Star Navigation Systems Group Ltd.
Management's Discussion and Analysis
For the three and nine month periods ended March 31, 2021 and 2020

RESTATED

Date – November 21, 2021

NOTICE TO READER:

The following MD&A was revised following a review performed on the Management Discussion & Analysis' by the Staff of the Ontario Securities Commission upon the application by the Company to have a Cease Trade Order revoked.
The changes to the MD&A include increased disclosure relating to decisions made by the Company to curtail certain business operations due to cash flow issues, the effects of COVID-19 on the Company, disclosure on operating in Foreign markets, Liquidity and Capital resource challenges, stronger discussion relating to revenue and expense analysis, credit risk analysis, updated sales reorganization and increased discussion surrounding risk factors the Company faces.

The following management discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for Star Navigation Systems Group Ltd. (the Company" or "Star") for the three and nine month periods ended March 31, 2021 and 2020 and should be read in conjunction with the consolidated audited financial statements for the years ended June 30, 2020 and June 30, 2019. Amounts are reported in Canadian dollars based upon the financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Information contained herein is presented as at November 7, 2021.

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

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

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

Prior to COVID-19, new airlines were looking for ways in which to both comply with changing regulatory requirements while at the same time, maintaining strict maintenance and financial control over their operations. The Company's business is based in large part in providing solutions to those issues, amongst others. As COVID-19 becomes less of an issue, many of these airlines will revisit all aspects of their operations and it is hoped that the Company, through its local agents and partners, will be there to provide the necessary guidance and equipment.

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

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

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

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

COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak ("COVID-19") a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus.

These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions.

Due to the COVID-19 pandemic and the resulting mandatory closure of businesses in March 2020, and with airline fleets being grounded worldwide, the Company was forced to lay off employees and terminate contractors effective April 6, 2020. Senior management has continued to work on a limited resources basis. The Company subsequently recalled most of its employees on September 1, 2020 at reduced salaries in order to help the Company preserve cash.

In regards to the Company's COVID-19 and its overall operational strategy, the following initiatives have been implemented;

1. New Executive management in place since September 2020
2. Engagement of credible and experienced personnel with proven track record from Aviation Industry
3. Enhancing its sales strategy

The Company has the personnel with the technical background to help promote the sale of its products. Example of this is the Company's Issuer's achievement of an Airbus A320 Supplemental Type Certificate (STC) from Transport Canada that expands the Issuers ability to market the Star ADS on the most successful and most flown aircraft globally

The Company continues to push its STAR-A.D.S.® System product and has not slowed down its sales strategy due to COVID-19. Although travel has been restricted. The Company is hoping to leverage the fact that all new aircraft built after January 2023 have been mandated to have a flight tracking system (Global Aeronautical Distress & Safety System ("GADSS")) installed on its aircraft.

Pre-2023 aircraft operators are being encouraged to follow suit but are not currently being mandated due to the losses suffered from COVID-19.

The Company recognizes that air travel will not return to pre-pandemic levels until sometime in 2022. However, will the roll-out of vaccines to combat COVID-19 happening in 2021, air travel by people is increasing and will continue to increase. Countries are now developing policies regarding travel by people to different countries and we see this trend increasing month by month. So, we feel that there will be no government restrictions regarding travel implemented that will affect business operations unless another Pandemic occurs."

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

In addition, the ability of the STAR-A.D.S. ® and STAR- M.M.I.™ Divisions to successfully promote and sell products and services is critical. Competitive conditions in the business in which the Company participates, supply chain interruptions, general economic conditions and normal business uncertainty, fluctuations in foreign currency exchange rates and changes in laws, rules and regulations applicable to the Company in the jurisdictions in which the Company operates are all factors to be taken into consideration. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, or future events or otherwise, except as may be required by law.

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

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

EVOLUTION OF THE BUSINESS

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

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

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

The STAR-A.D.S.® G3 computer has been certified for airworthiness (Supplemental Type Certificate (‘STC”)) on aircraft type A310 by Transport Canada (“TC”) and the U.S. Federal Aviation Authority (“FAA”). The Company received its full operational STC for aircraft type A320 in June 2021. The third generation (“G3”) computer combines, in one unit, several updated air-to-ground communications means. In particular, the G3 unit adds the ability to switch from satellite communications to GSM (Global System for Mobiles) communications, providing maximum flexibility and cost-effectiveness to the users.

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

OVERVIEW OF PRODUCTS AND PROGRAMS

STAR-A.D.S.®

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

OVERVIEW OF PRODUCTS AND PROGRAMS (Cont'd)

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

The STAR-A.D.S. ® System is fully functional and saleable at this time. No major upgrades are planned for this product at this time. The Company plans to add to around 35 ADS units to its inventory. This will take about 3-4 months to complete as some components are long lead items that take up to 2 months to receive. The cost will be substantial to the Company. Management is currently planning how they will finance this purchase.

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

With the mandatory requirement of all Aircraft manufacturers to put this type of system on brand new aircraft being built after January 2023, the STAR-A.D.S. ® System will be in demand by the Aircraft Manufacturers in the years ahead.

STAR-M.M.I.™

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

STAR-M.M.I.™ has full capability, in-house, to offer customer support. Its products have already been delivered to various major system avionics integrators worldwide, all of them appearing in the Fortune 500 listing.

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

The Star M.M.I contract with its customer is valid through 2026. The contract is in good standing with the customer and the Company continues servicing the contract for repair and maintenance on the customer equipment (RFQ). The Company's obligations are to repair the units as needed and it has all the resources in house such as the qualified technicians and quality control personnel to be in full compliance/obligation with the agreement.

OVERVIEW OF PRODUCTS AND PROGRAMS (Cont'd)

STAR - LSAMM™ (Land System Aided Medical Monitoring) and STAR-ISAMM™ (In-Flight System Aided Medical Monitoring)

The core use of the two projects was to transmit medical data, acquired from medical devices aboard air or land ambulances to a decision-making hub such as a hospital or dispatch centre.

These programs have been put on hold by the Company due to the limited financial resources the Company had in September 2020 as well as the uncertainty surrounding the length and outcome of the COVID-19 pandemic.

The products have not been fully certified for commercial sales and face several difficulties which prohibit their entry into commercial sales. They require a concrete certification based on the data that the system transmits over the Iridium SATCOM which from a technology standpoint is not available in current situation.

The transceiver (modem) which was to transmit the medical data was in its infancy in terms of consumer availability and general wide-spread use.

