Star Navigation Systems Group Ltd.

Management's Discussion and Analysis
For the years ended June 30, 2023 and 2022

The following management's discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for Star Navigation Systems Group Ltd. (the Company" or "Star") for the years ended June 30, 2023 and 2022 and should be read in conjunction with the consolidated audited financial statements for the years ended June 30, 2023 and June 30, 2022. 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 October 27, 2023.

Forward-Looking Statements:

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.

Company Overview and Product Focus:

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 Airborne Data System ("STAR-A.D.S.®") and Star Man, Machine, Interface ("STAR M.M.I.™") Division products and variants, either directly or through joint arrangements in North America, the Middle East, South-East Asia, Africa and developing countries.

Star focuses on developing tracking, monitoring and analytics solutions for airlines, land and marine vehicles. The current geographical sales and marketing focus has been in the African continent, South-East Asia, Middle East and South America. The Company is of the opinion that these geographical areas represent very significant current and future growth potential in terms of both passenger miles flown and vehicle tracking systems in general. There is increasing demand for technology from airline operators and other transportation providers seeking enhanced safety and efficiency for their operations.

Market Expansion and Associated Risks:

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 and its other tracking solutions is on sales to smaller new or restructured markets in areas outside the traditional North American and European large carrier market. This results in large part from the rapid increase in passenger volumes over the past few years in many countries in the Middle East, South-East Asia and Africa.

Adaptation Post-COVID-19:

Before the COVID-19 pandemic, emerging airlines were exploring ways to conform to regulatory shifts while maintaining rigorous control over operations. Star's offerings primarily address these concerns. As airlines globally are bouncing back to pre-pandemic conditions, we are excited about our role in assisting them with the necessary tools and advice.

Local Partnership and International Challenges:

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.

Legal and Cultural Disparities:

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

Industry Inherent Risks:

The aviation sector, by nature, carries inherent risks. Newly established airlines are more prone to many of these uncertainties. Star's revenue streams from both hardware sales and ongoing monthly service offerings. As we diversify and expand, understanding these risks and creating strategies to navigate them will be pivotal.

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.

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

Conclusion:

Star Navigation Systems Group Ltd. is committed to its mission of delivering top-tier tracking, monitoring, and analytics solutions to the global market. We are aware of the challenges that come with international expansion and remain dedicated to navigating them efficiently. With the right strategies and partnerships in place, Star is confident about it's future trajectory.

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

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

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

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

EVOLUTION OF THE BUSINESS

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

This Brampton-based Canadian tech firm specializes in aerospace and transport data services. Their primary offerings include both hardware and software solutions catering to global aviation and related transportation sectors. At the core of their innovations is the In-Flight Safety Monitoring System, known as “STAR-ISMS®”, which powers their Star Airborne Data System (“STAR-A.D.S.®”). This system melds in-flight monitoring, diagnostics, and data analytics with live, encrypted aircraft-to-ground communications, all facilitated through real-time satellite transmissions.

STAR-A.D.S.® stands out for its live monitoring capabilities, analyzing both aircraft health and operational status. Its precise positioning and tracking features bolsters aviation safety, optimizes fuel consumption, lowers maintenance expenses, and minimizes carbon emissions and ultimately could lead an increased ROI for airline ventures.

The STAR-A.D.S.® G3 computer, the system's third iteration, received airworthiness certification for aircraft type A310 from both Transport Canada (TC) and the U.S. Federal Aviation Authority (FAA). In September 2022, it secured full operational certification for the A320 aircraft type. What sets the G3 computer apart is its fusion of various contemporary air-to-ground communication tools. Notably, it offers a switch between satellite and Global System for Mobiles (GSM) communications, maximizing adaptability and cost-efficiency for its users.

In April 2014, the company expanded its horizons with the inception of the Star Man, Machine, Interface (“STAR-M.M.I.™”) Division. This arm specializes in repairing state-of-the-art flat panel displays used in defense and commercial aviation. Catering to leading avionics integrators and manufacturers globally, STAR-M.M.I.™ has been a consistent revenue stream for Star over the years.

Diversifying its portfolio further, Star introduced the STAR-V-TRK system—a compact tracking and monitoring solution apt for smaller conveyances like boats, marine vessels, trains, and trucks.

