MATERIAL CHANGE REPORT

Item 1: **Name And Address Of Company**

Chorus Aviation Inc.
3 Spectacle Lake Drive
Dartmouth, Nova Scotia
B3B 1W8

Item 2: **Date Of Material Change**

The material change occurred on January 7, 2014.

Item 3: **News Release**

On January 7, 2014 a news release disclosing the material change was issued on the CNW Newswire and filed on SEDAR. A copy of the news release is attached as Schedule "A".

Item 4: **Summary Of Material Change**

Chorus Aviation Inc. ("**Chorus**") announced on January 7, 2014 that it has exercised its right to partially redeem its 9.50% Convertible Unsecured Subordinated Debentures ("**Debentures**") maturing on December 31, 2014, in accordance with the terms of the trust indenture governing the Debentures (the "**Trust Indenture**"). On February 10, 2014 (the "**Redemption Date**"), Chorus will redeem C$60.0 million of C$80.21 million aggregate principal amount of Debentures currently outstanding, representing approximately 75.0% of the current outstanding balance of Debentures. The Debentures will be redeemed on a *pro rata* basis. On redemption, Chorus will pay to the holders of the redeemed Debentures the outstanding principal amount of the Debentures to be redeemed (the "**Redemption Price**"), together with all accrued and unpaid interest thereon up to but excluding the Redemption Date, for a total of C$1,010.6712328 per C$1,000.00 principal amount of Debentures. A copy of the redemption notice is attached as Schedule "B".

Chorus intends to use surplus cash to pay the Redemption Price, together with all accrued and unpaid interest thereon as described above. Following the redemption, C$20.21 million of Debentures will be outstanding.

Item 5: **Full Description Of Material Change**

See attached Schedule "A" and Schedule "B".

Item 6: **Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

Item 7: **Omitted Information**

Not applicable.

Item 8: **Executive Officer**

For further information, contact:

General Counsel & Corporate Secretary
Tel: (902) 873-6777
Fax: (902) 873-2098
Email: bsnowdon@chorusaviation.ca

Item 9: **Date Of Report**

January 10, 2014

SCHEDULE A

PRESS RELEASE

(see attached)

chorus aviation inc.

news release

CHORUS AVIATION INC. ANNOUNCES PARTIAL REDEMPTION OF CONVERTIBLE DEBENTURES DUE DECEMBER 31, 2014

Redemption of $60.0 million or approximately 75.0%

Halifax, January 7, 2014– Chorus Aviation Inc. ('Chorus') (TSX: CHR.B CHR.A CHR.DB) today announced that is has exercised its right to partially redeem its 9.50% Convertible Unsecured Subordinated Debentures ('Debentures') maturing on December 31, 2014, in accordance with the terms of the trust indenture governing the Debentures ('Trust Indenture'). On February 10, 2014 (the 'Redemption Date'), Chorus will redeem C$60.0 million of C$80.21 million aggregate principal amount of Debentures currently outstanding, representing approximately 75.0% of the current outstanding balance of Debentures. The Debentures will be redeemed on a *pro rata* basis. On redemption, Chorus will pay to the holders of the redeemed Debentures the outstanding principal amount of the Debentures to be redeemed (the 'Redemption Price'), together with all accrued and unpaid interest thereon up to but excluding the Redemption Date, for a total of C$1,010.671238 per C$1,000.00 principal amount of Debentures. The Debentures that are redeemed will cease to bear interest from and after the Redemption Date.

Chorus intends to use surplus cash to pay the Redemption Price, together with all accrued and unpaid interest thereon as described above. Following the redemption, C$20.21 million of Debentures will be outstanding.

Pursuant to the terms of the Trust Indenture, holders of the Debentures that are to be redeemed have the right until the last business day prior to the Redemption Date to convert their Debentures into Class A Variable Voting Shares ('Class A Shares') or Class B Voting Shares ('Class B Shares') of Chorus, as applicable, in accordance with the Trust Indenture and the provisions attaching to the Class A Shares and the Class B Shares , at a conversion price of C$5.25 per Share, being a rate of 190.4762 Shares per C$1,000.00 principal amount of Debentures.

"In addition to our recently announced dividend increase, using a portion of our year-end surplus cash to early retire $60.0 million of this 9.5% maturing debt is another step in our strategy to begin investing in long-term value propositions that will be accretive to our shareholders," stated Joseph Randell, President and Chief Executive Officer, Chorus. "The balance outstanding on these debentures is planned to be redeemed with future cash flow from operations either before or at their December 31, 2014 maturity date."

For more information, please contact Nyari Chifamba at CIBC Mellon Trust Company, the indenture trustee for the Debentures, at telephone 416.933.8524, or email Nyari.Chifamba@bnymellon.com.

Forward Looking Statements

Certain statements in this news release may contain statements which are forward-looking. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such statements may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and other uncertain events. Forward-looking statements, by their nature, are based on assumptions, including those described below, and are subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to differ materially from those expressed in the forward-looking statements. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, risks relating to Chorus' relationship with Air Canada, risks relating to the airline industry, energy prices, general industry, market, credit, and economic conditions, competition, insurance issues and costs, supply issues, war, terrorist attacks, epidemic diseases, acts of God, changes in demand due to the seasonal nature of the business, the ability to reduce operating costs and employee counts, secure financing, employee relations, labour negotiations or disputes, restructuring, pension issues, currency exchange and interest rates, leverage and restructure covenants in future indebtedness, dilution of Chorus shareholders, uncertainty of dividend payments, managing growth, changes in laws, adverse regulatory developments or proceedings, pending and future litigation and actions by third parties. The forward-looking statements contained in this discussion represent Chorus' expectations as of January 7, 2014, and are subject to change after such date. However, Chorus disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

About Chorus

Chorus was incorporated on September 27, 2010 and is a dividend-paying holding company which owns Jazz Aviation LP and a number of other companies involved in aviation related businesses.