Being unable to source this modem introduced major disruptions to the development of the ISAMM/LSAMM projects. The modem, even after availability, would be in a form factor much too large for the anticipated ISAMM/LSAMM devices which again resulted in failure to comply with customer requirements. In addition, being able to collect and acquire medical data from the medical devices was also getting to be a bottleneck since the manufacturers of these medical devices would not allow third parties and external companies from interfacing and acquiring data from their devices.

To get around these two notable issues – the requires the creation of custom transceivers, infrastructure and medical devices which is a significant undertaking in terms of financial resources and manpower.

The Company continues to monitor the situation and may return to these projects as finances and technology advances permit.

STAR – TTT™ (Talk, Text & Track)

Our partners on this project were Chengdu Aerospace in China. Given the current state of relations between Canada and China, and the fact that the product requires financial resources to get certified before it can go on board an aircraft, the project is on hold.

STAR – V – TRK™

Put on hold due to financial resources as the product requires certification to be installed on any aircraft.

SALES & MARKETING STRATEGY AND REORGANIZATION

The Company has undertaken to revamp its Sales & Marketing strategy in light of disappointing sales results of the past 20 years. It's current CEO, Mr. Amir Bhatti is also a past Chief Technical Officer with the Company and comes from an aviation industry background with 30 plus years of experience in airline flight operations, maintenance operations, flight safety and aircraft accident investigations. He has worked for aerospace companies such as Bombardier, De Havilland Aircraft of Canada, Pratt & Whitney Canada (as a Professor) and other OEMs.

Mr. Bhatti (CEO) has been focused on restructuring STAR into a leaner organization. Part of these efforts are focused on cost reductions, supplier engagements, and streamlining the commercial approach for STAR including engaging transformation and sales consultants to support revenue generation and product evolution efforts to reposition the company.

Further actions anticipated during the next 6-12 months include partnerships with Maintenance Repair & Overhaul organizations and spare parts resellers/distributors. STAR is also in exploratory discussions to broaden our market reach through service providers beyond spare parts and repairs. All these efforts will culminate into a aligned revenue generation strategy where STAR will be repositioned to sell our products and services directly to aircraft operators as well as through third party relationships.

As a further extension of the transformation initiatives, STAR is in early discussions to define the product and services evolution roadmap. Further updates on these initiatives are expect in 2022.

OPERATIONAL UPDATES

During the year ended June 30, 2021, the Company made the following progress towards achieving its strategic growth objectives:

- The Company announced that it has signed a sales agency agreement (the "Agreement") with Swiss Aviation Group AG ("SAG") out of Switzerland. SAG was founded in 1996. It has over 20 years of experience in Airline Start-ups, Turn Arounds and Airport Management Support.

  It's activities has since expanded into the preparation of Air Operator Certificates, managing of and consulting for airport projects, the charter, lease and sales of jet transport passenger and cargo aircraft, the development of Business Plans, preparation of Feasibility Studies as well as restructuring and turnaround of airline companies.

  Under the Agreement, SAG will have exclusive rights to sell the STAR A.D.S. system to several airlines globally. The agreement is for a one (1) year term and can be extended by mutual consent of both parties. SAG has committed in the Agreement to selling at least 35 STAR A.D.S. units on a best efforts basis to their customer airlines in the first year of the agreement. However, Star is confident and hopeful that SAG would be able to sell more than the minimum amount of Star units due to their exposure and influence in the airline industry.

- The Company had cut back on the number of products and programs it has on the go to focus on its' A.D.S. and MMI programs (See overview of Products and Programs above).

- The Company hired Sameer Adam as a sales advisor based on his significant commercial experience. He was recently appointed to the ACIA Aero Leasing team as Senior Vice President Commercial and he previously served as Regional Vice President, Sales at De Havilland Aircraft of Canada Ltd. leading the sales team responsible for Europe, Russia & CIS, Middle East, Africa, Caribbean, and South America.

  A commercial pilot by training, Sameer has held positions at Bombardier Commercial Aircraft as Director, Sales as well as in other commercial support functions within Bombardier's Customer Services and Contracts teams. He also briefly served in Bombardier's Business Aircraft team as Sales Director for a number of countries in South-East Asia. Prior to joining Bombardier, Mr. Adam managed the global marketing and sales of training support services while based in Canada. He has also filled various roles as a pilot with multiple private and corporate flight departments. Mr. Adam holds a Bachelor of Science degree in Professional Aeronautics from Embry-Riddle University.

OUTLOOK - STRATEGIC OBJECTIVES FOR FY2022 AND BEYOND

Star's management is working to achieve the following objectives over the next 12 months and beyond:

- Star will continue to execute the commercialization of the STAR-A.D.S.® System, products and services with a focus on growing sales and production of the STAR-A.D.S.® box.

SELECTED FINANCIAL INFORMATION ANALYSIS

General Financial Information at March 31, 2021

The Company has emerged from the Notice of Intent to Make a Proposal Event on February 24, 2021. However, it will continue to require debt and/or equity financing until it is able to generate sustainable revenues from operations on a consistent basis. The Company is looking at all available financing options. There can be no assurance that the Company will be successful in obtaining further financing.

Accounts receivable are collected on a regular basis. The current aging of the accounts receivables outstanding at March 31, 2021 is $10,944.

	Current	1 - 30	31 - 60	61 - 90	91+	Total
	2,722.35	-	3,655.92	-	4,566.05	10,944
TOTAL	**$ 2,722.35**	**$ 0.00**	**$ 3655.92**	**$ 0.00**	**$ 4,566.05**	**$ 10,944**

SELECTED FINANCIAL INFORMATION ANALYSIS (Cont'd)

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

Prepaid expenses have dropped since June 30, 2020 due to deposits being held by the Trustee regarding the Notice of Intent to file a Proposal being expensed. The Company had placed $90,000 with the Trustee regarding its proposal along with a further $40,000 for a deposit for Trustee fees.

Assets have increased this year over June 30, 2020 due to the increase of cash on hand.

Capital and intangible assets have changed due to asset additions and normal depreciation and amortization charges taken in 2021.

Accounts payable and accrued liabilities have decreased drastically due to the Company emerging from the Notice of Intent to Make a Proposal Event ("NOI"). Pre NOI accounts payables have now started to be settled with the Company trustee, A. Farber and Associates.

		March 31, 2021 (Unaudited)		June 30, 2020 (Audited)
Trade payables (a)	**$**	**140,608**	$	444,301
Accrued liabilities (b)		**768,468**		882,881
	$	**909,076**	$	1,327,182

(a) Trade payables are amounts incurred in the normal everyday operation of the business.
(b) Accrued liabilities include amounts for salary accruals related to the pre NOI period totaling $443,777 along with CRA payroll deductions of $198,954 and other accruals making up the balance.

