

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

February 25, 2009

ITEM 3. NEWS RELEASE

Press release in the form attached as Schedule "A" was disseminated on March 5, 2009.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced that it had been issued a Notice to Comply by the TSX Venture Exchange.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

See attached Schedule "A" for a full description.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not Applicable

ITEM 6. RELIANCE ON SECTION 7.1(2) 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 3rd day of January, 2011.

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

Schedule "A"



Star Navigation Announces TSX-V Notice to Comply

TORONTO, March 5, 2009 - Star Navigation Systems Group Ltd. (TSX-V: SNA) ("Star" or the "Company"), a leading edge technology company focused on providing Aerospace Solutions, both hardware and software platforms to assist aviation operators worldwide, announces that it has been placed on Notice to Comply by the TSX Venture Exchange Inc. (the "Exchange").

The Exchange conducted a review of Star's disclosure policies and noted some anomalies, errors and omissions. Star has accepted all the recommendations, has taken corrective action and has put in place policies, controls and checks that will make sure no such errors, omissions or mistakes will be repeated. Star appreciates the diligence of the TSX-V compliance division in assisting Star to improve its corporate governance.

The Exchange has found that Star had contravened several of the Exchange's policy requirements including but not limited to:

- The omission of some material information concerning certain terms and conditions of certain contracts/agreements, shipments and installations, provision of updating disclosure of prior announcements and use of overly promotional words and phrases in certain press releases; Star issued a comprehensive press release updating and clarifying these issues on March 12, 2008.
- The exercise of 2,294,346 stock options in 2008 in lieu of debt. This resulted from Star's administrative procedures and not from any intent to exchange shares for debt in contravention of Policy. Star has amended its procedure with respect to option exercise in order to fully comply with the intent of the Policy.
- The issuance of 150,605 shares for debt (such debt being in the amount of \$22,306) without Exchange approval. TSX-V approval has now been granted and Star has amended its formal procedure in this regard.
- A failure to file a submission for a prior Investor Relations agreement and the failure to disclose the termination of the prior agreement.

- The omission of certain management compensation disclosure as required by the Exchange's Policies. Such disclosure is now being made in the Company's interim and annual filings.

- An accrual error regarding prior management compensation. This had been amended in the Audited Annual Financial Statements dated June 30, 2008.

In response to the matters raised by the Exchange, Star has instituted the amended internal policies referred to above. In particular, Star has taken the following action:

- Creation of Corporate Governance Committee of the Board of Directors.
- Creation of an Internal Disclosure Committee comprised of the CEO, CTO, Corporate Counsel and In-House Counsel. Amendment of policies and procedures relating to press releases. This includes, in part, the adoption of a detailed written disclosure policy and a process requiring the approval of the each of the CEO, CTO and counsel prior to issue of any press release.
- Amendment of policies and procedures concerning stock option exercises and share issuances.

As well, the CEO has agreed to attend an Exchange Workshop dealing with management responsibilities and corporate governance.

In addition, Star is presently engaged in hiring a CFO as the Company's CFO functions are currently be handled by the CEO which is not allowed pursuant to the Exchange's Policies. An announcement regarding the hiring of a CFO should be forthcoming in short order.

The Exchange has advised that it will not be taking further action at this time regarding the contraventions of Exchange requirements. However, any further violations of Exchange requirements may result in a review being commenced and applicable further action being initiated by the Exchange against Star and its management, officers and directors.

Star sincerely regrets the contraventions of the Exchange's policies and requirements and will use its best efforts to ensure that they will not occur in the future.

About Star Navigation:

Star Navigation Systems Group Ltd. (www.star-navigation.com) owns the exclusive worldwide license to its proprietary, patented In-flight Safety Monitoring System, the first system in the world to feature in-flight data-analysis, monitoring and diagnostics with a real-time connection between aircraft and ground. Its real-time capability of tracking performance-trends and predicting incident-occurrence enhances aviation safety and improves fleet management while reducing costs for the operator.

Certain statements contained in this News Release constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will" and similar expressions, as they relate to Star or its management are intended to identify forward-looking statements. Such statements reflect Star's current views with respect to future events and are subject to certain risks, uncertainties and

assumptions. Many factors could cause Star's actual performance or achievements to vary from those described herein. Should one or more of these factors or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Star does not assume any obligation to update these forward-looking statements.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of the content of this release.

For further information:

please visit www.star-navigation.com or
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