Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Northstar Aerospace, Inc. ("Northstar")
105 Bedford Road
Toronto, Ontario
M5R 2K4

Item 2 Date of Material Change

January 29, 2012, February 6, 2012 and February 8, 2012

Item 3 News Release

News releases were issued by Northstar and disseminated through CNW Group on January 29, 2012, February 6, 2012 and February 8, 2012 and subsequently filed on SEDAR at www.sedar.com.

Item 4 Summary of Material Change

On January 29, 2012, Northstar announced that it had received a notice from a major customer claiming breach of its obligations under certain contracts. The notification demanded that Northstar cure such breach or otherwise resolve the claims within ten days. In addition, at the time of the announcement on January 29, 2012, Northstar expected to be in violation of its financial covenants under its existing credit facility as of January 31, 2012.

On February 6, 2012, Northstar announced that forbearance agreements had been entered into with the syndicate of lenders under Northstar's existing credit facility and the major customer.

On February 8, 2012, Northstar announced the appointment of a Chief Restructuring Officer and that Craig Yuen was appointed Senior Vice President and Chief Financial and Strategy Officer following the departure of Greg Schindler, Northstar's prior Chief Financial Officer.

Item 5 Full Description of Material Change

On January 29, 2012, Northstar announced that it had received a notice from a major customer claiming breach of its obligations under certain contracts. The notification demanded that Northstar cure such breach or otherwise resolve the claims within ten days. In addition, at the time of the announcement on January 29, 2012, Northstar expected to be in violation of its financial covenants under its existing credit facility as of January 31, 2012.

On February 6, 2012, Northstar announced that forbearance agreements had been entered into with the syndicate of lenders under Northstar's existing credit facility and the major customer.

Under the forbearance agreement with the syndicate of lenders, the lenders have agreed not to enforce their rights under the credit facility until February 17, 2012. The forbearance agreement also includes an increase in the interest rate, additional reporting requirements, and the appointment of an outside financial advisor to assist with direction and management of financial matters.

Northstar has also entered into an agreement with the major customer to forbear from exercising the rights and remedies under the contracts through February 17, 2012 and thereafter to provide three business days advance notice of its intent to exercise any rights or remedies available under the contracts.

Northstar's management and advisors continue discussions with its lenders and customer to extend the term of the forbearance agreements to a later date. Northstar is also continuing its process of exploring and evaluating strategic alternatives for Northstar. No assurances can be given that an extension beyond the stated date will be provided or that the issues being faced by Northstar will be resolved satisfactorily. As previously disclosed in the notes to Northstar's interim financial statements as of September 30, 2011, significant doubt remains regarding Northstar's ability to continue as a going concern.

On February 8, 2012, in accordance with the forbearance agreement with the syndicate of lenders, Northstar has contracted with FTI Consulting Canada Inc. (FTI) to provide Chief Restructuring Officer (CRO) services to Northstar. FTI will provide financial, strategic and restructuring advice, and assist with management of liquidity requirements, among other duties. In addition, Northstar announced that Craig Yuen was appointed Senior Vice President and Chief Financial and Strategy Officer. Greg Schindler, Northstar's prior Chief Financial Officer, left Northstar on February 8, 2012.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

None.

Item 8 Executive Officer

For further information, please contact: Craig Yuen, Senior Vice President and Chief Financial and Strategy Officer, 708-728-2121.

Item 9 Date of Report

February 8, 2012

Craig Yuen, Senior Vice President and Chief Financial and Strategy Officer