The Due to Related party balance have also been settled in the NOI process including $2,218,428 due to the Former Chief Executive Officer as well as amounts due to former directors and therefore this amount has been substantially reduced.

The Company received a total of $120,000 in the form of the Canadian Emergency Business account ("CEBA") loans from the Government of Canada in February 2021. These loans are interest free loans with no principal payments until March 31, 2022. If the Company repays $80,000 of the total loan prior to March 31, 2022 then the balance of $40,000 will be forgiven. If the balance is not paid by March 31, 2022 then the balance of the loan is converted to a three (3) period term loan with interest at 5% starting on January 1, 2023. The balance of the loan must be paid no later than March 31, 2025.

SELECTED FINANCIAL INFORMATION ANALYSIS (Cont'd)

On September 1, 2020, the Company closed a non-brokered private placement issuing 41,634,000 units of the Company (the "Units") at a price per unit of $0.025 for gross proceeds of $1,040,850. 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 $0.05 cents per warrant exercised. The warrants are exercisable during the two (2) year period from the date of issue. In addition, the Company has agreed to pay finder's fees in the amount of 4,163,400 units valued at $104,085.

Also on September 1, 2020, the Company closed a common shares for debt transaction issuing 57,838,000 units of the Company (the "Units") at a price per unit of $0.02 for gross proceeds of $1,156,760. 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 $0.05 cents per warrant exercised. The warrants are exercisable during the two (2) year period from the date of issue.

SUMMARY OF QUARTERLY RESULTS

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

(Expressed in $)

	2021	**2020**	**2020**	**2020**
Period Ending	**March 31**	**December 31**	**September 30**	**June 30**
Revenue	6,378	96,676	-	18,170
Working Capital/(Deficit)	(1,197,811)	(3,594,727)	(2,751,222)	(5,130,407)
Expenses	(2,261,523)	441,517	363,570	468,239
Net Income (Loss) from Operations	2,267,902	(344,839)	(363,570)	(450,070)
Net Income (Loss) (per Share)	0.004	(0.001)	(0.001)	(0.004)

	2020	**2019**	**2019**	**2019**
Period Ending	**March 31**	**December 31**	**September 30**	**June 30**
Revenue	34,772	5,172	51,672	140,414
Working Capital/(Deficit)	(4,671,447)	(3,786,352)	(3,155,103)	(2,751,222)
Expenses	947,291	683,001	608,922	1,383,280
Net Loss from Operatons	(912,519)	(677,829)	(557,250)	(1,242,866)
Net Loss (per Share)	(0.001)	(0.001)	(0.001)	(0.003)

REVENUES:

Over the last 8 quarters revenues have been inconsistent from quarter to quarter.

The lack of ADS sales over this time period can be tied to former Managements lack of a cohesive sales strategy and the fact that the Company went into a formal Notice of Intent to file a proposal on December 11, 2019.

The lack of consistency with MMI sales is evidenced by the gap between sales as the Company went 18 months between orders (June 2019 and December 2020).

This gap between significant MMI sales does not allow the Company to budget accurately or plan capital expenses or labour costs related to this program.

The Company is part of a program that serves the U.S Department of Defence ("DoD") in repairing cockpit displays and only receives repairs when the DoD determines that maintenance is required. The Company is relegated to waiting on future repairs.

EXPENSES:

The Company has been more consistent in what it is spending over these quarters with fluctuations coming with year-end adjustments and events such as cash flow issues in July 2019 and a Notice of Intent to Make a Proposal ("NOI") was filed by previous management on December 11, 2019, immediately prior to their removal by shareholders. Three months later the COVID-19 pandemic occurred. The Company's expenses continued steady due to the legal costs with dealing with the NOI proposal.

The Company has not been able to report a Net profit from Operations at any time in its history and only in March 2021 due to the Company emerging from the NOI process was it able to record Net Income because of the NOI process.

RESULTS OF OPERATIONS

Comparison of the three month periods ended March 31, 2021 and 2020

The Company had net income of $2,267,902 in the three month period ended March 31, 2021 against a loss of $912,519 for the three month period ended March 31, 2020. The major contributing factor in the large swing from March 31, 2020 to March 31, 2021 was the emergence of the Company from the NOI process and the subsequent settlement of a majority of it's debts through the proposal process on February 24, 2021.

Revenues:

		March 31,	
	2021	**2020**	**Variance**
Total Revenues	**6,378**	**34,772**	**(28,394)**
Star ISMS	**6,378**	**34,772**	**(28,394)**
Star MMI	**-**	**-**	**-**

Revenues for the three month period ended March 31, 2021 have decreased by $28,394 over the same period of 2020.

Revenues from its ADS program are now monthly monitoring fees from flights with the ADS system onboard. These revenues are also somewhat unpredictable as Star has no way of knowing how many flight hours its customer will fly in any given period.

The Company had $Nil STAR-M.M.I.™ sales in this period. MMI sales are sporadic and unpredictable as to when the Company will receive orders from its customer whose customer is the U.S. Department of Defense.

RESULTS OF OPERATIONS (Cont'd)
Comparison of the three month periods ended March 31, 2021 and 2020 (Cont'd)

Cost of Inventory Consumed:

		March 31,	
	2021	**2020**	**Variance**
Total Cost of Inventory Consumed	**9,032**	**11,606**	**(2,574)**
Star ISMS	**9,032**	**11,606**	**(2,574)**
Star MMI	**-**	**-**	**-**

Cost of inventory consumed for the period ended March 31, 2021 decreased over 2021 as the 2020 period contained an paid for commissions.

Airtime costs which the Company incurs each month depending on how much flight time their customer consumes were relatively the same from year to year.

General and Administrative:

		March 31,	
	2021	**2020**	**Variance**
Total G&A expenses	**315,681**	537,716	**(222,035)**
Accounting fees	**22,500**	15,000	**7,500**
Amortization of right of use assets	**25,659**	25,659	**-**
Bank charges & interest	**1,482**	1,595	**(113)**
Board and Committee fees	**27,000**	45,000	**(18,000)**
Filing fees	**8,911**	18,841	**(9,930)**
Insurance	**17,927**	23,100	**(5,173)**
Office and general	**44,196**	1,351	**42,845**
Professional fees	**46,289**	334,979	**(288,690)**
Rent	**-**	2,416	**(2,416)**
Wages	**121,717**	69,775	**51,942**

Board and Committee fees are down this period compared to 2020 as the Company has 3 less Directors on its Board. In the period ending March 31, 2020 the Company had 7 members on its Board of Directors whereas, those 7 members resigned one month later on April 30, 2020 and a new Board was installed that contained just 4 members.

