

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1. REPORTING ISSUER

Star Navigation Systems Group Ltd.
11 Kenview Blvd.,
Brampton, ON L6T 5G5

ITEM 2. DATE OF MATERIAL CHANGE

February 14, 2020

ITEM 3. NEWS RELEASE

Press release in the form attached as Schedule "A" was disseminated on February 14, 2020 via Globe Newswire.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced elimination of debt.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

For a full description of the material change, please refer to the press release attached hereto.

ITEM 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable

ITEM 7. OMITTED INFORMATION

No information has been omitted on the basis of confidentiality.

ITEM 8. EXECUTIVE OFFICER

The following officer of the Company is knowledgeable about the material change and the Report:

Randy Koroll
Chief Financial Officer
(416) 252-2889

ITEM 9. DATE OF REPORT

Dated at Toronto, Ontario this 7th day of May, 2021.

By: (signed) "Randy Koroll"
Randy Koroll

Schedule "A"

STAR NAVIGATION SYSTEMS GROUP LTD. ANNOUNCES ELIMINATION OF \$3.3 MILLION OF DEBT

Brampton, Ontario, 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 2 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.