OVERVIEW OF PRODUCTS AND PROGRAMS

STAR-A.D.S.®

The STAR-ISMS® technology forms the core of the STAR-A.D.S.® System, designed to furnish airlines and operators with a cost-effective, comprehensive solution, facilitating the automated capture and delivery of results stemming from real-time, in-flight analysis of a designated set of parameters. This technology delivers the capability of real-time surveillance of an aircraft’s performance, its present status, and precise location. Additionally, it offers operators instant, secure access to crucial aircraft data via a PC-based web connection. This system, utilizing a Graphical User Interface (GUI), bestows operators with a swift, accessible view of the information, making it available mere minutes after its in-flight generation, irrespective of the global location.

As of now, the STAR-A.D.S.® System has received certifications from Transport Canada ("TC") and the U.S. FAA, ensuring its compatibility for installation on any aircraft type for which the Company holds both installation and operational STC.

The Company's current endeavors are largely concentrated on sales strategies and marketing campaigns to bolster the product's global brand visibility, especially as the commercial aviation sector evolves towards mandatory adoption of such technologies. Furthermore, given the upcoming requirement for all Aircraft manufacturers to incorporate this type of system on new aircraft constructed post-January 2023, the STAR-A.D.S.® System stands as a solid alternative to offer an exceptional solution to Aircraft Manufacturers in the imminent future.

STAR-M.M.I.™

The STAR-M.M.I.™ Division's primary operations involve the repair, qualification testing, and support of on-board LCD flat screen displays. These state-of-the-art LCD displays and their associated control panels find their utility within the cockpits of both fixed-wing aircraft and helicopters, spanning both civilian and military applications.

A significant customer for this division is the U.S. Defence Contractor, Lockheed Martin, who primarily serves the United States Department of Defence. Star has secured a long-term contract with Lockheed Martin, which extends until 2026, encompassing all requisite repairs and maintenance for these units. The financial aspects of this collaboration are structured such that expenses are recognized upon the reception of a repair, after which the Company proceeds to invoice the client.

Presently, the contract continues to flourish with mutual satisfaction, with the Company diligently fulfilling its obligations of repair and maintenance of the client's equipment, supported by an adept in-house team of technicians and quality control experts to ensure complete compliance with the contract's stipulations.

STAR – TTT™ (Talk, Text & Track)

In a venture to expand its product offerings, the Company partnered with Chengdu Aerospace based in China for the STAR – TTT™ project. However, given the existing geopolitical dynamics between Canada and China, and considering the substantial financial resources required for certification before the product's airborne deployment, the Company has presently chosen to put this project on hold.

STAR – V – TRK™

Revitalized efforts have been directed towards the STAR-V-TRK project, after receiving the Letter of Intent from the Kenyan Government. This initiative, known as the LAPSSET Program, mandates the tracking, real-time monitoring, and intricate analytics for their extensive land and marine fleet. While aircraft deployment of this system necessitates rigorous certification, its variants designed for terrestrial and marine units are exempt from such prerequisites. This makes the STAR-V-TRK variants adaptable for an array of applications, including marine vessels, heavy-duty trucks, and expansive train networks.

SALES & MARKETING STRATEGY

Star has shifted and improved its Sales and Marketing strategy by building upon the marketing investments established over the past 12 months. Star has been diligently focusing its sales efforts in Africa by hosting and inviting stakeholders to Aviation Accident Prevention conferences, which attracted aviation industry leaders and airlines. The conferences gave Star excellent media exposure and market awareness as well as direct access to potential customers and their decision makers.

The importance of having a physical presence in these target territories cannot be understated and Star understands that an investment in marketing in Africa will hopefully pay off. Hosting and attending industry conferences focusing on aviation safety and sustainability such as the 'African Airlines Association' (AFRAA) has allowed Star to market itself as the innovative technology solution partner that can enhance airlines and its stakeholders. Marketing and building a brand is a continuous process and Star will continue to build its presence on the African continent.

At the recent '11th African Airlines Association' (AFRAA) held in Addis Ababa, Ethiopia, Star was invited to host a masterclass on its patent-pending technology 'The Digital Twin'. This masterclass was attended by airline decision makers, industry stakeholders, and other technology providers interested in Star's technology. The purpose of the masterclass was to educate and showcase the value of real-time data and the power of data analysis technology towards enhancing safety and optimizing operations.

The Company is focusing on its core value of 'Innovation' and continuing to create innovative solutions for the aviation industry and its current customers, by leveraging real time data. During a recent trip to Saudi Arabia, Star's sales and engineering team gained positive feedback and further insights for technology enhancements that will position Star at the forefront of digital transformation solutions for the aviation industry. These solutions will build actionable artificial intelligence solutions under the patent-pending technology of 'The Digital Twin'.

