe Inc. 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 (STAR-ISAMM[™] and STAR-LSAMM[™]) applications of the patented STAR-A.D.S.[®] technology, and on its current R&D program with Bombardier.

Certain statements contained in this News Release constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "expected" and similar expressions, as they relate to Star or its management are intended to identify forward-looking statements. Such statements reflect Star's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause Star's actual performance or achievements to vary from those described herein. Should one or more of these factors or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Star does not assume any obligation to update these forward-looking statements, except as required by law.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of the content of this release.

Please visit www.star-navigation.com or contact

Viraf S. Kapadia, CEO
(416) 252-2889 Ext 230
Viraf.kapadia@star-navigation.com

This is **Exhibit "J"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

Star Navigation Systems Group Ltd. Announces Dismissal of Injunction Request

Brampton, Ontario--(Newsfile Corp. - December 19, 2019) - Star Navigation Systems Group Ltd. (CSE: SNA) (CSE: SNA.CN) (OTCQB: SNAVF) ("Star" or the "Corporation") announces that the Commercial Court of the Ontario Superior Court of Justice (the "Court") has dismissed the injunction requested by terminated CEO Viraf Kapadia to suspend the results of the Shareholder Meeting held on December 11, 2019, at which a new board of directors was elected. An application to the Court on the underlying merits will follow in normal course.

The directors of Star are Peter M. Clausi, J. Birks Bovaird, Dr. S. Coutts, Dr. Ali Jomaa, Zachary Goldenberg, Randy Hoback and Brian Crawford. The board now consists of two Ontario lawyers, a Chartered Professional Accountant, an Ontario medical doctor, a Ph.D., a federal Member of Parliament and a highly experienced corporate finance / public company executive. Six of the directors reside in Ontario, and one in Saskatchewan.

Mr. Clausi has been appointed Interim CEO. Mr. Randy Koroll returns to Star in the role of Chief Financial Officer. Mr. Barney Lassche also returns to Star, this time as VP Human Resources. Mr. Roger Peacock continues as General Counsel. Mr. Bovaird is the Chair of the Board and Mr. Crawford is the Chair of the Audit Committee.

The new board intends:

1. to operate Star in the normal course of business;
2. to defend against Mr. Kapadia's expected attempts to re-insert himself into Star;
3. to defend Star's interests in the process initiated by Mr. Kapadia for his personal interests under the Bankruptcy and Insolvency Act;
4. to take steps to finance Star, whether directly or indirectly;
5. to bring Star into compliance with the regulators by filing the financial statements and MDA that Mr. Kapadia had failed to file, which failure resulted in a cease trade order and a halt trade order against Star;
6. to then take steps to have the cease trade and halt trade orders revoked;
7. to hold the annual shareholder meeting as soon as possible, likely in March 2020;
8. to carry out the investigations authorized by Star's shareholders into all related party transactions; and
9. throughout, to operate Star for the benefit of its shareholders and employees.

For further information please contact Mr. Clausi at 1-416-890-1232 or Mr. Lassche at 1-647-779-4274.

About Star Navigation:

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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' 80 % owned subsidiary, Star-Isonéo Inc. is a specialised 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™ and STAR-LSAMM™) applications of the patented STAR-A.D.S.® technology, and on its current R&D program with Bombardier.

Certain statements contained in this News Release constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "expected" and similar expressions, as they relate to Star or its management are intended to identify forward-looking statements. Such statements reflect Star's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause Star's actual performance or achievements to vary from those described herein. Should one or more of these factors or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Star does not assume any obligation to update these forward-looking statements, except as required by law.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of the content of this release.


Please visit www.star-navigation.com or contact:

Mr. Peter Clausi, Interim CEO at 1-416-890-1232 or Mr. Lassche at 1-647-779-4274



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/50958>

This is **Exhibit "K"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal



December 23, 2019

Filed Via SEDAR

TO ALL APPLICABLE EXCHANGES AND COMMISSIONS:

Subject: **STAR NAVIGATION SYSTEMS GROUP LTD.**

Confirmation of Notice of Record and Meeting Dates

Dear Sirs:

We advise the following with respect to the upcoming Special Meeting of Security Holders for the subject issuer:

- | | |
|--|-------------------|
| 1. CUSIP Number | ISIN Number |
| 855157103 | CA8551571034 |
| 2. Meeting Type: | Special |
| 3. Record Date: | January 8, 2020 |
| 4. Beneficial Ownership Date: | January 8, 2020 |
| 5. Mail Date: | January 24, 2020 |
| 6. Meeting Date: | February 14, 2020 |
| 7. Classes or Series of Securities that entitle the holder to receive Notice of the Meeting: | COMMON |
| 8. Classes or Series of Securities that entitle the holder to vote at the meeting: | COMMON |
| 9. Business to be conducted at the meeting: | Special |
| 10. Notice-and-Access: | |
| Registered Shareholders: | No |
| Beneficial Holders: | No |
| Stratification Level: | Not Applicable |
| E-Delivery | Yes |
| 11. Reporting issuer is sending proxy-related Materials directly to Non-Objecting Beneficial Owners: | No |
| 12. Issuer paying for delivery to Objecting Beneficial Owners: | Yes |
| 13. Issuer paying for delivery to US Non-Objecting Beneficial Owners: | Yes |

In accordance with applicable securities regulations we are filing this information with you in our capacity as agent of the Corporation.

Sincerely,

Capital Transfer Agency

Agent for Star Navigation Systems Group Ltd.


390 Bay Street, Suite 920, Toronto, ON M5H 2Y2

Tel: 416-350-5007 Fax 416-350-5008

Website: www.capitaltransferagency.com

email: info@capitaltransferagency.com

This is **Exhibit "L"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

STAR NAVIGATION SYSTEMS GROUP LTD.

CERTIFICATE OF OFFICER

TO: A. FARBER & PARTNERS INC.

I, Viraf Kapadia, the Chief Executive Officer of Star Navigation Systems Group Ltd. (the **Corporation**), certify for and on behalf of the Corporation (and not in my personal capacity and without personal liability) as follows:

- 1 Attached as Exhibit A is a true extract of minutes of a meeting of the board of directors of the Corporation held on December 9, 2019, constituting, *inter alia*, authority for the Corporation to proceed with the issuance of a Notice of Intent to Make a Proposal in accordance with Section 50.4(1) of the *Bankruptcy and Insolvency Act*
- 2 Delivery by facsimile or other electronic means of an originally executed signature page to this certificate by a party is as effective as personal delivery of such signature page.

