

**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

May 18, 2012

ITEM 3. NEWS RELEASE

Press release in the form attached as Schedule "A" was disseminated on March 18, 2012

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced the settlement of litigation.

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 23rd day of May, 2012.

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

Schedule "A"



FOR IMMEDIATE RELEASE

TSX Venture Exchange Symbol: SNA

May 18, 2012 19:12 ET

FLYHT Aerospace Solutions Ltd. (formerly Aeromechanical Services Ltd.) and STAR Navigation Systems Group Ltd. Announce Settlement of Litigation

CALGARY, ALBERTA and TORONTO, ONTARIO--(Marketwire - May 18, 2012) - FLYHT Aerospace Solutions Ltd. (formerly Aeromechanical Services Ltd.) (TSX VENTURE:FLY) and Star Navigation Systems Group Ltd. (TSX VENTURE:SNA) announce that they have reached a full and final settlement of outstanding litigation between them, and that they have agreed to file dismissals of all outstanding claims and counterclaims.

The parties (FLYHT Aerospace Solutions Ltd. (formerly Aeromechanical Services Ltd.), Star Navigation Systems Group Ltd., Star Navigation Systems Inc., Peter Verbeek, and Viraf Kapadia) have agreed to a dismissal of their existing litigation in Ontario on a without costs basis, with no admissions of liability.