'The Digital Twin' provides a real time virtual window into the operations of an airborne aircraft through its onboard edge computing hardware, the "Star Server Unit" ("STAR-SSU"). The STAR-SSU can monitor and analyze aircraft data inflight and transmit key parameters and alerts in real time through Iridium Satellites, providing operators on the ground with a 'Connected Aircraft'. The ability to visualize streamed data from an airborne aircraft in real-time gives operators an advantage to leverage insights that can enhance safety, decrease unplanned maintenance, reduce Aircraft on Ground events, eliminate manual post-flight data extraction, empower operators to leverage data to derive actionable insights such as fuel savings, predictive maintenance, proactive safety, pilot training, benchmarking and many more use cases.

Star has pivoted towards a software-as-a-solution (SAAS) service offering which has further enhanced its competitiveness in the market and generated interest from a number of operators. Star will continue to develop innovative data analytics offerings which will provide further value to Star's customers and open the market further to secure sales in the African, South American, Asian and Middle Eastern markets.

In an effort to boost investor and corporate relations, Star has recently appointed Nancy Massicotte, President of IR Pro Communications Inc. as Corporate Development and Investor Relations Advisor to Star. Ms. Massicotte has introduced the Company to a number of investors and institutional bankers since joining Star. Ms. Massicotte has been involved in the corporate development, investor relations and advisory field for over 23 years, working with companies in various sectors such as mining, technology, biotech, oil and gas. Her knowledge and experience enable successful communication to shareholders and the investment community in a particularly comprehensive way. Ms. Massicotte understands IIROC rules and Canadian National Instruments relating to proper regulatory disclosure and language norms of press releases of public entities. She has facilitated significant introductions to strategic partners and successfully assisted in sourcing equity and flow through financing.

Ms. Massicotte played a pivotal role in forging partnerships for Star with marketing and investor relations partners such as Out of the Box, Apaton Finance GmbH (based out of Frankfurt, Germany) and Stockhouse. Video interviews with Stockhouse and a presence at the International Investment Forum (IIF) have brought positive corporate attention to Star as the next technology provider for the aviation industry.

Out of the Box has been hired to bring corporate update and investor awareness to the market through social media and other community-driving medians such as influencers on channels such as YouTube, Reddit, TikTok, Discord, etc. with an aim of attracting new investors.

The listing on the Frankfurt Stock Exchange (“FSE”) under the ticker S3O, has attracted investors from Europe and recently published articles and interviews in German have put Star on European investor’s watchlist.

In an effort to boost corporate and business development in Europe and the Middle East, Star has also appointed Dave Curran as a Business Development Advisor. Mr. Curran has been involved with Star in the past and is familiar with Star's product offerings. He brings an extensive wealth of aerospace experience to Star obtained over the past four decades that includes twenty-three aircraft and systems development projects with several major aircraft OEMs. In addition, he has a strong background in airline performance optimization through route optimization and flight operations processes at major airlines. He has also advised several start-ups on aerospace product development (including UAV, eVTOL and Robotic Aircraft applications) and is a recognized expert in optimizing complex product development and approval processes for high technology manufacturers and is highly experienced in quality process management.

STRATEGIC SALES ACCOMPLISHMENTS AND UPDATES FOR FY2023

- In October 2022, Star announced the receipt of a Letter of Intent ("LOI") from the LAPSSET Corridor Development Authority ("LCDA") respecting the purchase of Star Navigation's tracking and monitoring technology to track Marine, Train and Land assets for the LAPSSET Corridor Program.

  The Lamu Port - South Sudan – Ethiopia - Transport ("LAPSSET") Corridor project is Eastern Africa's largest and most ambitious infrastructure project, bringing together the Governments of Kenya, Ethiopia and South Sudan via development of airports, highways, oil pipelines, railways lines, dams, ports and resort cities. On April 1, 2013, Kenya's government announced the setting up of a government agency, the LAPSSET Corridor Development Authority, to manage the project on behalf of the Kenyan government.

- Star secured its AS9100 Rev "D" Quality Systems certification after a successful renewal Audit. The renewal of its AS9100 certification reaffirms its commitment to the rigorous standards of the aerospace industry and ensures that Star products are manufactured and installed at the highest quality levels.

  Meeting the AS9100 Rev "D" standards does more than simply assure customers that the company's products are of the highest quality, it ensures its processes and controls are effective. Retaining this certification is evidence that continuous improvement and continually exceeding customer's expectations permeates Star's culture at every level.