Filing fees are down this period due to a decrease in regulatory fees paid as well as lesser costs associated with the holding of the special AGM on December 11, 2019.

Insurance costs remain relatively the same as the prior period. Group insurance costs are the largest component of insurance. The Company has been able to negotiate lower rates for its commercial and liability insurance.

RESULTS OF OPERATIONS (Cont'd)
Comparison of the three month periods ended March 31, 2021 and 2020 (Cont'd)

Rent expense decreased due to the change that resulted from the implementation of IFRS 16. The offset to this decrease is an increase in the amortization on the right of use asset that was setup and is amortized over the life of the lease which is 10 years.

Professional fees are down substantially as the litigation costs associated with the NOI to file for Bankruptcy were mostly incurred in the 2020 period and are winding down as of 2021.

Office and general expenses increased in the March 2021 three month period as the Company updated its website and security of its office premises. In the three month period ended March 2020, the Company's cash flows had run out and spending was minimal at best.

Salary expense increased in this period over 2020 due to an increase in CEO salary.

Marketing and Promotion

		March 31,	
	2021	**2020**	**Variance**
Total M&P expenses	**72,984**	**62,042**	**10,942**
Consultant costs	**6,000**	**59,000**	**(53,000)**
Salaries and benefits	**34,956**	**-**	**34,956**
Travel costs	**32,028**	**3,042**	**28,986**

Marketing and promotion costs have increased minimally over the same period of 2020 due to an increase in travel costs.

Consultant costs have decreased this period compared to 2020 as the Company hired some of the consultants to become salaried employees hence the decrease in consulting fees and the increase in salaries and benefits.
Travel costs increased as March 2021 was the first month expenses were incurred by the Company for travel costs associated with the SAG contract that was signed in March 2021.

Product Maintenance & Operating costs (formerly Research and Development):

		March 31,	
	2021	**2020**	**Variance**
Total Product Maintenance expenses	**156,815**	**309,108**	**(152,293)**
Amortization expense	**5,338**	**5,938**	**(600)**
Maintenance costs	**10,915**	**40,980**	**(30,065)**
Wages	**140,562**	**262,190**	**(121,628)**

RESULTS OF OPERATIONS (Cont'd)
Comparison of the three month periods ended March 31, 2021 and 2020 (Cont'd)

Management has decided to rename this category due to the fact the Company has been incurring maintenance and operating costs only for the STAR-A.D.S.® program throughout FY2021 and no Research and Development. Research and Development costs associated with other programs on hold at this time (See Overview of Products above) will be shown separately in future discussions.

Amortization expense has decreased in 2021 over 2020 as the Company's asset base has continued to decrease.

Product maintenance costs have decreased in 2021 as the Company has put holds on spending on the development of certain projects (See discussion in Overview of Products and programs) as it looks to conserve its cash until the Cease Trade Order has been lifted.

Wage expense in this 3 month period ended March 31, 2021 was related solely to the maintenance and operation of the STAR-A.D.S.® box. Wages have decreased in this period as the Company has decreased salaries for employees due to the effects of Covid-19 on the business.

Consulting costs dropped $119,175 over 2020 as some consultants were put on salary at reduced costs to the Company and some consultant costs were discontinued. Wages increased by $22,598 in this period over 2020.

Salaries associated with the development and production of the LSAMM and ISAMM products are $Nil in this period as that program has been shut down temporarily (See discussion in Overview of Products and programs) compared to $33,789 spent in 2020.

Comparison of the nine month periods ended March 31, 2021 and 2020

The Company produced a net income of $1,559,492 for the nine month period ended March 31, 2021 vs. a loss of $2,132,787 for the same period ended March 31, 2020. The major contributing factor in the large swing was the emergence of the Company from the NOI process and the settlement of it's debts through the proposal process on February 24, 2021.

Revenues:

		March 31,	
	2021	**2020**	**Variance**
Total Revenues	**103,055**	91,617	**11,438**
Star ADS	**11,226**	22,539	**(11,313)**
Star MMI	**91,829**	42,628	**49,201**
Other	**-**	26,450	**(26,450)**

Revenues for the year ended March 31, 2021 have increased by $11,438 over the same period of 2021.

RESULTS OF OPERATIONS (Cont'd)
Comparison of the nine month periods ended March 31, 2021 and 2020

Revenues (Cont'd)

STAR-M.M.I.™ sales have outpaced 2020 at this point in time by $49,201. However, although the program has generated revenues since the first sale in September of 2014 it has not yielded the results the Company had hoped for and has struggled in recent years due to stoppages in programs that are beyond the control of the Company.

The Company had an increase in MMI sales in the nine months ended March 31, 2021 vs. March 31, 2020. The units (Data Entry Panels – "DEP") for repair are not on fixed basis and come to the Company as our customers gets them for repair from the end-user. The Company has no indication from its customer when these may occur. There has been very little to no consistency for these repairs.

The last MMI sale prior to Nov 2020 was in May 2019. This MMI agreement is the repair and maintenance of the DEP's for which Star has a contract that runs until 2026.

STAR-A.D.S. ® System sales now consist of monthly flying revenue by its customers. The decrease from 2020 was result of a change in billing and a credit granted to the customer.

The Company is still trying to have its STAR-A.D.S. ® System unit gain acceptance by the Airline industry. This has not happened and precludes the Company from increasing it's sales revenues. Until the Company can get several more customers on board and use them as leverage to gain access to other airlines then sales will remain the same. Further hampering the Company's ability to increase sales is that the onset of COVID-19 has hit the Airline industry harder and caused Airlines to ground whole fleets of planes. The Company recognizes that Airlines may not want to spend as much money as before and it may be a year or two out before flying returns to pre-pandemic levels. To that end, Management has brought in a new sales team with extensive aviation experience and also signed sales agency agreements that it hopes will reverse the trend of low revenues. The Company's previous management lacked vision, focus and commitment in this area. As a result, changes were made and new Management was brought in to run the Company.

Management has made decisions on what its sales strategy should be and is committed to using its resources more prudently. It has therefore put the developments of products on hold and is fully focused on achieving sales."

Cost of Inventory Consumed:

		March 31,	
	2021	**2020**	**Variance**
Total Cost of Inventory Consumed	**44,407**	35,401	**9,006**
Star ISMS	**35,556**	33,152	**2,404**
Star MMI	**8,851**	2,249	**6,602**

Cost of inventory consumed for the period ended March 31, 2021 increased over 2021 as the 2020 period contained amounts paid for commissions.

