

Star Navigation Systems Group Ltd.

Interim Consolidated Financial Statements

For the three months ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

NOTICE TO READER REPORT

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

Toronto, Ontario
November 29, 2024

Star Navigation Systems Group Ltd.
Interim Consolidated Statements of Financial Position
As at September 30, 2024 and June 30, 2024
(Expressed in Canadian dollars)
(Unaudited)

	Sept 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Assets		
Current		
Cash	\$ 905	\$ 152,942
Accounts receivable (Note 4)	34,309	78,004
Sales tax recoverable (Note 5)	109,264	176,961
Prepaid expenses and deposits	50,949	50,949
Total current assets	195,427	458,856
Non-current assets		
Property and equipment (Note 6)	44,882	48,309
Right-of-use assets (Note 7)	450,775	477,291
Total non-current assets	495,657	525,600
Total assets	\$ 691,084	\$ 984,456
Liabilities and Shareholders' Deficiency		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 2,043,297	\$ 2,382,512
Lease liability – current portion (Note 9)	151,181	130,330
Due to creditors under the terms of the NOI (Note 11)	285,300	285,300
Deferred revenue	12,673	12,673
Due to related parties (Note 16)	710,224	665,224
Total current liabilities	3,202,675	3,476,039
Non-current liabilities		
Lease liability (Note 9)	567,853	619,234
Loans payable (Note 10)	120,000	120,000
Total liabilities	3,890,528	4,215,273
Shareholders' Deficiency		
Share capital (Note 12)	47,335,691	47,085,961
Contributed surplus (Note 13)	29,223,660	28,993,140
Shares to be issued	5,900	5,900
Deficit	(79,764,695)	(79,315,818)
Total shareholders' deficiency	(3,199,444)	(3,230,817)
Total Liabilities and Shareholders' Deficiency	\$ 691,084	\$ 984,456

Nature of Operations and Going Concern (Note 1)

Litigations (Note 20)

Approved by the Board

"Gurdip Panaich"

Director (Signed)

"Randy Koroll"

Director (Signed)

Star Navigation Systems Group Ltd.
Interim Consolidated Statements of Loss and Comprehensive Loss
For the three month periods ended September 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

	September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
Revenue (Note 17)	\$ 6,305	\$ 7,678
Expenses		
Cost of inventory consumed	3,817	4,893
General and administrative (Note 18)	204,733	283,015
Marketing and promotion (Note 18)	131,000	213,344
Product maintenance and operating costs (Note 18)	97,146	171,802
	436,696	673,054
Loss from operations	(430,391)	(665,376)
Other income (expenses)		
Interest expense	-	(11,062)
Interest expense – lease liability (Note 9)	(18,486)	(21,381)
Net and comprehensive loss for the period	\$ (448,877)	\$ (697,819)
Basic and diluted loss per common share	\$(0.0004)	\$ (0.001)
Weighted-average number of common shares outstanding	1,224,435,329	1,065,148,416

Star Navigation Systems Group Ltd.
Interim Consolidated Statements of Changes in Shareholders' Deficiency
For the three month periods ended September 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

	Number of common shares	Number of Series I preferred shares	Share capital	Shares to be issued	Contributed surplus	Deficit	Total
Balance at June 30, 2023 (Restated – Note 3)	1,061,755,454	615,000	\$ 45,752,193	\$ 260,528	\$ 26,797,355	\$ (73,492,157)	\$ (682,081)
Issued as shares for debt (Note 12(a))	2,260,000	-	113,000	-	-	-	113,000
Issued as finder's fees on private placement (Note 12(b))	4,747,500	-	189,900	-	-	-	189,900
Share issuance costs (Note 12(b))	-	-	(189,900)	-	-	-	(189,900)
Net loss for the period	-	-	-	-	-	(697,819)	(697,819)
Balance at September 30, 2023	1,068,762,954	615,000	\$ 45,865,193	\$ 260,528	\$ 26,797,355	\$ (74,189,976)	\$ (569,081)
Balance at June 30, 2024	1,224,435,329	615,000	\$ 47,085,961	\$ 5,900	\$ 28,993,140	\$ (79,315,818)	\$ (3,230,817)
Issued as shares for debt (Note 12(i))	48,025,000	-	480,250	-	-	-	480,250
Fair value of warrants issued on shares for debt (Note 13)	-	-	(230,520)	-	230,520	-	-
Net loss for the period	-	-	-	-	-	(448,877)	(448,877)
Balance at September 30, 2024	1,272,460,329	615,000	\$ 47,335,691	\$ 5,900	\$ 29,223,660	\$ (79,764,695)	\$ (3,199,444)

Star Navigation Systems Group Ltd.
Interim Consolidated Statements of Cash Flows
For the three months ended September 30, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited)