- Star participated at the African Aviation MRO show held from Feb 5-8, 2023 in Cairo, Egypt. Major Government and Aviation Industry leaders were present including Boeing, Airbus, Egypt Air, Ethiopian Airlines, United Aviation, Petra Aerospace, Safran and Caverton.

The following is a summary of Airlines that the Company is in discussion with for the implementation of the STAR-ISMS ®;

- **Aero Contractors**

  The Company is thrilled to announce it has an evolving Letter of Intent ("LOI") with Aero Contractors. Our dedicated sales and engineering team has been dispatched to Lagos, Nigeria. They are engaging in in-depth technical discussions with Aero Contractors, with the primary aim of transitioning the LOI into a concrete purchase order contract.

- **Air Peace**

  Air Peace is a prominent airline based in Nigeria. It has approached Star with a keen interest in the Star-ISMS® system. They have formally requested a proposal for integrating the advanced Star-ISMS® system across their expansive fleet.

- **AlAtheer, Kingdom of Saudi Arabia**

  For over half a decade now, the VVIP A310 aircraft of the Kingdom of Saudi Arabia has been in operation and has consistently been a source of monthly revenue for Star. This partnership has allowed AlAtheer to benefit from live data feed, crucial for positional tracking, aircraft health management, and the essential FOQA analysis.

- **AlMasria, Cairo, Egypt**

  The Covid pandemic severely affected the operations of AlMasria Airlines. Their capacity was significantly reduced during this global crisis. However, demonstrating resilience, they are charting a path to recovery. They've approached Star with a proposal to upgrade their Star-ISMS® system to the latest Generation 3 software firmware for two of their A320 aircraft. Discussions are also underway for potential installations on their remaining fleet.

- **Arik Air**

  Arik Air, one of the leading airlines in Nigeria, and Star have initiated a series of discussions. The focus of these talks revolves around the modernization of Arik Air's existing fleet with the Star-ISMS® system. Given Arik Air's expansive network within and outside Nigeria, this partnership could be instrumental in reinforcing Star's footprint in the African aviation sector.

- **Asia Cargo Network Group ("ACN")**

  ACN, which holds a significant presence in South-East Asia with its freighter aircraft, has extended an invitation to present a proposal for the Star-ISMS® system for their three of their aircraft under the World Cargo Airlines division.

- **Astral Aviation**

  In Mid-2022 Star announced a sale of 7 aircraft to Astral. By February 2023, our engineering team had conducted preliminary inspections of their aircraft. The Company has successfully submitted applications for the respective STC's, and the Company anticipates the full approval by Transport Canada to be secured by Q1 of 2024.

- **Boliviana de Aviación (BoA)**

  BoA is the national carrier of Bolivia, with the backing of the Bolivian government. Star is actively engaged in discussions to potentially integrate our Star-ISMS® system within their fleet.

- **BrentGlobal**

  In August 2022, an LOI was signed with BrentGlobal. However, after rigorous evaluations, Star deduced that the BrentGlobal fleet didn't align with the specifications required for optimal performance of the Star-ISMS® system. Consequently, we have decided to rescind the LOI.

- **Buraq Air**

  Buraq Air, Libya's pioneering private airline, had initially agreed to the installation of Star-ISMS® on their Boeing fleet. However, a shift in preference saw them opting for Airbus aircraft. Star is poised to reinitiate discussions once the transaction for new leased Airbus aircraft with Swiss Aviation Group ("SAG") concludes.

- **Egypt Air**

  Another promising prospect, Egypt Air, has expressed interest in installing the Star-ISMS® system. They have requested a comprehensive proposal for integrating Star-ISMS® within their fleet.

- **Ethiopian Airlines**

  Star has submitted a proposal to Ethiopian Airlines. A successful demonstration on one of their Boeing B737 aircraft might pave the way for a potential contract covering their entire fleet of 160 aircraft.

- **Fly540**

  Star's association with Fly540, announced in June 2022, has been reconsidered due to certain unforeseen operational challenges faced by Fly540. As a result, the LOI will not be converted into a sales contract.

- **Golden Falcon**

  Golden Falcon has faced challenges in their attempt to secure two ATR72 Freighters. They have been grappling with financial transfer issues which has delayed this project. Star remains optimistic about a potential engagement in the future once their financial challenges are resolved.

- **LATAM**

  LATAM Airlines, based in Chile, has shown a renewed interest in the Star-ISMS® system. Following extensive market research, Star is hopeful of concluding a mutually beneficial deal with LATAM within the current year.