RESULTS OF OPERATIONS (Cont'd)
Comparison of the nine month periods ended March 31, 2021 and 2020 (Cont'd)

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

MMI costs are up in 2021 over 9 months as the Company had 4 MMI sales in the December 2020 period.

General and Administrative:

		March 31,	
	2021	**2020**	**Variance**
Total G&A expenses	**701,416**	1,186,174	**(484,758)**
Accounting fees	**67,500**	57,495	**10,005**
Amortization of right of use assets	**76,977**	76,977	**-**
Bank charges & interest	**5,096**	6,555	**(1,459)**
Board and Committee fees	**85,000**	90,000	**(5,000)**
Filing fees	**22,028**	57,423	**(35,395)**
Insurance	**48,811**	59,363	**(10,552)**
Office and general	**88,564**	27,951	**60,613**
Professional fees	**60,475**	412,996	**(352,521)**
Rent	**5,000**	35,381	**(30,381)**
Wages	**241,965**	362,033	**(120,068)**

Board and Committee fees are down this period compared to 2020 as the Company has 3 less Directors on its Board. In the period ending March 31, 2020 the Company had various members on its Board of Directors ranging from 2 to 7 whereas, all those members were either replaced in December 2019 or resigned on April 30, 2020. In May 2020 a new Board was installed that contained just 4 members.

Filing fees are down this year due to a decrease in regulatory fees paid and the costs associated with holding the special AGM in December of 2019.

Insurance costs remain relatively the same as the prior period. Group insurance costs are the largest component of insurance. The Company has been able to negotiate lower rates for its commercial and liability insurance.

Rent expense decreased due to the change that resulted from the implementation of IFRS 16. The offset to this decrease is an increase in the amortization on the right of use asset that was setup and is amortized over the life of the lease which is 10 years.

Professional fees are down as the litigation costs associated with the NOI to file for Bankruptcy were mostly incurred in 2020 and are winding down in 2021.

RESULTS OF OPERATIONS (Cont'd)
Comparison of the nine month periods ended March 31, 2021 and 2020 (Cont'd)

Office and general expenses increased in the nine month period ended March 2021 as the Company updated its website and security of its office premises. In the nine month period ended March 2020, the Company's cash flows had run out and spending was minimal at best.

Marketing and Promotion

		March 31,	
	2021	**2020**	**Variance**
Total M&P expenses	**211,067**	89,542	**121,525**
Consultant costs	**48,027**	86,500	**(38,473)**
Investor relations	**54,185**	-	**54,185**
Salaries and benefits	**64,122**	-	**64,122**
Travel costs	**44,733**	3,042	**41,691**

Marketing and promotion costs have increased over the same period of 2020 due to increases in salary, investor relations and travel costs and a reduction in consulting fees.

Consultant costs have decreased this period compared to 2020 as the Company hired some of the consultants to be salaried employees and reduced the costs of the remaining consultants due to cash flow restrictions.

Investor relations fees in 2021 and they are attributable to costs associated with the Private Placement the Company completed in September 2020.

Travel costs increased as the Company just signed a sales agency agreement with Swiss Aviation Group and March 2021 was the first month that the Company incurred costs associated with this contract.

Product Maintenance & Operating costs (formerly Research and Development):

		March 31,	
	2021	**2020**	**Variance**
Total Product Maintenance expenses	**368,221**	778,169	**(409,948)**
Amortization expense	**14,064**	17,815	**(3,751)**
Maintenance costs	**5,006**	136,470	**(131,464)**
Travel costs	**3,651**	47	**3,604**
Wages	**345,500**	623,837	**(278,337)**

Amortization expense has decreased in 2021 over 2021 as the Company's asset base has continued to decrease.

RESULTS OF OPERATIONS (Cont'd)
Comparison of the nine month periods ended March 31, 2021 and 2020 (Cont'd)

Product maintenance costs have decreased in 2021 as the Company has put holds on spending on certain product spending (See discussion in Overview of Products and programs) as it looks to conserve its cash until the Cease Trade Order has been lifted.

Wage expense in this 9 month period ended March 31, 2021 was related solely the maintenance and operation of the STAR-A.D.S.® box. Wages have decreased in this period over 2020 as the Company has decreased salaries for employees due to the effects of Covid-19 on the business.

Consulting costs dropped $179,181 over 2020 as some consultants were put on salary at reduced costs to the Company in September 2020 and a lot of consultant costs were discontinued.

Wages decreased by $278,337 in this period over 2020 as the Company has reduced its wage costs due to the Covid-19 pandemic and cash flow issues.

Salaries associated with the development and production of the LSAMM and ISAMM products are $11,263 in this period compared to $112,387 in 2020 as that program has been shut down temporarily (See discussion in Overview of Products and programs).

FOREIGN EXCHANGE GAIN/LOSS:

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

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

	March 31, 2021 (Unaudited)	June 30, 2021 (Audited)
Cash	**$ 22,535**	**$ 57**
Accounts receivable	**10,944**	**8,041**
Accounts payable	**(3,202)**	**(70,169)**
	$ 30,277	**$ (62,071)**

Based on the Company's net exposure to US dollar denominated instruments at March 31, 2021 and June 30, 2020, a sensitivity analysis has not been presented as it would be immaterial.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $695,510 at March 31, 2021 compared to a cash balance of $29,880 at June 30, 2021 resulting in an increase of $665,630. The Company has a working capital deficiency of $1,197,811 at March 31, 2021 compared to a working capital deficiency of $5,130,404 at June 30, 2020.

For the period ending March 31, 2021, cash flow provided by/(used by) operating activities was $1,008,993 as compared to (1,544,564) at March 31, 2020. The increase was due in large part to changes in non-cash working capital accounts.

The Company's inability to generate consistent sales means it has to continuously look for other options to sustain operations. Revenues from the STAR-M.M.I.™ and STAR-A.D.S. ® are sporadic throughout the year which leads to working capital deficiencies and does not allow the Company to plan any long-range projects.

The Company expects its working capital deficiency to remain high until it fully clears the NOI process at which point a large portion of current liabilities will be removed from the balance sheet which will improve the working capital of the Company.

The Company at this time has plans to build 35 STAR-A.D.S. ® units and is currently exploring its' financing options as the parts for the unit contain long lead items that have to be ordered up to 5 months in advance. Management is currently evaluating various financing options for the purchase of these units. The financing alternatives could include debt and/or equity financings, bank loans and rights offerings to existing shareholders. There is no assurance that the funding will be available on favorable terms to the Company, or at all so the orders have not been placed as of the writing of this MD&A.