[Remainder of page intentionally left blank. Signature page follows.]

DATED this 10th day of December, 2019.


Viraf Kapadia

Exhibit A

EXCERPT OF MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF Star Navigation Systems Group Ltd., being Viraf Kapadia, Gus Nariman and Ibrahim Al Hamer, held on December 9, 2019 (the Meeting) .

ON MOTION DULY MADE, SECONDED AND CARRIED, Viraf Kapadia acted as Chairman at the meeting. A quorum of Directors being present, the Chairman declared the meeting to be regularly constituted. The Chairman reported that Star Navigation Systems Group Inc. should issue a Notice of Intention to Make a Proposal, in accordance with Section 50.4(1) of the *Bankruptcy and Insolvency Act*. It was therefore resolved that for this purpose, Viraf Kapadia be authorized to execute such documents in connection therewith as may be required, and that A. Farber & Partners Inc. be the appointed Trustee.

This is **Exhibit "M"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

Court File No.:

ONTARIO

**SUPERIOR COURT OF JUSTICE
(Commercial List)**

B E T W E E N:

Viraf Kapadia

Applicant

And

Barney Lassche, Harvey Beishuizen, Ali Jomaa, Karl Reichert, Jasvinder Kaur, Gurman Deep Singh Brar, Sukhjinder Singh Purewal, Surjit Singh Brar, Urvashi Yadav, Natley Uppal, Brian Pulis, Gurdip Panaich, Gursharn Singh Sidhu, Randy Childs, Gurdeep K. Narula and Sugar Valley Estates Ltd.

Respondents

**AFFIDAVIT OF ROGER PEACOCK
(sworn December 12, 2019)**

I, **ROGER PEACOCK** of the City of Toronto, in the Province of Ontario **MAKE OATH AND SAY:**

1. I am General Counsel for Star Navigation Systems Group Inc. ("Star"). I have read the affidavit of Viraf Kapadia sworn December 11, 2019.
2. I was called to Ontario's bar in 1973. I have been GC for Star for fifteen years. Prior to my time at Star I worked with Finlay Investments, and prior to that I worked in various capacities for banks and trust companies in Toronto.
3. I was aware of the Dissidents' shareholder meeting called for December 11, 2019 (the "Meeting").
4. I had no role in planning for or in holding the Meeting or in drafting the documents related to it.

5. I discussed the Meeting with Viraf Kapadia on several occasions prior to December 11, 2019.
6. I had no instructions from Mr. Kapadia or anyone else on the board to directly engage with the Dissidents or to defend Star's interests.
7. To the best of my knowledge, information and belief, the Meeting was proper and is binding upon Star.
8. I make this affidavit in support of the within Response to the Application and for no other or improper purpose.

SWORN BEFORE ME
 at the City of Toronto on
 December 12, 2019

~~Robert M. Isles~~
 Commissioner for Taking Affidavits

Peter M Clausi

309968



 ROGER PEACOCK

VIRAF KAPADIA
Applicant

-and-

ZACHARY GOLDENBERG et al.
Respondents

Court File No.:

<p><i>ONTARIO</i> SUPERIOR COURT OF JUSTICE (Commercial List)</p> <p>Proceeding commenced at Toronto</p>
<p>AFFIDAVIT OF ROGER PEACOCK SWORN DECEMBER 12, 2019</p>
<p>Robert M. Isles (LSUC No. 30702M) Barrister and Solicitor 1102 - 44 Victoria Street Toronto, ON M5C 1Y4</p> <p>Tel: 416-368-7117 Fax: 416-368-6827 Email: risles@isleslaw.com</p> <p>Lawyer for the Respondents</p>

Court File No.:

ONTARIO

SUPERIOR COURT OF JUSTICE

(Commercial List)

B E T W E E N:

Viraf Kapadia

Applicant

And

Barney Lassche, Harvey Beishuizen, Ali Jomaa, Karl Reichert, Jasvinder Kaur, Gurman Deep Singh Brar, Sukhjinder Singh Purewal, Surjit Singh Brar, Urvashi Yadav, Natley Uppal, Brian Pulis, Gurdip Panaich, Gursharn Singh Sidhu, Randy Childs, Gurdeep K. Narula and Sugar Valley Estates Ltd.

Respondents

SUPPLEMENTAL AFFIDAVIT OF ROGER PEACOCK

(sworn December 17, 2019)

I, **ROGER PEACOCK** of the City of Toronto, in the Province of Ontario **MAKE OATH AND SAY:**

1. I am General Counsel for Star Navigation Systems Group Ltd. (“Star”). I have read the affidavits of Viraf Kapadia respectively sworn December 11, 12 and 16, 2019. I have already sworn one affidavit in this matter on December 12, 2019.
2. I swear this affidavit to correct one small item in my first affidavit, to respond to Mr. Kapadia’s comments concerning the Controlled Goods Regulations (“CGR”), and to respond to comments Mr. Kapadia made about me in his second supplemental affidavit.
3. I first want to correct one small matter in my first affidavit. It is true that I discussed shareholder requisition meetings generally with Mr. Kapadia, especially given the high levels of shareholder hostility towards him. However, I did not discuss the December 11, 2019 shareholder meeting with him.
4. In paragraph 14 of his second supplemental affidavit, Mr. Kapadia expresses serious concerns about whether the security protocols of the Controlled Goods Regulations are being maintained. This is an ill-founded concern. I have already been in contact with Anne Foley at CGP and advised her that Mr. Kapadia was no longer with Star in any capacity. She expressed no concern whatsoever at this status. She advised me specifically and I believe that Star’s CGP registration is in good standing until 2023, and she further advised that someone from

CGP would contact me later in the week to update their records and to facilitate the amendment to Star's Authorized Individual and Designated Official. There is nothing urgent here, and this will be addressed in the normal course. In the interim, to the best of my knowledge, information and belief, all security protocols are being observed.

5. With respect to his comments about me in paragraph 17 of his second supplemental affidavit, I note the date of my email is March 26, 2019. That email was addressing the process for a meeting the Dissidents wanted to call in the spring of 2019. That meeting ultimately was not held. At the time, I was unable to obtain instructions from Mr. Kapadia as I understand that he was in hospital and was simply doing my job. The notice for the shareholder meeting held December 11, 2019 was filed at SEDAR on October 9, 2019. It is not possible for my March 26, 2019 email to refer to the December 11 meeting.

