

Star Navigation Systems Group Ltd. Announces Elimination of \$3.3 Million of Debt

Brampton, Ontario--(Newsfile Corp. - February 14, 2020) - Star Navigation Systems Group Ltd. (CSE: SNA) (CSE: SNA.CN) ("Star or the "Corporation") is pleased to announce that creditors have accepted the Corporation's formal Proposal to settle outstanding debts. As a result of today's meeting, the Proposal Trustee will seek Court approval of the Proposal, which, if approved, will remove approximately \$3.3 million in debt from the Corporation's balance sheet.

This process was commenced by the former CEO of the Corporation, Mr. Viraf S. Kapadia, immediately prior to a Special Meeting of Shareholders held December 11, 2019. Immediately after the meeting, Star's new Board of Directors terminated Mr. Kapadia as CEO and appointed Mr. Peter M. Clausi as Interim CEO.

The Corporation can see no reasonable explanation for Mr. Kapadia to have commenced the process other than to advance his self-interests at the expense of the Corporation. In this process, Mr. Kapadia alleged he was an unsecured creditor of the Corporation mainly in respect of a claim for more than \$2,100,000 for accrued and unpaid salary ("Related Party Debt"). However, the Proposal Trustee did not permit Mr. Kapadia to vote his claimed debt on the basis that Mr. Kapadia was a non-arm's length party pursuant to Canada's *Bankruptcy and Insolvency Act*. Mr. Kapadia had actually wanted to vote against the Proposal and sought to bankrupt the Corporation with the effect of destroying all shareholder value. Instead, Mr. Kapadia will receive approximately \$55,000 as an unsecured creditor. His alleged secured debt of some \$67,000 has yet to be proven and remains an unresolved issue.

Mr. Clausi said, "We are very pleased by today's supportive vote in favour of acceptance of our proposal. I want to assure all concerned parties, staff, trade partners, customers and investors that everyone at Star was confident that today's vote would be positive and we are all excited about getting down to the hard work ahead. Star has a bright future and having this process settled will allow everyone here to concentrate on the important things."

While Mr. Kapadia has the right to appeal today's decision, the Corporation believes his chances of success on appeal are minimal.

In related news, Star previously brought a motion in the Ontario Superior Court of Justice - Commercial List to enforce the settlement reached with Mr. Kapadia on January 22, 2020. Mr. Kapadia has denied the existence of such a settlement. A significant portion of that settlement involved the Related Party Debt referred to above. Since the Related Party Debt has been extinguished by today's creditor meeting, the settlement has become moot and, therefore, Star reports that it has abandoned its motion to enforce the settlement.

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 / STAR-LSAMM™ 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.

Star's 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-Isono Inc., is a specialised software firm, developing complex solutions in engineering, simulation and development for Canadian customers. Star-Isono 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 Release constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "expected", "intend" and similar expressions, as they relate to Star or its management or board 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. Mr. Viraf Kapadia's outstanding litigation and the process initiated by Mr. Kapadia for his personal interests under the Bankruptcy and Insolvency Act are risks to Star. Many other 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

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