The Company has always depended in the past on the support of its shareholders for financing. The Company will look to its shareholders for future financing for R&D and other objectives. The Company will continue to need more funding either through private placements, exercise of warrants and options or other financing options to sustain operations until revenues from the STAR-M.M.I.™, STAR-A.D.S. ®, programs generate adequate cash flows.

The Company is subject to the risks generally associated with high-technology companies, which include fluctuations in operating expenses and revenues.

Management is currently evaluating various financing options for the Company's short and long-term obligations. The financing alternatives can include debt and/or equity financings, asset sales and rights offerings to existing shareholders. There is no assurance that future funding will be available on favorable terms to the Company, or at all.

OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 2021 the Company had no off balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company.

OUTSTANDING SHARE DATA

Series I First Preferred Shares	615,000
Common Shares	622,988,880
Share Purchase Warrants	189,215,400 (exercise price of $0.05-$0.07)
Stock Options	450,000 (exercise prices ranging from $0.05 to $0.15 with expiry dates up to January 14, 2023 and various graded vesting provisions).

RECENT ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET APPLIED

The following are IFRS changes that have been issued by the IASB, which may affect the Company, but are not yet effective:

In May 2021, the IASB published Annual Improvements to IFRS Standards 2021–2021 Cycle, containing the following amendments to IFRS. These amendments are effective for annual periods beginning on or after January 1, 2022.

IFRS 1, *First-time Adoption of International Financial Reporting Standards* – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9, *Financial Instruments* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IAS 41, *Agriculture* – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

ADOPTION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

IFRS 16 – Leases

IFRS 16, *Leases* (“IFRS 16”), sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, the customer (“lessee”) and the supplier (“lessor”). This replaces IAS 17, *Leases*, and related interpretations. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all leases and requires a lessee to recognize (i) right-of-use assets and lease liabilities for leases with terms of more than 12 months, unless the underlying asset is of low value; and (ii) depreciation of lease assets separately from interest on lease liabilities on the consolidated statements of loss and comprehensive loss.

Under IFRS 16, lessor accounting for operating and finance leases is substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15. The guidance allows for either a full retrospective or modified retrospective transition method. The Company has selected to apply the modified retrospective transition method.

Further, the Company has selected to apply the practical expedients to (i) grandfather the assessment of which transactions are leases; (ii) recognition exemption of short-term leases; and (iii) recognition exemption leases of low-value items. From January 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

ADOPTION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (Cont’d)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Adjustments recognized on adoption of IFRS 16

On January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach, with the cumulative effect of initially applying the new standard recognized in deficit on January 1, 2019. The comparative figures for fiscal 2019 have not been restated. On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases, which had previously been classified as ‘operating leases’ under the principles of IAS 17, *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of January 1, 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities was 10%. The lease commitments expire in December 2028.

The following table reconciles the Company’s operating lease commitments as at December 31, 2018 as previously disclosed in the audited consolidated financial statements of the Company, to the lease liability recognized on initial application of IFRS 16 on January 1, 2019:

Operating lease commitments as at December 31, 2018	$	1,711,374
Effect of discounting using the incremental borrowing rate		(685,067)
Lease liability recognized as at January 1, 2019	$	1,026,307

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous; and
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The adoption of the new standard affected the following items in the statement of financial position on January 1, 2019:

- Right-of-use assets – increase by $1,026,307
- Lease liability – increase by $1,026,307

ACCOUNTING ESTIMATES AND JUDGMENTS

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

The most significant estimates relate to the determination of the Useful lives and impairment of property and equipment and intangible assets; net realizable value of inventory; allowance for doubtful accounts; the calculation of stock-based compensation; and the valuation of options and warrants granted.

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

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 directors and officers, and monthly compensation accrued for its directors and committee chairpersons that has accumulated over the past several years.

The Company's Board of Directors are compensated at the rate of $2,000 per month for performing duties such as providing guidance to management in areas such as corporate governance, reviewing strategic plans, budgeting, material contracts or joint ventures and any other material information deemed necessary.

Committee Chairpersons are selected from amongst the Directors of the Company to lead the Audit, Compensation/Corporate Governance and Strategic Planning/Human Resources committees. Chairpersons are remunerated at the rates of $1,000 per month. All of the above amounts are recognized in the unaudited interim consolidated financial statements of the Company as accrued.

The Company had an exclusive license agreement in place with a company owned and controlled by its Former CEO and Former Chairman of the Board regarding the use of patents related to the STAR-ISMS® technology. This license agreement expired in July 2021 upon expiration of the life of the Patents. The Company is continuing use of the technology and know-how associated with its products, it is not dependent on the Patent. There were no license payments made or required to be made for the periods ended March 31, 2021 and March 31, 2020.

RELATED PARTY TRANSACTIONS (Cont'd)

The amount due to related parties at March 31, 2021 is $1,304,095 (June 30, 2020 - $3,834,522) and is comprised of the following:

	March 31, 2021	June 30, 2020
Due to Directors	**$ 162,000**	$ 214,740
Due to Committee Chairpersons	**15,000**	51,000
Due to Former Chief Executive Officer – Viraf Kapadia(i)	**-**	2,218,428
Due to Former Chief Operating Officer – J. Larmor	**173,594**	193,594
Due to Shareholders (ii)(iii)	**953,500**	1,156,760
	$ 1,304,095	$ 3,834,522

(i) An amount of $Nil (June 30, 2020 - $2,218,428) of the balance bears interest at 5% per annum; Interest accrued on the loan payable to the former CEO for the period ended March 31, 2021 was $Nil (March 31, 2020 – $54,998). All amounts were written down as per the acceptance of the Notice of Intention to Make a Proposal on February 24, 2021. (See Gain on Notice of Intention to Make a Proposal Event)

(ii) During the prior fiscal year, various shareholders of the Company advanced funds totaling $1,156,760 to the Company for working capital purposes. The amounts due to shareholders are unsecured, non-interest bearing and are without any specified terms of repayment. Subsequent to the year end, the Company agreed to convert the amounts due to shareholders to common shares of the Company through the issuance of 57,838,000 common shares at a price of $0.02 per common share.

(iii) During the period ended March 31, 2021, various shareholders of the Company advanced funds to the Company for working capital purposes. The amounts due to shareholders are unsecured, non-interest bearing and are without any specified terms of repayment.