6. I repeat my earlier testimony that I had no instructions from Mr. Kapadia or anyone else on the board to directly engage with the Dissidents or to defend Star's interests. In fact, when I was finally afforded the opportunity to speak to Mr. Kapadia, I was instructed to engage outside counsel specifically to advise the Board of Directors on the shareholder requisition matter and that I was not to deal with the matter myself. I have had no contact with outside counsel since the beginning of July, 2019, at which time a further retainer was requested and to the best of my knowledge, not paid. However, when Mr. Kapadia initially made a proposal as to the terms under which he would voluntarily resign, I did have several conversations with representatives of dissident shareholders as to their willingness to consider his proposal. It would appear Norton Rose occasionally informally purported to act on Star's behalf without my knowledge, but to the best of my knowledge, neither Mr. Kapadia nor either of the

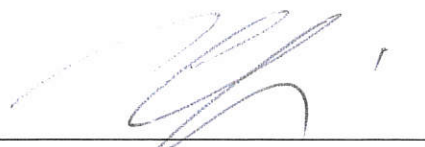
absentee directors engaged legal counsel on behalf of Star in response to the Dissidents moving ahead with the December shareholder meeting.

7. I have searched through Mr. Kapadia's office looking for corporate records and employee files that he had previously removed from my office and it appears that there are documents missing. I do not know what they are. Since Star lacked a CFO since Mr. Koroll was terminated without notice or cause at June 30, 2019, I do not know the status or quality of Star's bookkeeping since then.
8. I make this affidavit in support of the within Response to the Application and for no other or improper purpose.

SWORN BEFORE ME)

at the City of Toronto on)

December 17, 2019)


_____)

Peter Clausi #309960)

Commissioner for Taking Affidavits)



ROGER PEACOCK

This is **Exhibit "N"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

RUN NUMBER : 345
RUN DATE : 2019/12/11
ID : 20191211105718.48

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(7374)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : STAR NAVIGATION SYSTEMS GROUP LTD.

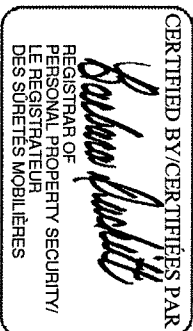
FILE CURRENCY : 10DEC 2019

ENQUIRY NUMBER 20191211105718.48 CONTAINS 3 PAGE(S), 1 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

MILLER THOMSON LLP (ATTN SMO SEARCH)

CONTINUED... 2



RUN NUMBER : 345
 RUN DATE : 2019/12/11
 ID : 20191211105718.48

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 2
 (7375)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : STAR NAVIGATION SYSTEMS GROUP LTD.
 FILE CURRENCY : 10DEC 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 758442951

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	1	20191210	1455 1590 2483	P	PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME BUSINESS NAME ADDRESS BRAMPTON ON L6Y 5G5
 STAR NAVIGATION SYSTEMS GROUP LTD.
 ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 NAME BUSINESS NAME ADDRESS
 07 DEBTOR ADDRESS
 ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT ADDRESS
 VITAF SAVAK KAPADIA
 4117 MISSISSAUGA ROAD
 MISSISSAUGA ON L5L 2S5

09 COLLATERAL CLASSIFICATION
 10 CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED OR MAJORITY DATE NO. FIXED MAJORITY DATE

11 MOTOR VEHICLE YEAR MAKE MODEL V.I.N.
 12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION
 14 COLLATERAL DESCRIPTION
 15 DESCRIPTION

16 REGISTERING AGENT ADDRESS TORONTO ON M5K 1E7
 MORTON ROSE FULBRIGHT CANADA LLP (PC/MT)
 222 BAY STREET, SUITE 3000
 TORONTO ON M5K 1E7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 3

CERTIFIED BY/CERTIFIÉS PAR
Barbara Purville
 REGISTRAR OF PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR DES SÛRETES MOBILIÈRES



(c)11/19 06/2019

RUN NUMBER : 345
RUN DATE : 2019/12/11
ID : 20191211105718.48

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

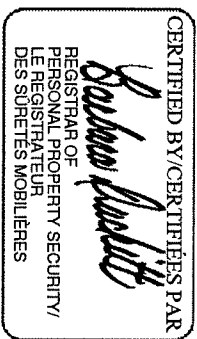
REPORT : PSSR060
PAGE : 3
(7376)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SPAR NAVIGATION SYSTEMS GROUP LTD.
FILE CURRENCY : 10DEC 2019

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
758442951	20191210	1455	1590	2483

1 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



This is **Exhibit "O"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

Iqbal, Asim

From: Sachdeva, Bobby
Sent: Thursday, January 2, 2020 1:11 PM
To: Iqbal, Asim
Subject: FW: Star Navigation Systems Group Ltd Books and Records [MTDMS-Legal.FID8729533]

BOBBY H. SACHDEVA

Partner

Miller Thomson LLP

100 New Park Place, Suite 700

Vaughan, Ontario L4K 0H9

Direct Line: +1 905.532.6670

Fax: +1 905.660.0139

Email: bsachdeva@millerthomson.com

millerthomson.com



Please consider the environment before printing this email.

From: John Hendriks [<mailto:jhendriks@farbergroup.com>]
Sent: Monday, December 23, 2019 1:27 PM
To: Sachdeva, Bobby <bsachdeva@millerthomson.com>; Iqbal, Asim <aiqbal@millerthomson.com>; Dolny, Tamie <tdolny@millerthomson.com>; Roger Peacock <roger.peacock@star-navigation.com>
Cc: Allan Nackan <anackan@farbergroup.com>
Subject: [**EXT**] FW: Star Navigation Systems Group Ltd Books and Records

FYI – looks like all is set for Roger to arrange the pick up of the company records from Branson.



John Hendriks, CPA, CA, CIRP, LIT
Managing Director | Restructuring
T: +1 (416) 496-3701 | **M:** +1 (416) 722-1071
farbergroup.com



150 York Street, Suite 1600
Toronto, ON, Canada, M5H 3S5

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From: Hasan, Nader <nader.hasan@nortonrosefulbright.com>
Sent: December 23, 2019 1:10 PM
To: Kookie Miller <kmiller@branson-services.com>; John Hendriks <jhendriks@farbergroup.com>; Allan Nackan <anackan@farbergroup.com>
Cc: Viraf Savak Kapadia <virafsk@gmail.com>; Keith Li <kli@branson-services.com>; McCoomb, Andrew <andrew.mccoomb@nortonrosefulbright.com>
Subject: RE: Star Navigation Systems Group Ltd Books and Records

You may release to Randy and Roger as well.

