Form 51-102F3

MATERIAL CHANGE REPORT

1. **Name and address of the Company.**

Nextair Inc. ("Nextair"), 36 York Mills Rd., Suite 502, Toronto, Ontario, M2P 2E9

2. **Date of Material Change.**

January 11, 2004.

3. **News Release.**

A press release disclosing the material change was issued by Nextair through Canada NewsWire on January 11, 2005, a copy of which is attached hereto as Schedule "A".

4. **Summary of Material Change.**

Nextair announced that it had signed an agreement for the sale of its wholly owned operating subsidiary, Nextair Corporation, to an arms length purchaser effective as of January 10, 2005.

5. **Full Description of Material Change.**

Nextair announced that it had signed an agreement to sell all of the shares of its wholly-owned subsidiary, Nextair Corporation, to an arm's length purchaser (the "Purchaser") for total proceeds of $2,000,000. This transaction was further to Nextair's press release of November 9, 2004, which announced the potential sale by Nextair of core and non-core assets in order to meet its obligations. Subject to certain closing conditions and subject to approval by the shareholders of Nextair as well as other regulatory approvals, the purchaser has agreed to buy the shares of Nextair Corporation, including all of the intellectual property therein, which constitutes substantially all of the core operating assets of Nextair. Proceeds from the sale will be used to meet the ongoing obligations of Nextair and to pursue other lines of business as deemed appropriate by the Board of Directors. The transaction is expected to close in February 2005.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102.**

Not applicable.

7. **Omitted Information.**

The name of the Purchaser has been omitted from this Material Change Report.

8. **Executive Officer.**

Scott Browne, Vice President, Chief Financial Officer and Secretary of Nextair, is knowledgeable about the material change and this Report and can be reached at (416) 549-1003.

9. **Date of Report.**

DATED at Toronto, Ontario, this 19th day of January, 2005

(signed) "Scott Browne"

Scott Browne
President, Chief Financial Officer and Secretary

SCHEDULE "A"

News release via Canada NewsWire, Toronto 416-863-9350

Attention Business Editors:
Nextair Inc. Announces Sale of Core Operating Subsidiary

TORONTO, Jan. 11 /CNW/ - Nextair Inc. (TSX:NXA), announced today that it has signed an agreement to sell all of the shares of its wholly-owned subsidiary, Nextair Corporation, to an arm's length purchaser for total proceeds of $2,000,000. This transaction is further to the company's press release of November 9, 2004, which announced the potential sale by the company of core and non-core assets in order to meet its obligations. Subject to certain closing conditions and subject to approval by the shareholders of Nextair Inc. as well as other regulatory approvals, the purchaser has agreed to buy the shares of Nextair Corporation, including all of the Intellectual Property therein, which constitutes substantially all of the core operating assets of the company. Proceeds from the sale will be used to meet the ongoing obligations of Nextair Inc. and to pursue other lines of business as deemed appropriate by the Board of Directors. The transaction is expected to close in February 2005.

About Nextair

Nextair Inc. (www.nextair.com) is the developer of the award winning AIRIX(TM) wireless enabling software solution. Nextair is traded on the Toronto Stock Exchange (TSX: NXA). Visit Nextair's website at www.nextair.com.

Forward Looking Statements

Certain information in this release contains forward-looking statements involving the Company's current expectations regarding future results and other matters. These forward-looking statements reflect management's current forecast of certain aspects of the Company's future business, and are subject to certain risks and uncertainties that could cause actual results of operations to differ materially from current expectations. Readers are referred to the Company's most recent reports filed with the Ontario Securities Commission and other Canadian securities regulatory authorities for a more complete discussion of other risks and uncertainties. The factors underlying forecasts are dynamic and subject to change. As a result, forecasts speak only as of the date they are given and do not necessarily reflect the Company's outlook at any other point in time. The Company does not undertake to update or review these forward-looking statements.

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/For further information: Scott Browne, Chief Financial Officer, Nextair Inc., (416) 549-1003, scottb(at)nextair.com/
(NXA.)

CO: Nextair Inc.

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