

**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

January 15, 2013

ITEM 3. NEWS RELEASE

Press release in the form attached as Schedule "A" was disseminated on January 16, 2013 via Marketwire.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced grant of stock options.

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 17th day of January, 2013.

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

Schedule "A"

Star Navigation Systems Group Ltd. (TSX VENTURE:SNA) ("Star" or the "Company"), is pleased to announce that pursuant to its 2006 Incentive Stock Option Plan, as amended, the Board of Directors of the Company has approved the grant of incentive stock options to purchase 1,811,900 common shares in the capital stock of the Company to certain directors and officers of the Company (the "Grantees"). The options expire January 14, 2018, and are exercisable at a price of \$0.15 per share. The Board of Directors of the Company utilizes stock options as long-term incentives to certain directors, officers, employees and consultants of the Company as part of its overall strategy. The Compensation and Corporate Governance Committee of the Board of Directors believes that stock option grants serve the Company's compensation philosophy in two ways: firstly, it helps attract, retain, and motivate talent; secondly, it aligns the interests of those granted stock options with those of the shareholders by linking a specific portion of that person's compensation to share price. Each of the Grantees has been associated with the Company for between five and ten years. The stock options granted to the Grantees replace stock options expiring between December 15, 2012 and February 7, 2013, and vest four months after the date of issue.