Nader Hasan
Associate

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
222 Bay Street, Suite 3000, P.O. Box 53, Toronto ON M5K 1E7 Canada
T: +1 416.216.4869 | F: +1 416.216.3930
nader.hasan@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

From: Kookie Miller <kmiller@branson-services.com>
Sent: December 23, 2019 1:06 PM
To: Hasan, Nader <nader.hasan@nortonrosefulbright.com>; jhendriks@farbergroup.com; anackan@farbergroup.com
Cc: Viraf Savak Kapadia <virafsk@gmail.com>; Keith Li <kli@branson-services.com>; McCoomb, Andrew <andrew.mccoomb@nortonrosefulbright.com>
Subject: RE: Star Navigation Systems Group Ltd Books and Records

So is that to Randy and Roger?

From: Hasan, Nader <nader.hasan@nortonrosefulbright.com>
Sent: December 23, 2019 1:04 PM
To: Kookie Miller <kmiller@branson-services.com>; jhendriks@farbergroup.com; anackan@farbergroup.com
Cc: Viraf Savak Kapadia <virafsk@gmail.com>; Keith Li <kli@branson-services.com>; McCoomb, Andrew <andrew.mccoomb@nortonrosefulbright.com>
Subject: RE: Star Navigation Systems Group Ltd Books and Records

Hi Kookie,

As I understand the Trustee would not like to obtain the books and records, you may release the books and records to the Company.

Thank you.

Regards,

NH

Nader Hasan
Associate

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
222 Bay Street, Suite 3000, P.O. Box 53, Toronto ON M5K 1E7 Canada
T: +1 416.216.4869 | F: +1 416.216.3930
nader.hasan@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

From: Kookie Miller <kmiller@bransonservices.com>
Sent: December 23, 2019 1:02 PM
To: Hasan, Nader <nader.hasan@nortonrosefulbright.com>; jhendriks@farbergroup.com; anackan@farbergroup.com
Cc: Viraf Savak Kapadia <virafsk@gmail.com>; Keith Li <kli@bransonservices.com>
Subject: FW: Star Navigation Systems Group Ltd Books and Records

Dear All,

Please see email below. Please advise who has authority to pick up the Star Navigation boxes.

Best regards,

Margaret (Kookie) Miller
President & CEO



77 King Street West, Suite 2905
Toronto-Dominion Centre
Toronto, Ontario M5K 1H1
Tel: 416-840-3798 Fax: 416-765-0029
www.bransonservices.com

From: Roger Peacock <roger.peacock@star-navigation.com>
Sent: December 23, 2019 12:40 PM
To: Kookie Miller <kmiller@bransonservices.com>
Cc: risles@isleslaw.com; Peter Clausi <peter.clausi@star-navigation.com>; bsachdeva@millerthomson.com; Randy Koroll <randy.koroll@star-navigation.com>; mgerrior@perlaw.ca
Subject: Star Navigation Systems Group Ltd Books and Records

Dear Sirs,

I am General Counsel for Star Navigation Systems Group Ltd. (the "Company") I am writing to you on behalf of the Company. Norton Rose Fulbright Canada LLP does not represent the Company in any respect. Norton Rose Fulbright Canada LLP has no right to tell you what to do or what not to do with the Company records or to give you any instructions concerning the Company.

At the moment Mr Kapadia is not a director or CEO of the Company, nor does he hold any other office or position of authority at the Company. He has no right to the the Company records.

In no circumstances are those records or any part thereof to be released to Mr Kapadia or to Norton Rose Fullbright Canada LLP.

I expect to hear from you in the next hour that the Company records are available for pick up by the Company. I can be reached directly at 416 543-1766.

Roger S. Peacock, LL.B.

General Counsel

Star Navigation Systems Group Ltd.

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Law around the world
nortonrosefulbright.com

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Veillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspectes.

Iqbal, Asim

From: Sachdeva, Bobby
Sent: Monday, December 23, 2019 11:18 AM
To: McCoomb, Andrew
Cc: Hasan, Nader; pclausi@brantcapital.ca; rogers.peacock@gmail.com; jhendriks@farbergroup.com
Subject: Re: **[**EXT**]** Re: Urgent - Branson Services

You are interfering with the Company's business.

The Company needs those records to prepare to deal with the NOI and other matters.

The Trustee does not want to take possession. There is no way those records are going to Viraf. The records belong to the Company and not Viraf.

Please tell Branson to release those records to the Company. Your client will be provided access to put his claims together.

If this is not done immediately you will be explaining your position to Justice Conway as soon as we can get before her.

Regards

Bobby

BOBBY H. SACHDEVA

Partner

Miller Thomson LLP

100 New Park Place, Suite 700

Vaughan, Ontario L4K 0H9

Direct Line: +1 905.532.6670

Fax: +1 905.660.0139

Email: bsachdeva@millert Thomson.com

millert Thomson.com



Please consider the environment before printing this email.

On Dec 23, 2019, at 11:09 AM, McCoomb, Andrew <andrew.mccoomb@nortonrosefulbright.com> wrote:

I'm tied up until this afternoon. What is the issue?

Andrew McCoomb

Senior Associate

O: (416) 216-4039

C: (647) 629-9514

F: (416) 216-3930

Andrew.mccoomb@nortonrosefulbright.com

Sent from my iPhone

On Dec 23, 2019, at 11:00 AM, Sachdeva, Bobby <bsachdeva@millerthomson.com> wrote:

Can someone please call me ASAP on my cell:

416-505-9934

Sent from my iPhone

BOBBY H. SACHDEVA

Partner

Miller Thomson LLP

100 New Park Place, Suite 700

Vaughan, Ontario L4K 0H9

Direct Line: +1 905.532.6670

Fax: +1 905.660.0139

Email: bsachdeva@millerthomson.com

millerthomson.com

<imagea10626.PNG>

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Iqbal, Asim

From: Sachdeva, Bobby
Sent: Thursday, January 2, 2020 1:10 PM
To: Iqbal, Asim
Subject: FW: **[**EXT**]** Star Navigation System Group Ltd. Books and Records [MTDMS-Legal.FID8729533]

BOBBY H. SACHDEVA

Partner

Miller Thomson LLP

100 New Park Place, Suite 700

Vaughan, Ontario L4K 0H9

Direct Line: +1 905.532.6670

Fax: +1 905.660.0139

Email: bsachdeva@millerthomson.com

millerthomson.com



Please consider the environment before printing this email.

