

**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 5, 2010

ITEM 3. NEWS RELEASE

Press release in the form attached as Schedule "A" was disseminated on May 5, 2010.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced a debt settlement agreement.

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 5th day of January, 2011.

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

Schedule "A"



Star Navigation Announces Debt Settlement Agreement

TORONTO, May 5, 2010 - Star Navigation Systems Group Ltd. (TSX-V: SNA) ("Star" or the

"Company"), focused on providing technology based Aerospace Solutions - including both hardware and software platforms to assist aviation operators worldwide - announces that it will apply for regulatory approval for a share for debt conversion transaction (the "Debt Settlement"). Pursuant to the Debt Settlement agreed to on May 5, 2010, the Company will issue from treasury 5,069,640 common shares of the Company at a deemed price of \$0.20 per share (being equal to yesterday's closing price without any discount). The Debt Settlement will result in reducing Star's debts to various creditors by \$1,013,928. The shares issued to the creditors will be restricted from sale for a period of 180 days after the date of issue. Two of the creditors participating in the Debt Settlement are officers and directors of Star, and in this regard will convert \$629,495 in outstanding and accrued management fees for a total of 3,147,475 common shares. The issuance of the Debt Settlement Shares will not result in a change of control, and the transaction is subject to TSX-Venture Exchange approval.