- **Majal Air Cargo**

  Majal Air Cargo's pivot from their A330 and RJ100 purchase plans to Executive Jets has opened a new avenue for Star. Swiss Aviation Group envisions a significant potential for integrating the Star System within these jets.

- **Nigerian Air Force**

  The Nigerian Air Force has been particularly welcoming, facilitating several successful meetings with our team. Following a significant 'Aviation Safety Conference' in Lagos, Nigeria, Star has been formally invited to partake in a series of technical assessments in Lagos and Abuja.

- **Renegade Air**

  Having forged a relationship with Renegade Air in the past quarter, Star has seen a surge of opportunities. Renegade Air, known for its rigorous commitment to safety and excellence, has shown a pronounced interest in the Star-ISMS® system. The preliminary discussions have indicated their interest in testing the system on a subset of their fleet. With the proof of concept in place, there's potential for a broader deployment across all aircraft within the Renegade Air stable.

SELECTED FINANCIAL INFORMATION ANALYSIS
General Financial Information update at June 30, 2023

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

Cash at June 30, 2023 was $1,047,565 (June 30, 2023 - ($38,224)). The Company completed private equity placements on October 11, 2022 that raised $2,127,900 and another on April 1, 2023 that raised $1,899,000.

Accounts receivable are billed and collected on a regular basis.

		June 30, 2023		June 30, 2022
Opening balance	$	**129,631**	$	96,561
Less: Allowance for expected credit losses		**69,070**		69,070
Balance	$	**60,561**	$	27,491

The current aging of the accounts receivables outstanding at June 30, 2023 is $60,561 (June 30, 2022 - $27,491).

	Current	**1 - 30**	**31 - 60**	**61 - 90**	**91+**	**Total**
A/R	$ 364	$ -	$ 1,498	$ 1,040	$ 57,659	$ 60,561
TOTAL	**$ 364**	**$ -**	**$ 1,498**	**$ 1,040**	**$ 57,659**	**$ 60,561**

SELECTED FINANCIAL INFORMATION ANALYSIS (Cont'd)
General Financial Information update at June 30, 2023

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

Prepaid expenses have increased due to a retainer paid to a sales agent in October 2023. The Stockhouse contract that expired in December 2022 was renewed in February 2023.

Deposits on Intangible assets have increased as the project nears completion and full and final payment will be made.

Capital and Right of Use assets have changed due to minor asset additions and normal depreciation and amortization charges taken in FY2023.

Accounts payable and accrued liabilities have decreased since June 30, 2022 due to payments made to reduce the accounts payables.

		June 30, 2023		June 30, 2022
Trade payables (a)	**$**	**177,197**	$	313,456
Accrued liabilities (b)		**970,293**		1,002,320
	$	**1,147,490**	$	1,315,776

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

(b) Accrued liabilities include amounts for CRA payroll deductions of $710,049 (June 30, 2022 - $429,407) with other accruals making up the balance.

Due to Related parties has increased since June 30, 2022 due to regular monthly Director fees being accrued.

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 2022. These loans are interest free loans with no principal payments until December 31, 2023. If the Company repays $80,000 of the total loan prior to December 31, 2023 then the balance of $40,000 will be forgiven. If the balance is not paid by December 31, 2023 then the balance of the loan is converted to a three (3) year term loan with interest at 5% starting on January 1, 2024. The balance of the loan must be paid no later than June 30, 2026.

SUMMARY OF QUARTERLY RESULTS

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

(Expressed in $)

	2023	**2023**	**2022**	**2022**
Period Ending	**June 30**	**March 31**	**December 31**	**September 30**
Revenue	5,311	37,130	7,560	8,038
Working Capital/(Deficit)	(466,118)	(1,840,678)	(1,769,772)	(3,403,931)
Expenses	2,202,977	967,126	956,565	923,954
Net Loss from Operations	(2,200,696)	(926,966)	(949,004)	(915,917)
Net Loss (per Share)	(0.005)	(0.001)	(0.001)	(0.001)

	2022	**2022**	**2021**	**2021**
Period Ending	**June 30**	**March 31**	**December 31**	**September 30**
Revenue	7,069	5,597	5,106	7,360
Working Capital/(Deficit)	(2,493,156)	(1,358,879)	(4,712,726)	(3,759,523)
Expenses	1,051,935	1,488,094	1,339,841	585,326
Net Loss from Operations	(1,044,866)	(1,482,497)	(1,334,734)	(577,966)
Net Loss (per Share)	(0.006)	(0.005)	(0.003)	(0.001)

REVENUES:

The last 8 quarters revenues have remained consistent from quarter to quarter with a slight increase in the March 2023 quarter as the Company received an order on its M.M.I. product. The revenues have otherwise come from one customer.