From: John Hendriks <jhendriks@farbergroup.com>

Date: December 23, 2019 at 10:53:37 AM EST

To: "Sachdeva, Bobby" <bsachdeva@millerthomson.com>, "Iqbal, Asim" <aiqbal@millerthomson.com>, "Dolny, Tamie" <tdolny@millerthomson.com>, "Roger Peacock" <roger.peacock@star-navigation.com>

Cc: Allan Nackan <anackan@farbergroup.com>, "Hasan, Nader" <nader.hasan@nortonrosefulbright.com>

Subject: **[**EXT**]** FW: Star Navigation System Group Ltd. Books and Records

Further to Roger's email to Branson this morning, here is the email chain between Branson and Norton Rose. The NOI process is debtor-in-possession so the Trustee is not making a claim on the books and records.

FARBER

John Hendriks, CPA, CA, CIRP, LIT

Managing Director | Restructuring

T: +1 (416) 496-3701 | **M:** +1 (416) 722-1071

farbergroup.com



150 York Street, Suite 1600
Toronto, ON, Canada, M5H 3S5

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FARBER 40 Happy Holidays from everyone at Farber!

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From: Hasan, Nader <nader.hasan@nortonrosefulbright.com>
Sent: December 23, 2019 10:48 AM
To: Kookie Miller <kmiller@branson-services.com>; Viraf Savak Kapadia <virafsk@gmail.com>; John Hendriks <jhendriks@farbergroup.com>; Allan Nackan <anackan@farbergroup.com>
Cc: Keith Li <kli@branson-services.com>; Gauthier, Virginie <virginie.gauthier@nortonrosefulbright.com>; McCoomb, Andrew <andrew.mccoomb@nortonrosefulbright.com>; Soliman, Walied <walied.soliman@nortonrosefulbright.com>
Subject: RE: Star Navigation System Group Ltd. Books and Records

Thank you Kookie. We would ask that either Viraf or the Trustee take possession.

As previously discussed, Viraf will need a copy of the books and records in connection with his claims under the NOI process. Please advise once available and we can come by to pick up.

Thanks very much.

Regards,

NH

Nader Hasan
Associate

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
222 Bay Street, Suite 3000, P.O. Box 53, Toronto ON M5K 1E7 Canada
T: +1 416.216.4869 | F: +1 416.216.3930
nader.hasan@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

From: Kookie Miller <kmiller@branson-services.com>
Sent: December 23, 2019 10:43 AM
To: Viraf Savak Kapadia <virafsk@gmail.com>; Hasan, Nader <nader.hasan@nortonrosefulbright.com>; jhendriks@farbergroup.com; anackan@farbergroup.com
Cc: Keith Li <kli@branson-services.com>
Subject: FW: Star Navigation System Group Ltd. Books and Records
Importance: High

Gentlemen,

Please see the email that I received this morning. Please advised who legally is allowed to pick up the four Star Navigation boxes. There are here at the office. We have included a USB key with QuickBooks on it.

I have received no documentation other than the Notice of Insolvency attached which we received on Friday December 20, 2019.

Please advise who I can release the boxes too.

Best regards,

Margaret (Kookie) Miller
President & CEO



77 King Street West, Suite 2905
Toronto-Dominion Centre
Toronto, Ontario M5K 1H1
Tel: 416-840-3798 Fax: 416-765-0029
www.bransonservices.com

From: Roger Peacock <roger.peacock@star-navigation.com>
Sent: December 23, 2019 8:03 AM
To: Kookie Miller <kmiller@bransonservices.com>; Adam Szweras <aszweras@foundationmarkets.com>
Cc: Peter Clausi <peter.clausi@star-navigation.com>; Randy Koroll <randy.koroll@star-navigation.com>;
jhendriks@farbergroup.com; anackan@farbergroup.com
Subject: Star Navigation System Group Ltd. Books and Records

Dear Ms. Miller,

I am legal counsel for Star Navigation Systems Group Ltd. (the "Company").

As you are undoubtedly aware at this time the Company filed a Notice of Intention to Make a Proposal (the "NOI") on December 11, 2019. By now you would have received notice of the NOI along with certain documentation from the Proposal Trustee, Farbers. By virtue of the NOI filing all creditors are stayed from enforcing their rights with respect to any amounts owed to them by the Company. In addition, the Company is unable to make any payment of amounts owing to any particular creditor prior to December 11, 2019. Any amounts owed to Branson Services will be addressed in the NOI process in due course.

I understand that Branson Services is refusing to release the books and records of the Company in its possession until the Company pays Branson Services' outstanding invoices. I must advise you that Branson Services, at this time, has no right to demand payment of any amounts owed prior to December 11, 2019 and certainly cannot hold the Company's books and records hostage for such payment.

Please be advised that the Company needs the books and records in the possession of Branson Services in order to pursue its restructuring efforts under the Bankruptcy and Insolvency Act in the context of the NOI. By refusing to release the books and records, you are risking causing extensive damages to the Company for which the Company will ultimately hold you liable.

Unless I hear from you by 3:00 pm on Monday, December 23, 2019 we will be booking Court time on the earliest date available after the Christmas and Boxing Day holidays to compel Branson Services to release the books and records immediately and the Company will be seeking its costs for having to bring the motion.

I would urge you to take this matter up with your lawyers immediately as you simply do not have the legal right to hold onto the books and records in order to compel payment of your outstanding invoices when the Company has filed an NOI.

I have copied representatives of the Proposal Trustee, Allan Nackan and John Hendriks of Farbers. I would also urge you to reach out to them if you continue to believe that you can hold onto the Company's books and records in order to compel payment of the outstanding invoices.

Roger S. Peacock, LL.B.

General Counsel

Star Navigation Systems Group Ltd.

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This is **Exhibit "P"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

Iqbal, Asim

From: Sachdeva, Bobby
Sent: Thursday, January 2, 2020 12:09 PM
To: Iqbal, Asim
Subject: FW: Star Navigation Systems Group Ltd. [MTDMS-Legal.FID8729533]

BOBBY H. SACHDEVA

Partner

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Fax: +1 905.660.0139

Email: bsachdeva@millerthomson.com
millerthomson.com



Please consider the environment before printing this email.