	September 30, 2024 (Unaudited)	2023 (Unaudited)
Operating activities		
Net and comprehensive loss	\$ (448,877)	\$ (697,819)
Items not affecting cash:		
Amortization of property and equipment	3,427	3,525
Depreciation of right-of-use assets	26,516	26,516
Interest on lease liability	18,486	21,381
Director's fees	45,000	66,000
	(355,448)	(580,397)
Changes in non-cash working capital items:		
Accounts receivables	43,695	10,540
Inventory	-	(64,573)
Sales tax recoverable	67,697	(31,472)
Prepaid expenses and deposits	-	(128,057)
Accounts payable and accrued liabilities	(339,214)	(206,698)
Net cash used by operating activities	(583,270)	(1,000,657)
Investing activities		
Purchase of intangible asset	-	(30,017)
Net cash used by investing activities	-	(30,017)
Financing activities		
Lease liability payments	(49,017)	(49,016)
Issuance of shares, net of issuance costs	480,250	113,000
Net cash provided by financing activities	431,233	63,984
Net change in cash	(152,037)	(966,690)
Cash, beginning of period	152,942	1,047,564
Cash, end of period	\$ 905	\$ 80,874

Star Navigation Systems Group Ltd.
Notes to Interim Consolidated Financial Statements
At September 30, 2024 and June 30, 2024
(Expressed in Canadian dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Star Navigation Systems Group Ltd. (the "Company") is devoting substantially all of its activity to the development, marketing and promotion of an In-flight Safety Monitoring System ("STAR-ISMS®"), whereby data from an aircraft can be transmitted to ground stations for the duration of a flight. The Company has been granted supplemental type certificates for use of the systems on a Boeing 737, 727, Airbus A321, A320, A340 and a Learjet 45. The Company was incorporated by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (*Ontario*) in May 2000 and its registered address is located at 11 Kenview Blvd, Brampton, Ontario L6T 5G5. The Company is listed on the Canadian Securities Exchange trading under the symbol of "SNA".

Going Concern

These consolidated financial statements (the "financial statements") have been prepared using accounting policies applicable to a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they become due. The Company incurred a net loss of \$448,877 for the period ended September 30, 2024 (September 30, 2023 – \$(697,819)), has an accumulated deficit of \$79,764,695 (June 30, 2024 – \$79,315,818) and has working capital deficiency of \$3,007,248 (June 30, 2024 – (\$3,017,183)). Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue operations, meet its obligations and realize its investment in development costs is dependent on the continued support from investors and related parties to finance sales to customers, continue the project development, obtain the necessary certifications from regulatory agencies as well as successfully marketing the STAR-ISMS® for gain. These financial statements do not reflect adjustments in the carrying values of the Company's assets and liabilities, revenues and expenses, and the financial position classifications used, that may be necessary should the Company be unable to continue as a going concern or be unable to realize its assets and discharge its liabilities in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These interim consolidated financial statements are unaudited and have been prepared on a condensed basis in accordance with the International Accounting Standard 34, Interim Financial Reporting, issued by the International Accounting Standards Board and interpretations of the International Financial Interpretations Committee using accounting policies consistent with International Financial Reporting Standards ("IFRS"). These financial statements for the three months ended September 30, 2024 and 2023 should be read together with the annual consolidated financial statements as at and for the year ended June 30, 2024. The same accounting policies and methods of computation were followed in the preparation of these financial statements as were followed in the preparation of and as described in note 3 of the annual consolidated financial statements as at and for the year ended June 30, 2024. These financial statements were approved by the Board of Directors on November 28, 2024.

(b) Basis of Measurement

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

Star Navigation Systems Group Ltd.
Notes to Interim Consolidated Financial Statements
At September 30, 2024 and June 30, 2024
(Expressed in Canadian dollars)
(Unaudited)

2. BASIS OF PRESENTATION (Continued)

(c) Functional and Presentation Currency

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

(d) Basis of Consolidation

These unaudited interim consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries, Star Navigation Systems Inc. ("Star"), Star Navigation Systems (Quebec) Inc., and Star Navigation Systems (U.K) Ltd. and its non-wholly owned subsidiary Star-Isonéo Inc. The Company exercises 100% control over each of its subsidiaries and 80% control over its non-wholly owned subsidiary, Star-Isonéo Inc. The non-controlling interest related to Star-Isonéo Inc. has been deemed to be immaterial by management. Star Navigation Systems (Quebec) Inc. and Star Navigation Systems (U.K) Ltd. are inactive. The financial statements of its subsidiaries are included in the consolidated statements from the date that control commences until the date that control ceases. All significant inter-company transactions and balances have been eliminated on consolidation. All references to the Company should be treated as references to the Company and its subsidiaries.

