

**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 28, 2016

ITEM 3. NEWS RELEASE

Press release in the form attached as Schedule "A" was disseminated on January 28, 2016 via Marketwire.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced a private placement.

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 1st day of February, 2016.

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

Schedule "A"

TORONTO, ONTARIO--(Marketwired - Jan. 28, 2016) - Star Navigation Systems Group Ltd. (TSX VENTURE:SNA)(OTCBB:SNAVF) ("Star" or the "Company") announces that it intends to complete a non-brokered private placement (the "Offering"), to raise up to \$1 million.

The Offering will issue up to 33,333,333 Units at a price per Unit of \$0.03 and is being done under a waiver granted by the TSX Venture Exchange ("TSX-V"), pursuant to the Discretionary Waivers of \$0.05 Minimum Pricing Requirement bulletin dated April 7, 2014. The waiver requires that the Offering raise a minimum of \$882,000.

Each Unit will consist of one (1) common share and one common share purchase warrant ("Warrant"). Each Warrant will entitle the holder to acquire one common share at a price of \$0.07 for a period of three years from the date of issue.

The net proceeds from the Offering are to be used for research and development and corporate overhead purposes. Star has agreed to pay finder's fees in the amount of ten (10%) percent of gross proceeds in cash, Units or in a combination of cash and Units. Any Units payable as finder's fees will be valued at \$0.05 per Unit.

All securities issued in the Offering and any shares issued upon exercise of warrants are subject to a four month statutory hold period from the date of issuance. The financing is subject to the final approval of the TSX-V.

The proceeds from the private placement will be used by Star for working capital (6 months - \$882,000 - payroll, leases, insurance, G&A), payables (\$411,000), and short term debt repayment (\$125,000), for a total of \$1,481,000. There will be no related party payments.

Offsetting these expenses will be minimum estimated revenues amounting to over \$420,000 in the next 6 months. This estimate is based upon orders already booked and customer order patterns.

Mr. Viraf S. Kapadia, CEO said,

"The past 15 months saw our revenues grow to over \$1.1 million, compared with less than \$100,000 per year previously. Based on current orders booked and customer order patterns, we expect sales for the next 12 months to reach \$1.5 million."

The Company will update shareholders when the private placement has been completed and TSX-V final approval has been received.