

**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**

August 4, 2017

**ITEM 3. NEWS RELEASE**

Press release in the form attached as Schedule "A" was disseminated on August 4, 2017 via Globe Newswire.

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

The Company announced a shares for debt transaction.

**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 8th day of August, 2017.

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

**Schedule "A"**

**TORONTO, Aug. 04, 2017 (GLOBE NEWSWIRE) -- Star Navigation Systems Group Ltd. (CSE: SNA) (CSE: SNA.CN) (OTCBB: SNAVF) ("Star" or the "Company") announced today that it has agreed to settle outstanding indebtedness of \$2,186,689 (the "Debt") through the issuance of 27,333,615 common shares of the Corporation, at a deemed price of \$0.08 per common share (the "Debt Settlement"). The deemed price was protected by a price reservation granted by the Canadian Securities Exchange July 13, 2017.**

**The common shares issued in connection with the Debt Settlement are subject to a four month hold period from date of issue.**

**This transaction reduces the Company's current liabilities and significantly improves its working capital ratio.**