(e) Critical Accounting Estimates, Judgments, and Assumptions

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

The significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

(i) Useful lives and impairment of property and equipment, intangible assets and right-of-use assets:

Property and equipment, intangible assets and right-of-use assets are amortized based on their estimated useful lives, which is the lesser of the economic life or the legal life of the asset. Management reviews the carrying value of these assets annually to determine if all items are still in use or are no longer expected to generate future benefit. These estimates will affect the carrying value of property and equipment and intangible assets and the amount of depreciation and impairment expenses.

2. BASIS OF PRESENTATION (Continued)

(ii) Valuation of warrants and share-based compensation

The Company uses the Black-Scholes option pricing model to calculate both the value of warrants issued as part of the Company's private placements and option grants. The Black-Scholes model requires six key inputs to determine a value for a warrant: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrant or a higher volatility number used would result in an increase in the warrant value.

(iii) Going concern:

The Company's management has made an assessment of the Company's ability to continue as a going concern and the consolidated financial statements continue to be prepared on a going concern basis. However, management does not believe the Company has sufficient cash on hand to meet the Company's operating expenditures beyond September 30, 2024 which may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

(iv) Deferred tax assets:

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

(v) Inventory Obsolescence:

Inventory is valued at the lower of cost or net realizable value. Management assesses the net realizable value, determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, to determine if it is lower than the cost of inventory. This estimate will affect the carrying value of inventory and the cost of inventory consumed.

Star Navigation Systems Group Ltd.
Notes to Interim Consolidated Financial Statements
At September 30, 2024 and June 30, 2024
(Expressed in Canadian dollars)
(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

Correction of errors

The Company restated its consolidated statements of financial position, consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency, and consolidated statements of cash flows for the year ended June 30, 2023. The correction of the error related to stock-based compensation expense in the amount of \$322,400 not recorded on the granting of stock options during the year ended June 30, 2023 and the recognition of \$142,000 in interest and penalties related to employee wage deductions.

The impact of these changes on the consolidated financial statements for the year ended June 30, 2024 are set out as follows:

	As previously reported June 30, 2023	Correction of error	As restated June 30, 2023
Balance sheet			
Accounts payable	\$ 1,147,492	\$ 142,000	\$ 1,289,492
Shareholders' deficiency			
Contributed surplus	\$ 26,474,955	\$ 322,400	\$ 26,797,355
Net loss	\$ 4,992,583	\$ 464,400	\$ 5,456,983
Deficit	\$ 73,027,757	\$ 464,400	\$ 73,492,157
Consolidated statement of Comprehensive loss			
General and administrative	\$ 1,714,204	\$ 142,000	\$ 1,856,204
Stock-based compensation	\$ Nil	\$ 322,400	\$ 322,400

Prepaid expense

The Company has classified prepayments as current because they relate to the purchase of services and are expected to be realized within twelve months of the reporting date. Prepaid expense contains premises costs and consulting services.

Property and Equipment

Property and equipment are recorded at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization is provided at rates designed to amortize the cost of the assets over their estimated useful lives as follows:

Furniture and equipment	- 20% per annum, declining balance
Computer equipment and software	- 50% per annum, declining balance

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible Assets

(a) GUI System

The GUI system will allow STAR-ISMS® customers to view the airline flights and receive end of flight reports. This product was completed at the start of fiscal June 30, 2024. The useful life of the asset was determined to be one year. Therefore, all amortization was taken in that current fiscal year. Amortization of \$149,012 was taken and was posted to amortization expense in Product maintenance and operating costs on the consolidated statement of Loss and Comprehensive loss in the fiscal year ended June 30, 2024.

Inventory

The Company's inventory consists of STAR-ISMS® units and STAR-MMI parts inventory. Inventory is valued at the lower of cost or net realizable value. Cost is determined using the weighted average cost method and includes the cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. During the June 30, 2024 fiscal year, it was determined that the inventory had become impaired and therefore was written down to a net realizable value of Nil. The amount of the impairment charge taken was \$160,128 and was charged to Product maintenance and operating costs.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less. The Company recognizes the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

Products Maintenance and Operating Costs

Products maintenance and operating costs represent costs incurred in relation with the Company's STAR-A.D.S.® program. Those costs are expensed as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue from contracts with customers

Revenue is recognized at an amount that reflects the consideration to which the Issuer is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the Issuer: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

Revenue from STAR-A.D.S. ® contracts

STAR-A.D.S. ® contracts might include installation of the system, airtime monitoring, or both.

Performance obligation of the Company's STAR-A.D.S. ® system is considered completed when the installation of the system is complete, defined to be when the related equipment has been installed in a customer's aircraft or transportation vehicle, tested and accepted by the customer, and has received the necessary regulatory approvals. Installations are generally conducted by customers under the Company's management and supervision. In the event the customer chooses to manage the installation without the Company's supervision, performance obligation is considered completed when the product is delivered to the customer.

Performance obligation related to airtime services are considered complete as the services are performed based on airtime used by the customer. The customer is billed at the end of each month.