From: Sachdeva, Bobby
Sent: Sunday, December 15, 2019 8:54 PM
To: Soliman, Walied <walied.soliman@nortonrosefulbright.com>
Cc: Hasan, Nader <nader.hasan@nortonrosefulbright.com>; McCoomb, Andrew <andrew.mccoomb@nortonrosefulbright.com>; Robert M Isles <risles@isleslaw.com>; anackan@farbergroup.com; John Hendriks <jhendriks@farbergroup.com>
Subject: RE: Star Navigation Systems Group Ltd. [MTDMS-Legal.FID8698334]

Thanks for the quick response Walied.

Regrettably, your approach does not work for us. This info is needed before the hearing.

Your client is of course welcome to do as he wishes. We will not be asking again. We will simply ask Justice Conway to make certain adverse findings against Mr. Kapadia for refusing to provide information and documents that just should already have been produced.

Enjoy the rest of your weekend.

Regards

Bobby

BOBBY H. SACHDEVA

Partner

Miller Thomson LLP

100 New Park Place, Suite 700

Vaughan, Ontario L4K 0H9

Direct Line: +1 905.532.6670

Fax: +1 905.660.0139

Email: bsachdeva@millerthomson.com

millerthomson.com



Please consider the environment before printing this email.

From: Soliman, Walied [<mailto:walied.soliman@nortonrosefulbright.com>]

Sent: Sunday, December 15, 2019 8:17 PM

To: Sachdeva, Bobby <bsachdeva@millerthomson.com>

Cc: Hasan, Nader <nader.hasan@nortonrosefulbright.com>; McCoomb, Andrew

<andrew.mccoomb@nortonrosefulbright.com>; Robert M Isles <risles@isleslaw.com>; anackan@farbergroup.com; John Hendriks <jhendriks@farbergroup.com>

Subject: Re: Star Navigation Systems Group Ltd. [MTDMS-Legal.FID8698334]

Happy to provide after court on Wednesday. W

Walied Soliman

Global Chair

Norton Rose Fulbright Canada LLP

B) +14162164820

C) +14165583169

On Dec 15, 2019, at 8:15 PM, Sachdeva, Bobby <bsachdeva@millerthomson.com> wrote:

Gentlemen,

I do not believe that we received a response to items 4 and 5 below from Mr. Isles' email of December 11, 2019. In addition, we are requesting that you advise as to the first contact your firm or Mr. Kapadia directly had with Farbers with a view to retaining Farbers as the Proposal Trustee for the NOI of Star Navigation. We requested this information from the Proposal Trustee but they are of the view that we should obtain the information directly from you.

Regards

Bobby

BOBBY H. SACHDEVA

Partner

Miller Thomson LLP

100 New Park Place, Suite 700

Vaughan, Ontario L4K 0H9

Direct Line: +1 905.532.6670
Fax: +1 905.660.0139
Email: bsachdeva@millerthomson.com
millerthomson.com



Please consider the environment before printing this email.

From: Robert M Isles [<mailto:risles@isleslaw.com>]
Sent: Wednesday, December 11, 2019 11:42 AM
To: Soliman, Walied <walied.soliman@nortonrosefulbright.com>
Cc: Hasan, Nader <nader.hasan@nortonrosefulbright.com>; Sachdeva, Bobby <bsachdeva@millerthomson.com>; McCoomb, Andrew <andrew.mccoomb@nortonrosefulbright.com>
Subject: [**EXT**] RE: Star Navigation Systems Group Ltd.

Walied,

Further to my earlier email of even date, please provide me with:

1. written notice as to who Norton Rose represents;
2. a copy of the consent of Farber to act as well as the contact info for the Trustee at Farber with carriage of this matter;
3. a copy of the Directors' Resolution authorizing the filing of the NOI;
4. a copy of the security agreement pursuant to which NR registered Mr. Kapadia's alleged security interest under the PPSA on December 10, 2019;
5. a copy of directors' resolution granting Mr. Kapadia the security interest;
6. a copy of any written documents witnessing the position of the OSC as advised by you; and
7. the facts upon which you rely to allege that the 5th Notice of Requisition of Shareholders Meeting was invalid.

Also, please provide notice to me and Mr. Sachdeva (and clear dated with us) for any steps that your client(s) [whoever they might be] intend to undertake to move before the Commercial Court for any relief. We strongly suggest that you do not make any attempt to move *ex parte* or short serve us.

Finally, if your client(s) move for relief, my clients will very likely seek relief in the form of a Court Order declaring the December 11, 2019 shareholders meeting to be valid and the election of the new board of directors to valid as well.

Regards, Bob.
Robert M. Isles
Barrister and Solicitor
Suite 1102, 44 Victoria Street
Toronto, Ontario, M5C 1Y2
Phone: 416-368-7116
Fax: 416-368-6827
Cell: 416-822-3412

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Iqbal, Asim

From: Sachdeva, Bobby
Sent: Thursday, January 2, 2020 12:11 PM
To: Iqbal, Asim
Subject: FW: Did you see this press release? [MTDMS-Legal.FID8729533]

BOBBY H. SACHDEVA

Partner

Miller Thomson LLP

100 New Park Place, Suite 700
Vaughan, Ontario L4K 0H9

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Fax: +1 905.660.0139

Email: bsachdeva@millerthomson.com
millerthomson.com



Please consider the environment before printing this email.

From: McCoomb, Andrew [mailto:andrew.mccoomb@nortonrosefulbright.com]
Sent: Friday, December 27, 2019 12:37 PM
To: Sachdeva, Bobby <bsachdeva@millerthomson.com>; Hasan, Nader <nader.hasan@nortonrosefulbright.com>; Soliman, Walied <walied.soliman@nortonrosefulbright.com>
Cc: risles@isleslaw.com
Subject: [**EXT**] RE: Did you see this press release? [MTDMS-Legal.FID8698334]

We are in the process of compiling that information and should have it over shortly.

Andrew McCoomb

Senior Associate

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
222 Bay Street, Suite 3000, P.O. Box 53, Toronto ON M5K 1E7 Canada
T: +1 416.216.4039 | F: +1 416.216.3930
andrew.mccoomb@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

From: Sachdeva, Bobby <bsachdeva@millerthomson.com>
Sent: December 27, 2019 12:34 PM
To: McCoomb, Andrew <andrew.mccoomb@nortonrosefulbright.com>; Hasan, Nader <nader.hasan@nortonrosefulbright.com>; Soliman, Walied <walied.soliman@nortonrosefulbright.com>
Cc: risles@isleslaw.com
Subject: FW: Did you see this press release? [MTDMS-Legal.FID8698334]

Please see attached in case you missed this piece of creative writing earlier this week.