Star A.D.S. revenues have been consistent based on prior quarters sales.

EXPENSES:

The Company has been consistent in what it is spending over these eight quarters with fluctuations in spending costs coming with year-end adjustments and cash flow issues.

The Company has not been able to report a Net profit from Operations at any time in its history.

RESULTS OF OPERATIONS

Comparison of the years ended June 30, 2023 and 2022

The Company had a net loss of $4,992,583 for the year ended June 30, 2023 vs. a loss of $4,440,064 for the year ended June 30, 2022.

Revenues:

	June 30,		
	2023	**2022**	**Variance**
Total Revenues	**58,039**	25,133	**32,905**
Star-A.D.S.®	**26,133**	25,133	**1,000**
Star-MMI	**31,906**	-	**31,906**

STAR-A.D.S.® revenues have increased slightly for the year ended June 30, 2023 due to revenue from the STAR-M.M.I.™ division in January 2023. STAR-A.D.S.® revenues are up slightly over FY2022. Air-time revenue is dependent on an airlines' flying hours for each aircraft and these are not consistent. There were no STAR-A.D.S.® hardware sales generated in FY2023 nor FY2022.

The Company continues to try and get its STAR-A.D.S.® System recognized globally by the Airline industry. This is a continual work in progress at this point in time and prevents the Company from increasing its sales revenues. The Company has shifted is sales focus to the countries of Africa. Star is working diligently to gain orders from those airlines. However, 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 flat.

Cost of Inventory Consumed:

	June 30,		
	2023	**2022**	**Variance**
Cost of Inventory Consumed	**15,742**	6,397	**9,345**
Star ISMS	**14,647**	6,397	**8,250**
Star MMI	**1,096**	-	**1,096**

Cost of inventory consumed for the year ended June 30, 2023 is up over 2022 as the Company had received a credit on its airtime costs in 2022 due to over-billing. Airtime costs which the Company incurs each month increase/(decrease) depending on how much flight time the customer consumes.

RESULTS OF OPERATIONS (Cont'd)
Comparison of the years ended June 30, 2023 and 2022 (Cont'd)

General and Administrative:

	June 30,		
	2023	**2022**	**Variance**
Total G&A expenses	**1,714,204**	1,620,887	**93,317**
Amortization-Right of use assets	**106,065**	106,064	**1**
Board and Committee fees	**240,000**	421,000	**(181,000)**
Filing fees	**57,919**	55,591	**2,328**
Insurance	**63,390**	13,832	**49,558**
Office and general	**197,111**	140,671	**56,440**
Professional fees	**172,300**	264,340	**(92,039)**
Wages	**877,418**	619,389	**258,029**

Board and Committee fees are down this fiscal year due to Board members being paid bonuses in FY2022. The Company now has 7 Directors on its Board as 2 new members were added when the Company held its Annual General Meeting in January 2023.

Filing fees are similar this year due as there were no irregular costs incurred in FY2023. Its monthly regulatory fees have remained the same, as have other expenses in this category.

Insurance costs have increased as Commercial and Liability rates have increased but also FY2022 saw an insurance rebate for commercial claims made. The Company does not currently have any Directors and Officers insurance for FY2023.

Professional fees are down in FY2023 as much of the legal costs of FY2022 were from the litigation the Company was involved in pertaining to former employee wage claims and when it was in the Notice of Intent to file for Bankruptcy stage.

Office and general expenses are up in FY2023 over FY2022 due to an increase in general operations spending.

Wage expense has increased in 2023 as the Company has returned salaries to the pre-COVID-19 levels and hired new staff.

Marketing and Promotion

		June 30,	
	2023	**2022**	**Variance**
Total M&P expenses	**2,632,670**	1,411,386	**1,221,284**
Consultant costs	**1,416,297**	566,335	**849,962**
Investor relations	**291,162**	133,898	**157,264**
Advertising	**36,600**	100,819	**(64,219)**
Salaries and benefits	**114,590**	284,545	**(169,955)**
Travel costs	**774,021**	325,789	**448,232**

RESULTS OF OPERATIONS (Cont'd)
Comparison of the years ended June 30, 2023 and 2022 (Cont'd)

Marketing and promotion costs have increased by $1,221,285 over FY2022 due to an increase in consulting, travel and investor relations costs.

Consultant costs are up due to the costs associated with the sales contract of FlightPath International and another consulting firm focusing on the African region.