In the event that the Company's STAR-A.D.S. ® and airtime are sold as a bundled package, the Company allocates the contract consideration to the performance obligations based on their relative stand-alone price, as determined by reliable objective evidence. Objective evidence of relative stand-alone selling price based on the price charged when the elements are sold separately, which is in accordance with the Company's standard price list.

The Company receives deposits on contracts when signed with customers. These deposits are not recognized as revenue but are recognized as deferred revenues until the installation of the product is completed.

Revenue from MMI contracts

Performance obligation for repairs and maintenance of STAR-MMI flat panel displays units are considered completed when the unit has been repaired and shipped to the customer.

Revenue from Consulting contracts

Performance obligation related to consulting services provided to customers for planning and assistance in the Research and development projects undertaken or joint ventures done in conjunction with other Companies are considered complete as the services are performed by the consultants.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the period 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.

Provisions

A provision is recognized on the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Share Capital

Common shares and preferred shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity. When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from total equity.

Loss Per Share

Basic loss per share is calculated by dividing the net loss available to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the net loss attributable to common shareholders and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares, which comprise share options and warrants issued by the Company. The outstanding share options and warrants are not included in the diluted net loss per common share as they are anti-dilutive for all periods presented.

Stock-Based Compensation and Other Stock-Based Payments

The Company applies a fair value-based method of accounting to all stock-based payments. Accordingly, stock-based payments for employees are measured at the fair value of the equity instruments issued and stock-based payments for non-employees are measured at the fair value of the goods or services received, unless the fair value cannot be estimated reliably. In cases where the fair value cannot be estimated reliably, the Company measures these transactions by reference to the fair value of the equity instruments granted. Each tranche is considered a separate award with its own vesting period and fair value. Stock-based compensation is charged to the statement of comprehensive loss over the tranche's vesting period and the offset is credited to contributed surplus. Consideration received upon the exercise of stock options is credited to share capital and the related contributed surplus is transferred to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Warrants

For transactions involving the issuance of warrants, the Company measures these transactions by reference to the fair value of the equity instruments granted. In the case of unit placements, the Company uses the Black-Scholes option pricing model to calculate the fair value of warrants issued. The proceeds from the issuance of units is allocated between common shares and warrants on a residual basis based the fair values of the warrants. Share issuance costs incurred in connection with the issuance of share capital are netted against the proceeds received.

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net loss except for items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in net income or loss in the year of change.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Financial Instruments

Recognition and Derecognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification

Financial assets and liabilities are classified in the following measurement categories: i) those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income), and ii) those to be measured subsequently at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss. For financial assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income. Classification of financial assets or financial liabilities at fair value through either profit or loss or other comprehensive income, is an irrevocable designation at the time of recognition.

Financial assets are reclassified when, and only when, the Company's business model for managing those assets changes. Financial liabilities are not reclassified.

The Company has implemented the following classifications:

Accounts receivable and sales tax recoverable are classified as subsequently measured at amortized cost.

Accounts payable and accrued liabilities, Due to creditors under the terms of the NOI, loans payable and due to related parties are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. Interest expense is recorded in profit or loss.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of that instrument. Transaction costs of financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets, including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Each financial asset measured at amortized cost is assessed for impairment under an expected credit loss (“ECL”) model. The Company applies the simplified approach for trade receivables, which uses lifetime ECL’s and the general approach for all other receivables. The Company uses an accounts receivable aging provision matrix to measure the ECL, applies losses factors to aging categories greater than 90 days past due. Allowance for expected credit losses assessment require a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue and makes assumptions to allocation an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Impairment of Non-Financial Assets

Non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives and intangible assets with definite useful lives that have not been put into use yet are undertaken annually at the financial year-end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of its value in use and fair value less costs of disposal, the asset is written down to its recoverable amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset’s cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss in respect of other assets is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Adoption of New Accounting Policies

The Company has adopted all the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board (“IASB”) that are mandatory for the current reporting period, which did not have a significant impact on the Company.

Any new or amended Accounting Standard or Interpretations that are not yet mandatory have not been early adopted.

Star Navigation Systems Group Ltd.
Notes to Interim Consolidated Financial Statements
At September 30, 2024 and June 30, 2024
(Expressed in Canadian dollars)
(Unaudited)

4. ACCOUNTS RECEIVABLE

Accounts receivable are collected on a regular basis.

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Accounts receivable	\$ 34,309	\$ 78,004
Less: Allowance for expected credit losses	-	-
Balance	\$ 34,309	\$ 78,004

The current aging of the accounts receivables outstanding at September 30, 2024 is \$34,309 (June 30, 2024 - \$78,004).

Current	1 - 30	31 - 60	61 - 90	91+	Total
\$	\$	\$	\$	\$	\$
4,031	-	2,274	1,584	26,420	34,309

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 address 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.