FYI – still waiting on the documentation Walied advised would be delivered after that hearing on December 18th.

Regards

Bobby

BOBBY H. SACHDEVA
Partner

Miller Thomson LLP
100 New Park Place, Suite 700
Vaughan, Ontario L4K 0H9
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This is **Exhibit "Q"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
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T 416.595.8500
F 416.595.8695

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December 26, 2019

Urgent

Sent via E-mail

Norton Rose Fulbright LLP
222 Bay Street, Suite 300, P.O. Box 53
Toronto, Ontario M5K 1E7
Attention: Nader Hasan

Bobby Sachdeva
Direct Line: 416.532.6670
bsachdeva@millerthomson.com

Asim Iqbal
Direct Line: 416.597.6008
aiqbal@millerthomson.com

File: 0248927.0001

Dear Sir:

Re: Request for Particulars Pursuant to Section 18 of the *Personal Property Security Act* (Ontario) (the "PPSA")

We are counsel to Star Navigation Systems Group Ltd. (the "**Company**").

We write to you in respect of your client's, Viraf Savak Kapadia's, registration under the PPSA against the Company (File No. 758442951, Registration No.: 20191210 1455 1590 2483).

Pursuant to Section 18 of the PPSA, the Company demands from your client:

- (a) a written statement of the amount of indebtedness and terms of payment thereof as of the date of this letter, together with supporting documentation; and
- (b) a true copy of the security agreement or security agreements.

If your client does not respond within the prescribed timelines, your client will be liable for any loss or damaged sustained by the Company (including professional fees).

The Company reserves all of its rights, including obtaining an Order of the Ontario Superior Court of Justice (Commercial List) compelling your client to comply with this request.

Regards,

MILLER THOMSON LLP

Per:

Asim Iqbal
AIQ/

This is **Exhibit "R"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal

December 23, 2019

Sent By E-mail

Robert M. Isles
44 Victoria Street
Toronto, ON M5C 1Y2

- and to -

Bobby Sachdeva
Miller Thomson LLP
100 New Park Place
Suite 700
Vaughan, ON L4K 0H9

Your reference

Our reference
1001086857

Dear Sirs:

Star Navigation Systems Group Ltd.

We write in connection with the Notice of Intention (“**NOI**”) to Make a Proposal pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”) filed by Star Navigation Systems Group Ltd. (“**Star**”) on Tuesday December 10, 2019, and the proceedings related thereto (“**Proceedings**”).

As you are aware, Mr. Viraf Kapadia, is the largest creditor of Star and the only creditor holding security. Mr. Kapadia has significant concerns that steps may be taken in these NOI proceedings that may be prejudicial to Mr. Kapadia and other creditors. We are writing to advise that we have instructions to oppose any motion by your clients for any Order granting any charges having priority over Mr. Kapadia’s debt. Moreover, we have instructions to oppose any motion seeking authorization for Star to borrow any funds other than the minimum “keep the lights on” funds required for the Proceedings, which, in accordance with the cash flow projections prepared by Mr. Kapadia at the request of Farber & Partners Inc., are in the amount of \$14,500 for the month of January 2020.

Mr. Kapadia holds in excess of 66% of all debt owing by Star. As such, your clients will be unable to make a viable proposal unless it is acceptable to Mr. Kapadia. In the circumstances, we ask that you provide us with a draft proposal for our review by no later than **January 3, 2020**, failing which, we reserve all of our client’s rights against your clients and Star, including pursuant to Section 50.4(11) of the BIA.

CAN_DMS: \131114934\3

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Robert M. Isles
Bobby Sachdeva
December 23, 2019

 **NORTON ROSE FULBRIGHT**

Yours very truly,



Virginie Gauthier

Copy to: Viraf Savak Kapadia
 Nader Hasan, Norton Rose Fulbright Canada LLP

This is **Exhibit "S"** referred to in the Affidavit of
PETER M. CLAUSI sworn January 2nd, 2020.



Commissioner for Taking Affidavits (or as may be)

Asim Iqbal



Star Sets the Record Straight and Announces Anticipated Date of Court Hearing

TORONTO, Dec. 23, 2019 -- Star Navigation Systems Group Ltd. (CSE: SNA) (CSE: SNA.CN) (OTCQB: SNAVF) ("**Star**" or the "**Company**") announces that, further to its press release dated December 12, 2019, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") will hear an application on January 22, 2020 (the "**Application**") to determine the validity of the shareholders meeting (the "**Invalid Meeting**") alleged to have been held on December 11, 2019 by a dissident shareholder group (the "**Dissidents**"). The Company also confirms that the press release filed by the Dissidents on December 11, 2019, was not authorized by Star.

On December 18, 2019, the Court heard a motion for an interim injunction against the actions taken by Dissidents pending the Application. While that motion was dismissed, the Court held that there was a strong *prima facie* case against the Dissidents, and the Court declined to ratify the results of the Invalid Meeting. The Company reiterates that, further to its press release dated December 12, 2019, no valid special meeting of the shareholders of the Company was held on December 11, 2019, and that no directors or officers have been elected or appointed as alleged by the Dissidents. The Company expects the Court will confirm that the Invalid Meeting was not valid following the Application hearing.

The Dissidents allege that the Company's recent difficulties and financial performance over the past year is attributable to the Company's CEO and founder, Mr. Viraf Kapadia. That is simply not the case. As reiterated time and time again by the Company to the Dissidents as well as the public, the Dissidents' reckless behaviour over the past several months is a primary reason the Company is in the position it is today. In addition, the Dissidents have purported to re-appoint the former CFO and General Counsel of the Company, each of whom the Dissidents had apparently been in contact with prior to the date of the Invalid Meeting and each of whom served in those positions with the Company during the recent difficulties faced by the Company.

Mr. Kapadia has been working tirelessly to secure revenue for the Company and complete and file the annual financial statements for the Company. To that end, Mr. Kapadia was in the process of working on purchase orders from several international customers and working with a reputable financial advisor ("**Financial Advisor**") to complete the annual financial statements for the Company over the past few months. These processes were unnecessarily interrupted and jeopardized by the reckless behaviour of the Dissidents, who have, among other things, apparently purported to act for or on behalf of the Company with third parties, including the Financial Advisor, without any authorization to do so causing further delay and disruption in the Company's operations.