(b) The Company also owes $Nil (June 30, 2020 - $5,700) in credit card debt that is guaranteed by the former CEO and Chairman of the Board – Viraf Kapadia and is included in accounts payables and accrued liabilities. All amounts were written down as per the acceptance of the Notice of Intention to file for Bankruptcy on February 24, 2021. (See Gain on Notice of Intention to Make a Proposal Event)

RELATED PARTY TRANSACTIONS (Cont'd)

Key management personnel cost included in the consolidated statement of comprehensive loss as of March 31, 2021 is $272,488 (March 31, 2020 - $445,982). These amounts which are included in general and administrative expense represent fees paid and accrued to directors and officers of the Company:

	March 31, 2021	March 31, 2020
Chief Executive Officer	**$ 101,100**	$ 123,484
Chief Operating Officer	**18,488**	93,000
Chief Financial Officer	**67,500**	15,000
Board of Director fees	**74,000**	31,000
Committee Chairperson fees	**11,400**	11,000
Interest paid to a former Chief Executive Officer	**-**	54,998
	$ 272,488	$ 445,982

CONTINGENCY

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, vendors and former employees. Management believes that adequate provisions have been recorded in the accounts where required.

REORGANIZATION AND NOTICE OF INTENTION TO MAKE A PROPOSAL EVENT

(a) New Company Management

During the fiscal year 2020, various shareholders, unhappy with the leadership and performance of the Company, requested that a Special Meeting of Shareholders be held. A Special Shareholder Meeting ("Meeting") was held on December 11, 2020, at which the shareholders passed the resolutions proposed in the Concerned Shareholders Proxy Circular.

As a result of the passing of that resolution:

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

REORGANIZATION AND NOTICE OF INTENTION TO MAKE A PROPOSAL EVENT (Cont'd)

(a) New Company Management

A 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, Mr. Viraf S. Kapadia was terminated as CEO of the Company and all other positions and the following persons were appointed to management positions:

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

Immediately prior to the Meeting, the former CEO, Mr. Viraf S. Kapadia, purported to file security documents related to a debt he claims was incurred to him by the Company during his tenure as CEO. This alleged debt is part of the related party transactions to be investigated in the shareholder-sanctioned investigations.

(b) Bankruptcy

On December 11, 2019, immediately prior to the Meeting, the former CEO filed a Notice of Intention to Make Proposal ("NOI") under Section 50.4 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA"), with respect to the Company. A. Farber & Partners Inc. ("Farber") was appointed as Proposal Trustee (the "Proposal Trustee").

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, if approved by the Court, 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.

REORGANIZATION AND NOTICE OF INTENTION TO MAKE A PROPOSAL EVENT (Cont'd)

The NOI filing provided an automatic stay of proceedings against the creditors of the Company for a 30-day period thus providing the Company the opportunity to restructure its affairs and formulate a proposal to creditors. During this time, the Company continues to carry on business and is not bankrupt.

On February 14, 2020, at a meeting of creditors, the creditors accepted the Company's formal Proposal to settle outstanding debts. As a result of the meeting, the Proposal Trustee will seek Court approval of the Proposal, which, if approved, will remove approximately $3.3 million in debt from the Company's balance sheet. Due to the COVID-19 Court closure, the Company has been unable to seek Court approval of the Proposal at this time but intends to do so at the earliest reasonable opportunity.

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

The Company previously brought a motion in the Ontario Superior Court of Justice - Commercial List to enforce the settlement reached with Mr. Kapadia on January 22, 2021. 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 the creditor meeting, the settlement has become moot and, therefore, the Company has abandoned its motion to enforce the settlement.

On February 24, 2021, The Honourable Mr. Justice Cavanagh of The Ontario Superior Court of Justice (Commercial Court) granted an order approving the proposal put forward by the Company on January 24, 2021 and as approved by the creditors on February 14, 2021.

(c) Cease Trade Order

On November 1, 2019, the Ontario Securities Commission ("OSC") issued a cease trade order (the "CTO" or "FFCTO") against the Company for failing to file certain outstanding continuous disclosure documents in a timely manner.

(d) Injunction

On December 11, 2019, the former CEO, Mr. Kapadia, also brought an Application in the Commercial Court seeking, among other things, an order that the results of the December 11, 2019 meeting be set aside on the basis that the meeting was not properly called. At the same time, he also brought an emergency interlocutory injunction motion seeking to have the previous Board and Mr. Kapadia put back in control of the Company pending the hearing of the Application (the "Toronto Litigation").

REORGANIZATION AND NOTICE OF INTENTION TO MAKE A PROPOSAL EVENT (Cont'd)

Mr. Kapadia's motion for emergency injunctive relief was ultimately adjourned to and heard on December 18, 2019 by the Hon. Madam Justice Conway of the Commercial Court. Her Honour dismissed Kapadia's motion for injunctive relief and ordered that the Application be scheduled for a full hearing on the merits on January 22, 2020 before the Commercial Court.

Until heard, Her Honour ordered that the Board of Directors elected at the Meeting continue to operate the Company in the ordinary course of business.

The Company and Mr. Kapadia have now reached an agreement which will see Mr. Kapadia's Application dismissed on consent.

(e) Resignation of December Board and Appointment of New Board

The Interim Board of Directors, elected at a Special General Meeting of shareholders held December 11, 2019, consisting of Mr. Birks Bovaird, Director and Chair of the Board, Peter Clausi, Brian Crawford, Ali Jomaa, Stephen Coutts, Zachary Goldenberg, and Randy Hoback, resigned as directors of the Corporation, effective April 30, 2021.

Mr. Gurdip Panaich, Chairman of the Board, Mr. Anoop Brar, Chairman of the Audit Committee, Mr. Jean-Louis Larmor, Dr. Darrin T. Milne, and Mrs. Pawandeep Athwal were appointed directors of the Company effective April 30, 2020, to serve until the next Annual and General Meeting of Shareholders or until their successors are elected or appointed.

(f) Resignation of CEO and Appointment of New CEO

On April 30, 2020, Peter M. Clausi, the Interim Chief Executive Officer resigned and Mr. Jean-Louis Larmor, formerly the Vice President, Corporate Development, and President of the Company's subsidiary, Star-Isoneo Inc., was named Interim Chief Executive Officer. Mr. Jean-Louis Larmor resigned as Interim Chief Executive Officer on July 23, 2020 and Mr. Amir Bhatti was named Chief Executive Officer on September 16, 2020.

LITIGATION

Lawsuits

On or about October 16, 2020, the CNESST (commission on workplace standards, fairness, health and safety) in Quebec, Canada, on behalf of certain employees, instituted a civil action against the Company and one of its subsidiaries, Star-Isoneo Inc. before the Superior Court in Montreal, Quebec. The CNESST is claiming a total amount of $390,961.43 against both the Company and Star-Isoneo Inc. The amount consists of unpaid fees of $3,983.18, unpaid salary of $306,480.81 and unpaid vacation pay of $15,427.20.