5. SALES TAX RECOVERABLE

Sales tax recoverable is due from the Government of Canada in relation to Harmonized Sales Tax refunds, which as of September 30, 2024 amounted to \$109,264 (June 30, 2024 - \$176,961).

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At September 30, 2024 and June 30, 2024
(Expressed in Canadian dollars)
(Unaudited)

6. PROPERTY AND EQUIPMENT

	Furniture and Equipment	Computer Equipment and Software	Total
Cost	\$	\$	\$
Balance at June 30, 2023	340,967	542,724	883,691
Additions	-	-	-
Balance at June 30, 2024	340,967	542,724	883,691
Additions	-	-	-
Balance at September 30, 2024	340,967	542,724	883,691
Accumulated Amortization			
Balance at June 30, 2023	297,434	515,759	813,193
Amortization for the period	8,706	13,483	22,189
Balance at June 30, 2024	306,140	529,242	835,382
Amortization for the period	1,741	1,685	3,427
Balance at September 30, 2024	307,881	530,927	838,809
Carrying Amounts			
At June 30, 2024	34,827	13,482	48,309
At September 30, 2024	33,086	11,797	44,882

7. RIGHT-OF-USE ASSETS

The Company has recognized a right-of-use asset in respect of its premises lease. The following is a continuity of the right-of-use asset:

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Cost		
Opening Balance	\$ 1,026,307	\$ 1,026,307
Additions	-	-
Balance	\$ 1,026,307	\$ 1,026,307
Accumulated Depreciation		
Opening Balance	\$ 549,016	\$ 442,951
Amortization	26,516	106,065
Balance	\$ 575,532	\$ 549,016
Carrying Amounts		
At June 30, 2024		\$ 477,291
At September 30, 2024	\$ 450,775	

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8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Trade payables (a)	\$ 241,196	\$ 301,407
Accrued liabilities (b)	1,802,101	2,081,105
	\$ 2,043,297	\$ 2,382,512

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

(b) Accrued liabilities include amounts for CRA payroll deductions of \$851,277 (June 30, 2024 - \$825,087) with other accruals making up the balance.

9. LEASE LIABILITY

The Company leases its premises under a lease agreement expiring on June 30, 2028, which was recognized at an incremental borrowing rate of 10%. The following is a continuity of activity during the year:

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Opening balance	\$ 749,564	\$ 864,360
Payments made	(49,016)	(196,065)
Interest on lease liabilities	18,486	81,269
Balance	719,034	749,564
Current portion	(151,181)	(130,330)
Long-term	\$ 567,853	\$ 619,234

The following table outlines the total contractual undiscounted lease payments at September 30, 2024:

2025	\$ 150,489
2026	206,385
2027	209,825
2028	213,265
2029	108,352
Less: future interest expense	(169,282)
Total lease liabilities at September 30, 2024	\$ 719,034

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10. LOANS PAYABLE

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Canadian Emergency Business Account loan (a)	\$ 120,000	\$ 120,000
Convertible debentures (b)	\$ -	\$ -

- (a) The Company received loans and subsidies from the Canadian Federal Government in February 2021. The Canadian Emergency Business account loan (“CEBA”) is an interest-free loan with no principal payments until June 30, 2024. If the Company repays \$80,000 of the total loan prior to June 30, 2024 then the balance of \$40,000 will be forgiven. If the balance is not paid by June 30, 2024 then the balance of the loan is converted to a three (3) period 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.
- (b) The Company received loans during the fiscal year ended June 30, 2023. The loans were unsecured, bore interest at rates ranging from 15%-18%, had no set terms of repayment and were convertible into common shares of the Company at \$0.05 per share at any time by the lenders. The fair value of the liability component at the time of issue was estimated to be approximately equal to the principal, such that the residual allocated to the conversion option (equity component) was insignificant. The loans were converted to common shares of the Company in February 2024 in a shares for debt transaction.

11. DUE TO CREDITORS

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, 2020 and as approved by the creditors on February 14, 2020. The proposal provides for \$90,000 for unsecured creditor claims as at January 24, 2020 and \$65,223 for secured creditors claims.

As part of the approval there is an amount due the unsecured creditors of \$900,000. Of the amount owing, \$614,700 was paid out in the form of common stock of the Company after the Ontario Securities Commission (“OSC”) revoked the Company’s failure to file cease trade order (“FFCTO”). The remaining shares will be distributed at a later date. The price of common shares to be distributed was determined to be five cents.