Investor relations fees in 2023 have increased over 2022. The Company had a one-year contract with Stockhouse which started in January 2022 at a cost of $120,000 per year. The contract finished in December 2022 and has been renewed as of February 2023.

Advertising costs are down slightly in 2023 as the Company has stopped advertising in certain Aerospace magazines.

Travel costs have increased because the Company has now begun expanding its footprint into the African Aviation market where it held conferences in association with African airline authorities throughout the year.

Salaries and benefits are down this year over FY2022 as the Company has fewer marketing employees.

Product Maintenance & Operating costs:

		June 30,	
	2023	**2022**	**Variance**
Total Maintenance expenses	**711,067**	870,867	**(159,800)**
Amortization expense	**23,057**	22,834	**223**
Maintenance costs	**(1,411)**	48,095	**(49,506)**
Travel costs	**27,864**	3,328	**24,536**
Wages	**661,556**	796,610	**(135,054)**

Maintenance costs have decreased over FY2022. For the year ended June 30, 2023 total Maintenance costs relate only to the STAR-A.D.S.®. This is the only program that the Company is actively working on at this time. For FY2022 the STAR-A.D.S.® program accounted for all of the expenditures. There were no LSAMM and ISAMM costs in the year ended June 30, 2023.

Wage costs have decreased this year as the Company reduced its staffing levels in September 2022.

FOREIGN EXCHANGE GAIN/LOSS:

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

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

		June 30, 2023		June 30, 2022
Cash	**$**	**198**	$	280
Accounts receivable		**60,561**		27,491
Accounts payable		**(7,454)**		(3,684)
	$	**53,305**	$	24,087

Based on the Company's net exposure to US dollar denominated instruments at June 30, 2023 and June 30, 2023, a sensitivity analysis has not been presented as it would be immaterial.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $1,047,565 at June 30, 2023 vs. ($38,244) at June 30, 2022. The Company has a working capital deficiency of $466,118 at June 30, 2023 compared to a deficiency of $2,493,156 at June 30, 2022.

The Company continues to fund operations through private equity placements and shares for debt transactions of which the following were completed;

On October 11, 2022, the Company closed a non-brokered private placement of 101,328,571 units in the capital of the Company ("Units") at a purchase price of $0.021 per Unit for total gross proceeds of $2,127,900.

On November 1, 2022, the Company completed a Shares for Debt transaction of 33,925,000 units in the capital of the Company ("Units") at a purchase price of $0.025 per Unit for total gross proceeds of $678,500.

On April 1, 2023, the Company closed a non-brokered private placement of 47,475,000 units in the capital of the Company ("Units") at a purchase price of $0.04 per Unit for total gross proceeds of $1,899,000.

On April 15, 2023, the Company completed a Shares for Debt transaction and converted $319,748 of outstanding debt (the "Debt Conversion") into 7,993,700 (the "Debt Conversion Units"). Each Debt Conversion Unit was issued at four cents ($0.04) per Debt Conversion Unit and consists of one (1) common share of the Company and one (1) warrant.

LIQUIDITY AND CAPITAL RESOURCES (Cont'd)

For the year ending June 30, 2023, cash flow used by operating activities was ($2,950,416) as compared to ($2,467,700) at June 30, 2022.

The Company's inability to generate consistent sales revenues has meant that is always has to be looking for other options to sustain operations. The Company depends on the support of its shareholders for financing. Revenues from STAR-M.M.I.™ and STAR-A.D.S.® are sporadic throughout the year and not enough to cover monthly expenses which leads to constant working capital deficiencies.

This does not allow the Company to plan any long-range projects such as inventory fulfillment which would alleviate last minute rush purchases which generally cost the Company more money.

The Company will continue to need more funding later in 2023 unless sales efforts improve. Star has several potential STAR-A.D.S.® LOI's waiting to be converted to sales and is waiting to see how it may capitalize on the Letter of Intent from the LAPSSET Corridor Development Authority ("LCDA") respecting the purchase of Star Navigation's tracking and monitoring technology to track Marine, Train and Land assets for the LAPSSET Corridor Program.

In the absence of the above the Company will have to return to raising money 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. There is no assurance that future funding will be available on favorable terms to the Company, or at all.

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

OFF BALANCE SHEET ARRANGEMENTS

As at June 30, 2023 the Company had no off balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company.

OUTSTANDING SHARE DATA

Series I First Preferred Shares	615,000
Common Shares	1,061,755,454
Shares to be issued	11,260,700
Share Purchase Warrants	514,655,702 (exercise price of $0.05)
Stock Options	16,500,000 (exercise price of $0.05 with expiry dates up to January 4, 2027).

