

**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

June 11, 2010

ITEM 3. NEWS RELEASE

Press release in the form attached as Schedule "A" was disseminated on June 23, 2010.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced a approval of Debt Settlement.

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 Approval of Debt Settlement Agreement – Berlin Air Show Update

TORONTO, June 23, 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 the TSX Venture Exchange ("TSX-V") has accepted for filing the Company's share for debt conversion transaction (the "Debt Settlement") announced May 5, 2010.

Pursuant to the TSX-V approval, the Company will issue from treasury 1,922,165 common shares of the Company at a deemed price of \$0.20 per share to three creditors of the Company, which will result in reducing Star's debts to these creditors by \$384,433. 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 other 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 TSX-V has issued conditional approval in respect of this transaction, subject to disinterested shareholder approval at the next meeting of shareholders.

The issuance of the Debt Settlement Shares will not result in a change of control. As previously announced, (see Release June 8, 2010), a team from the Company recently attended the Berlin Air Show. CEO Viraf Kapadia, Chief Technology Officer Dale F. Sparks and Manager-Sales and Marketing, Joel Chotte made full use of the opportunity to expand Star's contacts with attending Airlines, Maintenance, Repair and Overhaul ("MRO") providers and other interested parties, many of whom expressed interest in continuing discussions with Star at the upcoming Farnborough Airshow (July 19 – 25, 2010), in the United Kingdom.