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12. SHARE CAPITAL

Authorized

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

- (a) On July 19, 2023, the Company completed a Shares for Debt transaction and converted \$113,000 of outstanding debt (the "Debt Conversion") into 2,260,000 units (the "Debt Conversion Units"). Each Debt Conversion Unit was issued at five cents (\$0.05) per Debt Conversion Unit and consists of one (1) common share of the Company and one (1) warrant. Each of the warrants acquired entitles the holder to purchase one (1) additional common share of the Company at five (\$0.05) cents per warrant exercised. The warrants are exercisable during the one (1) year period from the date of issue. All securities issued in the Offering and any shares issued upon exercise of warrants are subject to a four-month statutory hold period from the date of issuance.
- (b) On August 30, 2023, the Company issued shares for finders' fees as part of the Private placement transaction completed on April 1, 2023. The total number of shares issued was 4,747,500 at a price of \$0.04 per common share.
- (c) In November 2023, the Company completed a Shares for Debt transaction and converted \$387,000 of outstanding debt (the "Debt Conversion") into 19,350,000 units (the "Debt Conversion Units"). Each Debt Conversion Unit was issued at two cents (\$0.02) per Debt Conversion Unit and consists of one (1) common share of the Company and one (1) warrant. Each of the warrants acquired entitles the holder to purchase one (1) additional common share of the Company at five (\$0.05) cents per warrant exercised. The warrants are exercisable during the one (1) year period from the date of issue. All securities issued in the Offering and any shares issued upon exercise of warrants are subject to a four-month statutory hold period from the date of issuance.
- (d) In November 2023, the Company completed a Shares for Debt transaction initiated on April 15, 2023 (Note 12(d)) and converted \$254,628 of outstanding debt (the "Debt Conversion") into 6,365,709 units (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. Each of the warrants acquired entitles the holder to purchase one (1) additional common share of the Company at five (\$0.05) cents per warrant exercised. The warrants are exercisable during the one (1) year period from the date of issue. All securities issued in the Offering and any shares issued upon exercise of warrants are subject to a four-month statutory hold period from the date of issuance.

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12. SHARE CAPITAL (Continued)

- (e) In February 2024, the Company completed a Shares for Debt transaction and converted \$1,014,800 of outstanding debt (the "Debt Conversion") into 50,740,000 units (the "Debt Conversion Units"). Each Debt Conversion Unit was issued at four cents (\$0.02) per Debt Conversion Unit and consists of one (1) common share of the Company and one (1) warrant. Each of the warrants acquired entitles the holder to purchase one (1) additional common share of the Company at five (\$0.05) cents per warrant exercised. The warrants are exercisable during the one (1) year period from the date of issue. All securities issued in the Offering and any shares issued upon exercise of warrants were subject to a four-month statutory hold period from the date of issuance.
- (f) During the year ended June 30, 2024 shareholders exercised a total of 13,000,000 warrants held at a price of \$0.05 per warrant for a total of \$650,000 common shares of the Company
- (g) On February 26, 2024, the Company closed a non-brokered private placement of 66,216,666 units in the capital of the Company ("Units") at a purchase price of \$0.015 per Unit for total gross proceeds of \$993,250. Each Unit consists of one common share in the capital of the Company and one warrant. Each of the warrants acquired entitles the holder to purchase one (1) additional common share of the Company at five (\$0.05) cents per warrant exercised. The warrants are exercisable during the one (1) year period from the date of issue. All securities issued in the Offering and any shares issued upon exercise of warrants are subject to a four-month statutory hold period from the date of issuance.
- (h) During the year ended June 30, 2024 the Company extended the expiration date of some warrants that had been issued. The extension resulted in a modification to the fair value of the warrants totalling \$166,952. The adjustment was an equity adjustment to common shares and contributed surplus.
- (i) In September 2024, the Company completed a Shares for Debt transaction and converted \$480,250 of outstanding debt (the "Debt Conversion") into 48,025,000 units (the "Debt Conversion Units"). Each Debt Conversion Unit was issued at four cents (\$0.01) per Debt Conversion Unit and consists of one (1) common share of the Company and one (1) warrant. Each of the warrants acquired entitles the holder to purchase one (1) additional common share of the Company at five (\$0.05) cents per warrant exercised. The warrants are exercisable during the one (1) year period from the date of issue. All securities issued in the Offering and any shares issued upon exercise of warrants were subject to a four-month statutory hold period from the date of issuance.

13. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS

Stock-Based Compensation

The Company has a Stock Option Plan (the "Plan") for employees, officers, directors and consultants performing special technical or other services of the Company ("Optionees"). In January 2023, the Company amended the Plan whereby the number of common shares to be issued under the Plan is not to exceed 85,000,000 common shares. The designation of Optionees, amount and vesting provisions of awards under the Plan are determined by the Board of Directors.

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13. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS (Continued)

Stock Option Transactions	Number	Exercise Price	Weighted Average Exercise Price
Balance at June 30, 2024	55,500,000	\$0.05-\$0.08	\$0.05
Options expired	-	\$0.05	\$0.05
Options granted	-	\$0.05	\$0.05
Balance at September 30, 2024	55,500,000		\$0.05
Exercisable at September 30, 2024	55,500,000		\$0.05

The Company recognized \$Nil of stock-based compensation for the period ended September 30, 2024 (June 30, 2024 - \$216,200).