ACCOUNTING ESTIMATES AND JUDGMENTS

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

The most significant estimates relate to the determination of the Useful lives and impairment of property and equipment and right-of-use assets and the valuation warrants granted.

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

RELATED PARTY TRANSACTIONS

The Company has accrued amounts due to related parties. The amounts represent monthly compensation accrued with respect to salary compensation for its directors and officers.

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.

Committee Chairpersons are selected from 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.

(a) Amounts due to related parties at June 30, 2023 is $312,726 (June 30, 2022 - $763,629) and is comprised of the following:

		June 30, 2023		June 30, 2022
Due to Directors – (included in Due to Related parties)	**$**	**183,000**	$	87,000
Due to Directors – (included in Accounts payables and accrued liabilities)		**47,502**		107,500
Due to Committee Chairpersons – (included in Due to Related parties)		**42,000**		18,000
Due to Former Chief Executive Officer – (Included in Due to Related parties) (i)		**40,224**		65,224
Due to Former Chief Operating Officer – (included in accounts payables and accrued liabilities).		**-**		179,105
Due to Shareholders – (included in Loans payable - Note 10)		**-**		306,800
	$	**312,726**	$	763,629

RELATED PARTY TRANSACTIONS (Cont'd)

(i) There is a deposit of $25,000 against the secured creditor claim. All unsecured amounts were written down as per the acceptance of the Notice of Intention to Make a Proposal Event on February 24, 2021.

(b) Compensation to key management personnel, directors and committee chairpersons included in the consolidated statement of loss and comprehensive loss was as follows for the year ended June 30, 2023:

	June 30, 2023			June 30, 2022		
	Officers	**Directors**	**Total**	Officers	Directors	Total
	$	**$**	**$**	$	$	$
Salaries	**710,004**	**-**	**710,004**	510,000	-	510,000
Directors fees	**-**	**1,045,000**	**1,045,000**	-	576,000	576,000
	710,004	**1,045,000**	**1,755,004**	510,000	576,000	1,086,000

(c) Included in the Shares for Debt transactions during the year is an amount of $628,500 owed to Officers and Directors. Included in the warrant exercise transactions completed during the year is an amount of $800,000 that cleared accrued liabilities.

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.

LITIGATIONS

(a) 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 $278,145 (2022 – $390,961) against both the Company and Star-Isoneo Inc. The amount consists of unpaid fees of $3,983, unpaid salary of $258,825 (2022 - $306,480) and unpaid vacation pay of $15,427.

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, 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.

On or about November 20, 2020, the CNESST, on behalf of a former employee, 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 $9,455 and represent unpaid wages for the period escalating from March 1, 2021 to April 3, 2021.

LITIGATIONS (Cont'd)

In addition to the above amount, the CNESST is also claiming 20% of the total amount of the claim representing the amount of $1,891, 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. The Company has accrued $5,500 for this action.

On or about October 16, 2020, 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 Company has accrued $173,000 towards Mr. Larmor's claim, included in accrued liabilities.

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 November 1, 2022 the Company and Mr. Larmor reached a mediated settlement with respect to his claim. The Company agreed to pay Mr. Larmor a total of $110,000 dollars with a total of $72,000 being paid out over a six month period in cash and $38,000 being paid in shares.

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). The Company has accrued $36,000 (net of $31,000 owed to the Company by these employees).

In May 2022 one of the complaints brought against the Company was settled for $25,000 (net of $19,135 owed to the Company by this former employee). In June 2022 the second complaint against the Company was settled for $15,000 (net of $12,420 owed to the Company by this former employee).

All of the above litigations have been settled as of the date of this MD&A.

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

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 resulted in governments worldwide enacting emergency measures to combat the spread of the virus.

These measures caused material disruption to businesses globally resulting in an economic slowdown. However, as measures to contain the pandemic became effective, the airline industry began to return to pre-pandemic status, there are still significant challenges facing airlines, including staffing, route suspensions and the prospect of additional COVID-19 variants to be addressed.

Economic Dependence

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

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

Operations in Foreign Jurisdictions:

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

RISK FACTORS AND RISK MANAGEMENT (Cont'd)

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

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

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

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

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

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

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

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

RISK FACTORS AND RISK MANAGEMENT (Cont'd)

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.

Regulatory matters can delay the sales process to varying degrees. The Company relies upon entities such as Transport Canada to issue approvals such as 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 year ended June 30, 2023.