The Dissidents further allege that the NOI process was initiated by Mr. Kapadia for his personal interests and continue to insinuate that the debt owed to Mr. Kapadia by the Company is improper. That is simply not the case. The NOI process was approved by the Company's board of directors to give the Company breathing room and stability given its current financial circumstances. Further, a large majority of the debt owed to Mr. Kapadia has been verified by external financial auditors in the preparation of the Company's previously filed financial statements and is the result of deferred salary payments owed to Mr. Kapadia and otherwise payments made by Mr. Kapadia on behalf of the Company to keep the Company afloat. Indeed, the Dissidents' December 11, 2019 press release complain that Mr. Kapadia filed security documents that are "related to a debt [Mr. Kapadia] claims was incurred to him by Star during his tenure as the CEO"; these documents relate principally to payments made personally by Mr. Kapadia on behalf of the Company in order to initiate the NOI process since the Company is insolvent and could not make the payments itself.

The Dissidents apparently have no respect for the rule of law and the markets as they have forcibly taken over the Company's offices and property without regard for the Company's shareholders' rights to be heard at a validly-constituted meeting. The Company has reached out to the Dissidents on numerous occasions to provide assistance in requisitioning a meeting of shareholders so that all shareholders may fully exercise their right to be heard. Instead, the Dissidents ignored the Company's repeated offers for assistance and proceeded with the Invalid Meeting based on an improper requisition, a misleading proxy circular and forms of proxy that differ for registered and beneficial shareholders. If the Dissidents are allowed to illegally retain physical control of the Company's premises, public confidence in the orderly and just operation of the markets and the Company will be lost. Indeed, the Dissidents' reckless behaviour may have grave financial consequences for the Company, as such actions may trigger significant liabilities.

Mr. Kapadia is fighting for the rights of the shareholders to be heard at a legally constituted meeting with proper disclosure, and looks forward to correcting the wrongs committed by the Dissidents during the Application hearing. As was previously announced and reiterated to the dissidents and their counsel, the Company's board of directors have resolved to call an annual and general meeting of Shareholders on March 9, 2020.

About Star Navigation:

Star Navigation Systems Group Ltd. owns the exclusive worldwide license to its proprietary, patented In-flight Safety Monitoring System, STAR-ISMS®, the heart of the STAR-A.D.S. ® and of the STAR-ISAMM™ 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-Isonoe Inc. 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 (STAR-ISAMM™ and STAR-LSAMM™) applications of the patented STAR-A.D.S. ® technology, and on its current R&D program with Bombardier.

Certain statements contained in this News Release constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "expected" and similar expressions, as they relate to Star or its management are intended to identify forward-looking statements. Such statements reflect Star's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause Star's actual performance or achievements to vary from those described herein. Should one or more of these factors or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Star does not assume any obligation to update these forward-looking statements, except as required by law.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of the content of this release.

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE JUSTICE)))))	WEDNESDAY, THE 8 TH DAY OF JANUARY, 2020
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**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF STAR NAVIGATION SYSTEMS
GROUP LTD.**

ORDER

THIS MOTION, made by Star Navigation Systems Group Ltd. (the “**Company**”) pursuant to the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the “**BIA**”) for an Order, among other things, (i) extending the time for filing a proposal (the “**Proposal Period**”) pursuant to s. 50.4(9) of the BIA, (ii) if necessary, granting leave for this Motion to be heard by the Ontario Superior Court of Justice (Commercial List) (the “**Commercial List**”) in Toronto, Ontario, and (iii) granting the Administration Charge (as defined below), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the Affidavit of Peter Clausi sworn January 2, 2020 and exhibits thereto, the First Report (the “**First Report**”) of A. Farber & Partners Inc., in its capacity as proposal trustee of the Company (in such capacity, the “**Proposal Trustee**”), and the appendices thereto, filed, and on hearing the submissions of respective counsel for the Company and the Proposal Trustee and such other counsel listed on the counsel slip, no one appearing for any other person on the Service List, although properly served as appears on the Affidavit of Service of [●] sworn January [●], 2020;

LEAVE TO BE HEARD ON COMMERCIAL LIST

1. **THIS COURT ORDERS** that leave is granted for this Motion, and any other motion brought within these proceedings, to be heard by a Judge of the Commercial List.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record are abridged and validated so that this Motion is properly returnable today and dispenses with further service thereof.

EXTENSION OF PROPOSAL PERIOD

3. **THIS COURT ORDERS** that, in accordance with subsection 50.4(9) of the BIA, the Proposal Period is extended to and including February 24, 2020.

APPROVAL OF THE ADMINISTRATION CHARGE

4. **THIS COURT ORDERS** that counsel for the Company, Miller Thomson LLP, the Proposal Trustee and its counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges or as set out in their respective engagement letters, by the Company as part of the costs of these Proposal Proceedings. The Company is hereby authorized and directed to pay the accounts of counsel for the Company, the Proposal Trustee and its counsel for work performed in connection with these Proposal Proceedings on a bi-weekly or monthly basis.

5. **THIS COURT ORDERS** that counsel for the Company, Miller Thomson LLP, the Proposal Trustee and its counsel shall be entitled to the benefit of and are granted a charge (the “**Administration Charge**”) against all of the assets, rights, undertakings and properties of the Company, of every nature and kind whatsoever, and wherever situated including all proceeds thereof (collectively, the “**Property**”), which Administration Charge shall not exceed an aggregate amount of \$100,000 (plus HST and disbursements), as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings.

6. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts (including constructive trusts), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, the “**Encumbrances**”) in favour of any individual, firm, corporation, governmental body or agency or any other entity (each of the foregoing being a “**Person**”).

7. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

8. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these Proposal Proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by the creation of the Administration Charge; and
- (c) the granting of the Administration Charge, does not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

9. **THIS COURT ORDERS** that any charge created by this Order over leases of real property in Canada shall only be a charge in the Applicant’s interest in such real property leases.

SERVICE AND NOTICE

10. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/Toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the Rules of Civil Procedure (Ontario) (the “**Rules**”), this Order shall constitute an Order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://farbergroup.com/engagements/star-navigation-systems-group-ltd/>.

11. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Proposal Trustee are at liberty to serve or distribute this Order, any other materials and orders in these Proposal Proceedings and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Company’s creditors or other interested parties at their respective addresses as last shown on the records of the Company and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

12. **THIS COURT ORDERS** that the Company, the Proposal Trustee and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these Proposal Proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Company’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

13. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

Proceeding commenced at Toronto

**ORDER
(DATED: JANUARY 8TH, 2020)**

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Ltd.