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

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Expected dividend yield	-	-
Risk free interest rate	-	3.98%
Expected volatility	-	104%
Expected life	-	5.0 years
Share price	-	\$0.015

As at September 30, 2024, the Company had stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

Date of Grant	Options Granted	Options Exercisable	Exercise Price	Expiry Date
December 4, 2021	14,500,000	14,500,000	\$0.05	December 4, 2026
April 22, 2022	2,000,000	2,000,000	\$0.05 - \$0.08	April 22, 2025
October 9, 2022	15,500,000	15,500,000	\$0.05	October 9, 2028
January 15, 2024	23,500,000	23,500,000	\$0.05	January 15, 2029
	55,500,000	55,500,000		

The weighted average remaining contractual life of the outstanding options is 3.75 years (June 30, 2024 – 4 years).

Stock based compensation for the year ended June 30, 2024 included payments made in shares regarding finder's fees paid and consulting services totaling \$1,039,800. This amount was recorded on the statement of comprehensive loss in Marketing and promotion expense. Shares were issued as part of the various shares for debt transactions during the fiscal year ended June 30, 2024.

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13. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS (Continued)

Warrants

The accounting policy the Company uses for the share purchase warrants follows the guidelines of IAS 32 – Financial Instruments. The Company used the residual fair value method to allocate fair value into its common share component and warrants component.

Warrants that have been issued in combination with common shares under private placement or similar equity financing arrangements are evaluated under IAS 32 – Financial Instruments: Presentation. Equity classification applies to instruments where a fixed amount of cash (or liability) denominated in the issuer’s functional currency is exchanged for a fixed number of shares.

Warrants are given a Fair Value using the Black-Scholes calculation considering several factors including but not limited to share price on the date of warrant grant, strike price, estimated life and interest rate on date of grant.

	Number	Weighted-Average Exercise Price
Balance at June 30, 2024	538,847,368	\$0.05
Issued	48,025,000	\$0.05
Exercised	-	-
Expired	-	-
Balance at September 30, 2024	586,872,368	\$0.05

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

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Expected dividend yield	-	-
Risk free interest rate	4.07%	4.31%-4.70%
Expected volatility	509%	194%-297%
Expected life	1.0 years	1.0 years
Share price	\$0.005	\$0.015-\$0.025

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13. CONTRIBUTED SURPLUS, STOCK-BASED COMPENSATION AND WARRANTS (Continued)

As at September 30, 2024, the Company had warrants issued and outstanding as follows:

Date of Issue	Warrants Issued	Exercise Price	Expiry Date
September 1, 2020	45,797,400	\$0.05	September 1, 2025
September 1, 2020	57,838,000	\$0.05	September 1, 2025
January 4, 2022	112,138,800	\$0.05	January 4, 2027
January 4, 2022	94,251,590	\$0.05	January 4, 2027
October 11, 2022	102,328,572	\$0.05	October 11, 2027
November 1, 2022	33,925,000	\$0.05	November 1, 2027
November 20, 2023	19,350,000	\$0.05	November 20, 2028
February 26, 2024	50,740,000	\$0.05	February 26, 2029
February 26, 2024	66,216,666	\$0.05	February 26, 2029
September 30, 2024	48,025,000	\$0.05	September 30, 2025
Exercised	(43,738,660)	\$0.05	
	586,872,368		

Basic and diluted loss per common share based on net loss for the three-month period ended September 30, 2024:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Numerator:		
Net loss the period	\$ (448,877)	\$ (697,819)
Denominator:		
Weighted average number of common shares outstanding - basic	1,224,435,329	1,065,148,416
Weighted average number of common shares outstanding - diluted	1,224,435,329	1,065,148,416
Loss per common share based on net loss for the period:		
Basic	\$ (0.0004)	\$(0.001)
Diluted	\$ (0.0004)	\$(0.001)

Maximum share dilution:

The following table presents the maximum number of shares that would be outstanding if all outstanding stock options and warrants were exercised as at September 30, 2024:

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Common shares outstanding	1,272,460,329	1,224,435,329
Warrants to purchase common shares	586,872,368	538,847,368
Shares to be issued	5,900	5,900
Stock options to purchase common shares	55,500,000	55,500,000
Fully diluted common shares outstanding	1,914,838,597	1,818,788,597

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14. MANAGEMENT OF CAPITAL

The Company considers its capital to include the components of equity attributable to common shareholders which amounts to a deficit of \$3,199,444 at September 30, 2024 (June 30, 2024 - (\$3,230,817)) and is comprised of issued share capital, contributed surplus and deficit in the definition of capital.