LITIGATION (Cont'd)

In addition to the above amounts and under Article 114 of the *Act Respecting Labour Standards,* the CNESST is also claiming 20% of the total amount of the claim representing the amount of $65,160.24, as fees. This is an amount owed directly to the CNESST. The majority of the amounts under the claim above are for periods in 2021, a portion of which are covered by the bankruptcy procedures as outlined above.

The following detail relate to the total CNEEST claim of $390,961.43 mentioned above.

Mr. Jean-Louis Larmor, the Company's former interim Chief Executive Officer, and Vice-President, Corporate Development filed various complaints against the Company and its subsidiary, Star-Isoneo Inc., including a monetary complaint for amounts owed to Mr. Larmor, a prohibited practice (in accordance with Article 122 of the *Act Respecting Labour Standards*)*,* and a dismissal without just and sufficient cause (in accordance with Article 124 of the *Act Respecting Labour Standards*).

The CNESST, on behalf of a former employee, and as part of the above action instituted a civil action against the Company and its subsidiary, Star-Isoneo Inc. before the Court of Quebec in Montreal, Quebec. The sums claimed amount to $9,454.55 and represent unpaid wages for the period escalating from March 1, 2021 to April 3, 2021. In addition to the above amount, the CNESST is also claiming 20% of the total amount of the claim representing the amount of $1,890.91, as fees. This is an amount owed directly to the CNESST. This claim represents the second monetary claim filed by the former employee. The former employee is also part of the first action mentioned above, but the amounts claimed in this action are different since they relate to a different period.

At this stage, it is the opinion of the Company's legal counsel that it is not possible to assess the amount of money that these claims represent until further details regarding the amount claimed have been provided by CNESST. With respect to the complaints for prohibited practice and of dismissal, if Mr. Larmor's complaint were to be accepted by the tribunal, he would be entitled to full retroactive salary between the date of his reinstatement and the date of his termination of employment, in addition to other potential damages.

On or about October 19, 2020 and October 27, 2020, two complaints against the Company and its subsidiary, Star-Isoneo Inc. were brought by two former employees. The complaints are for an amount owed to each employee (monetary complaint); and a dismissal without just and sufficient cause (in accordance with Article 124 of the *Act Respecting Labour Standards*).

At this stage, it is the opinion of the Company's legal counsel that it is not possible to assess the amount of money that these complaints represent until further details regarding the amounts claimed have been provided by CNESST. With respect to the complaints for dismissal, if the employee's complaint were to be accepted by the tribunal, the employee would be entitled to retroactive full salary between the date of reinstatement and the date of termination of employment, in addition to other potential damages.

WARRANT REPRICING AND EXTENSIONS

On March 30, 2021, the Company announced that, subject to Canadian Securities Exchange approval, it is extending the terms and reducing the exercise prices of the following share purchase warrants.

(i) 46,708,000 share purchase warrants issued pursuant to a private placement announced on September 5, 2018 exercisable at $0.065 per share purchase warrant and expiring on September 5, 2021 will now expire on September 5, 2023 and be exercisable at $0.05 per share purchase warrant.

(ii) 3,766,667 share purchase warrants issued pursuant to a private placement announced on April 26, 2018 exercisable at $0.07 per share purchase warrant and expiring April 2, 2021 wil now be extended and expire on April 2, 2023 and be exercisable at $0.05 per share purchase warrant.

(iii) 3,147,667 share purchase warrants issued pursuant to a private placement announced on September 6, 2019 issued at $0.05 per share purchase warrant and expiring September 4, 2021 will now be extended and expire on September 4, 2024 and still be exercisable at $0.05 per share purchase warrant.

RISK FACTORS AND RISK MANAGEMENT

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

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

COVID-19

The Company operates in the Aerospace Industry and has watched how COVID-19 has forced airlines to ground a large part of their fleets. The Company anticipates that this will make it harder to sell its STAR-A.D.S.® System product to them. There is no set timeline as to when the pandemic will be contained if at all, although there are signs of improvement and a measured resumption of operations. The Company is reassessing its operational strategy in light of these developments.

Legal Proceedings

The status of the lawsuits has yet to be determined. Trial dates have not been set. The Company has been advised that due to the backlog in the court system, the dates for trial may not occur until 2022.

RISK FACTORS AND RISK MANAGEMENT (Cont'd)

The disputed amounts are accrued in accounts payable and accrued liabilities on the balance sheet.

Economic Dependence

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

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

Operations in Foreign Jurisdictions:

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

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

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

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

Revenue from STAR-M.M.I.™ Division activities has been relatively stable on an annualized basis but can and does vary throughout the year, as has been noted earlier in this MD&A.

RISK FACTORS AND RISK MANAGEMENT (Cont'd)

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

Operating expenses are generally stable but will vary depending on required staffing levels, equipment update and replacement, sales activity and required R&D activities. These expense items are pre-revenue in nature. As the Company now offers a fully developed STAR-A.D.S.® System to the commercial aviation world, the demands upon its R&D department are increasing, resulting in the need to hire additional staff in this area. STAR-M.M.I.™ R&D expenses are relatively low at this point.

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

The target clients for STAR-ISAMM™, STAR-LSAMM™, STAR-T.T.T.™, STAR-V-*trk*™ and STAR-M.M.I.™ represent a much larger group which should require a shorter sales and installation cycle.

Also, as the Company is determined to protect its Intellectual Property, cases of potential infringement of patent are not predictable and the legal costs involved can be substantial.

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

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

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

In order to maintain and enhance its current competitive position, the research and development department of the Company is continually working to upgrade the existing functionality, size, weight and price point of the STAR-ISMS® G3 hardware, the capabilities of the STAR-A.D.S.® System as a whole and the ease of use and functionality of information available through the date management centre. Development of the next generation G3 system will be completed by December 2021.

Although the Company’s exclusive world-wide license to the patented technology underlying the STAR-ISMS® unit provides a large measure of security, advances in technology are possible.

RISK FACTORS AND RISK MANAGEMENT (Cont’d)

Regulatory matters can delay the sales process to varying degrees. The Company relies upon entities such as Transport Canada (“TC”) to issue approvals such as Supplemental Type certificates (“STC’s”), required whenever the Company is installing equipment aboard an aircraft.

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

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

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

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

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

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

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

It should be noted that while the Company’s CEO and CFO believe that the Company’s DC&P provide a reasonable level of assurance that they are effective, they do not expect that the DC&P or ICFR will prevent all errors or fraud. There have been no material changes to the internal controls of the Company for the period ended March 31, 2021.