

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

ITEM 1. REPORTING ISSUER

Star Navigation Systems Group Ltd.
2970 Lakeshore Blvd. W., Suite 300,
Toronto, ON M8V1J7

ITEM 2. DATE OF MATERIAL CHANGE

December 9, 2011

ITEM 3. NEWS RELEASE

Press release in the form attached as Schedule "A" was disseminated on December 14, 2011 via Marketwire.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced that it had entered into an amended and restated license agreement.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

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

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

Not Applicable

ITEM 7. OMITTED INFORMATION

No information has been omitted on the basis of confidentiality.

ITEM 8. EXECUTIVE OFFICER

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

Viraf S. Kapadia
Chief Executive Officer
(416) 252-2889

ITEM 9. DATE OF REPORT

Dated at Toronto, Ontario this 20 th day of December, 2011.

By: (signed) Viraf S. Kapadia
Viraf S. Kapadia

Schedule "A"



FOR IMMEDIATE RELEASE

TSX Venture Exchange Symbol: SNA

**STAR NAVIGATION ANNOUNCES DETAILS OF NEW LICENSING
AGREEMENT REGARDING
STAR-ISMS® TECHNOLOGY**

TORONTO, Ontario, December 14, 2011, – Further to the press release disseminated December 9, 2011, Star Navigation Systems Group Ltd. (TSX-V: SNA) ("Star" or the "Company") is pleased to announce details of the amended and restated license agreement (the "Amended and Restated License Agreement") entered into on December 9, 2011 between the Company and 2283188 Ontario Limited (the "Licensor").

The entry into the Amended and Restated License Agreement in respect of the technology upon which the Company's products are based, was required in order to secure the consent of both the Licensor and Viraf S. Kapadia to the agreement announced in Star's press release of June 22, 2011 (the "June 22, 2011 Agreement"). A condition of the June 22, 2011 Agreement required the Licensor and / or Viraf S. Kapadia to assume personal and/or corporate liability in certain situations, including the provision of indemnities, a requirement which was not contemplated in the original license agreement.

Without the consent of the Licensor and Viraf S. Kapadia, and the assumption by them of potential liability, the June 22, 2011 agreement would not have been possible. The Licensor and Mr. Kapadia agreed to accept these obligations under the June 22, 2011 Agreement in return for certain royalty payments outlined below.

A Special Committee of the Board of Directors (which did not include Mr. Kapadia, the CEO of the Company) was formed in order to negotiate the terms and conditions of the Amended and Restated License Agreement with Mr. Kapadia and the Licensor on behalf of the Company. Through its own research and through the commissioning of a third party independent professional valuation, the Special Committee satisfied itself that the terms of the Amended and Restated License Agreement are fair and reasonable and in accordance with commercial norms.

The Amended and Restated License Agreement provides for royalties to be payable by the Company to the Licensor in the amount of:

- (a) three (3%) percent of gross revenues (not including taxes) from all sales of airborne in-flight safety monitoring system (the "ISMS") units under the June 22, 2011 Agreement.
- (b) ten (10%) percent of all service fees under the June 22, 2011 Agreement in relation to ISMS units under the ADS Agreement; and
- (c) ten (10%) percent of all usage fees under the ADS Agreement in relation to ISMS units under the June 22, 2011 Agreement.

The Amended and Restated License Agreement will be in effect until the expiry of the last of the patents covering the technology upon which the company's products are based. The Licensor grants to the Company the exclusive right and license in respect of the patents and licensed property described under the Amended and Restated License Agreement.