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

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall management of capital strategy during the period ended September 30, 2024.

15. FINANCIAL RISK MANAGEMENT

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

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

(a) Market Risk

(i) Currency risk:

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

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

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

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Cash	\$ 198	\$ 198
Accounts receivable	34,309	28,004
Accounts payable	(27,941)	(23,626)
	\$ 6,566	\$ 4,576

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15. FINANCIAL RISK MANAGEMENT (Continued)

Based on the Company's net exposure to US denominated instruments at September 30, 2024 and June 30, 2024, a sensitivity analysis has not been presented as the impact to profit and loss would be immaterial.

(ii) Interest rate risk:

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

(b) Credit Risk

The Company does not believe it is exposed to any significant concentration of credit risk. However, as disclosed in Note 17, the Company earns a significant amount of revenue from a few customers. As at September 30, 2024, approximately \$26,420 (June 30, 2024 - \$20,186) of the Company's receivables were past due the average credit period of 90 days. As at September 30, 2024, the Company's allowance for expected credit losses was \$Nil (June 30, 2024 - \$Nil) and bad debt expense for the period ended September 30, 2024 was \$Nil (September 30, 2023 - \$Nil).

(c) Liquidity Risk

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

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

At September 30, 2024, the Company has current liabilities of \$3,202,675 (June 30, 2024 - \$3,476,039) due within 12 months and cash of \$905 (June 30, 2024 - \$152,942), as well as the CEBA loans payable of \$120,000 due in 2026. At September 30, 2024, the Company had a working capital deficiency of \$3,007,248 (June 30, 2024 - \$(3,017,183)) and accordingly, the Company is subject to significant liquidity risk. Management will continue to raise capital to develop, market and promote its STAR-ISMS® technology and to maintain its operations. See Note 1 for going concern.

There have been no changes for the Company's risk management policies for market risk, credit risk, and liquidity risk since September 30, 2024.

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16. RELATED PARTY TRANSACTIONS

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

- (a) Amounts due to related parties at September 30, 2024 is \$1,099,961 (June 30, 2024 - \$1,004,286) and is comprised of the following:

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Due to Directors – (included in Due to related parties)	\$ 615,000	\$ 579,000
Due to Directors and Officers – (included in Accounts payables and accrued liabilities)	389,737	339,062
Due to Committee Chairpersons – (included in Due to related parties)	80,000	71,000
Due to Former Chief Executive Officer (included in related parties)	15,224	15,224
	\$ 1,099,961	\$ 1,004,286

- (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 period ended September 30, 2024:

	September 30, 2024 (Unaudited)			September 30, 2023 (Unaudited)		
	Officers	Directors	Total	Officers	Directors	Total
	\$	\$	\$	\$	\$	\$
Salaries	68,751	-	68,751	137,502	-	137,502
Directors fees	-	45,000	45,000	-	66,000	66,000
	68,751	45,000	113,751	137,502	66,000	203,502

17. SIGNIFICANT CUSTOMER

During the period ended September 30, 2024, 100% (September 30, 2023 – 100%) of the total revenues generated by the Company were generated from Star-A.D.S. sales and Nil% (September 30, 2023 – Nil%) from repairs and maintenance services on STAR-MMI flat panel display units, which is recognized at a point in time. Remaining sales were recognized over time. During the period ended September 30, 2024, 100% (September 30, 2023 – 100%) of the revenue was generated from one customer. During the period ended September 30, 2024, 100% (September 30, 2023 – 100%) of the revenue recognized during the year was generated from customers located in the Middle East.

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18. EXPENSE DISCLOSURES

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
General and Administrative		
Amortization expense (Note 7)	\$ 26,516	\$ 26,517
Board and committee fees	45,000	66,000
Filing and other fees	5,470	3,000
Insurance	14,411	12,168
Office and general	32,065	37,830
Professional fees	12,520	-
Wages	68,751	137,500
Total G&A expenses	\$ 204,733	\$ 283,015
Product maintenance and Operating costs		
Amortization expense (Note 6)	\$ 3,427	\$ 3,525
Product maintenance and Operating costs	2,413	30,345
Wages	91,306	137,932
Total Product Maintenance and Operating expenses	\$ 97,146	\$ 171,802
Marketing and Promotion		
Consultant costs	\$ 131,000	\$ 87,770
Investor relations	-	49,000
Wages	-	24,661
Travel costs	-	51,913
Total M&P expenses	\$ 131,000	\$ 213,344

19. SEGMENT INFORMATION

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

20. LITIGATIONS

All lawsuits filed on behalf of certain employees by the CNESST (commission on workplace standards, fairness, health and safety) in Quebec, Canada, which resulted in a civil action against the Company and one of its subsidiaries, Star-Isonéo Inc. before the Superior Court in Montreal, Quebec have now been settled and no further litigation remains before the Courts as of the March 2024.