Chorus is traded on the Toronto Stock Exchange under the trading symbols of CHR.A, CHR.B and CHR.DB.

For more information, visit www.chorusaviation.ca

About Jazz

Jazz Aviation LP has a strong history in Canadian aviation with its roots going back to the 1930s. Jazz is wholly owned by Chorus Aviation Inc. and continues to generate some of the strongest operational and financial results in the North American aviation industry. As the largest regional in Canada, Jazz has a proven track record of industry leadership and exceptional customer airline service, and has leveraged that strength to deliver value to all its stakeholders. The Company operates more flights and flies to more Canadian destinations than any other airline and has a workforce of approximately 4,760 professionals highly experienced in the challenging and complex nature of regional operations.

There are two airline divisions operated by Jazz Aviation LP: Air Canada Express and Jazz.

Air Canada Express: Under a capacity purchase agreement with Air Canada, Jazz provides service to and from lower-density markets as well as higher-density markets at off-peak times throughout Canada and to and from certain destinations in the United States. This month, Jazz is operating scheduled passenger service on behalf of Air Canada with approximately 750 departures per weekday to 54 destinations in Canada and to 25 destinations in the United States. With a fleet of 122 Canadian-made Bombardier aircraft, Jazz flies more daily flights to more Canadian destinations than any other airline.

Jazz: Under the Jazz brand, the airline offers charters throughout North America with a dedicated fleet of five Bombardier aircraft for corporate clients, governments, special interest groups and individuals seeking more convenience. Jazz also has the ability to offer airline operators services such as ground handling, dispatching, flight load planning, training and consulting.

For more information, visit www.flyjazz.ca.

Chorus Media Contacts:

Manon Stuart	Halifax, Nova Scotia	(902) 873-5054	mstuart@chorusaviation.ca
Debra Williams	Toronto, Ontario	(905) 671-7769	dwilliams@chorusaviation.ca

Analyst Contact:

Nathalie Megann Halifax, Nova Scotia (902) 873-5094 nmegann@chorusaviation.ca

SCHEDULE B

REDEMPTION NOTICE

(see attached)

PARTIAL REDEMPTION NOTICE

CHORUS AVIATION INC.
9.50% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
NOTICE OF PARTIAL REDEMPTION

To: Holders of 9.50% Convertible Unsecured Subordinated Debentures ("Debentures") of Chorus Aviation Inc. ("Chorus")

Note: All capitalized terms used herein have the meanings ascribed thereto in the Trust Indenture mentioned below, unless otherwise indicated

Notice is hereby given pursuant to Section 4.3 of the Trust Indenture (the "Trust Indenture") dated as of November 12, 2009 between Jazz Air Income Fund and CIBC Mellon Trust Company (the "Trustee") which was assumed and amended by Chorus pursuant to a Supplemental Indenture dated December 31, 2010, that C$60 million of C$80.21 million aggregate principal amount of Debentures, represented by Global Debenture No. 1 in the principal amount of C$80,210,000 (bearing ISIN CA 17040TAA03), registered in the name of "CDS & CO.", will be redeemed on a *pro rata* basis as of February 10, 2014 (the "Redemption Date"), upon payment of C$1,010.6712328 for each C$1,000 principal amount of Debentures, being equal to the aggregate of (i) C$1,000 (the "Redemption Price"), and (ii) all accrued and unpaid interest thereon to but excluding the Redemption Date. Following the redemption, there will be C$20.21 million aggregate principal amount of Debentures remaining outstanding.

The Redemption Price will be payable upon presentation and surrender of the Debentures called for redemption at the following corporate trust office:

CIBC Mellon Trust Company
c/o BNY Trust Company of Canada
320 Bay street
11th Floor
Toronto, Ontario M5H 4A6

Attention: Corporate Trust Administration
Facsimile: 416-360-1711

As the Debentures being called for redemption are represented by Global Debentures, the redemption will take place in such manner as may be agreed upon by CDS & Co., as the depository for such Debentures.

The interest upon the principal amount of the Debentures called for redemption shall cease to be payable from and after the Redemption Date, unless the moneys necessary to redeem such Debentures have not been deposited with the Trustee or affidavits or other proof satisfactory to the Trustee as to the publication and/or mailing of this Notice has not been lodged with the Trustee on or before 11:00 a.m. (Toronto time) on February 7, 2014.

In this connection, upon presentation and surrender of the Debentures for payment on the Redemption Date, Chorus shall, prior to 11:00 a.m. (Toronto time) on February 7, 2014, make delivery to the Trustee, at the above-mentioned corporate trust office, for delivery to and on account of the holders, cash equal to the Redemption Price, plus all accrued and unpaid interest to but excluding the Redemption Date.

The whole, or if the Debentures called for redemption are in a denomination in excess of C$1,000 any part of which is C$1,000 or an integral multiple thereof, of the principal of the Debentures called for redemption is convertible, at the option of the holders thereof, upon surrender of such Debentures at the principal office of the Trustee in the City of Toronto, at any time prior to 5:00 p.m. (Toronto time) on February 7, 2014, into Class A Variable Voting Shares ("Class A Shares") or Class B Voting Shares ("Class B Shares") in the capital of Chorus, as applicable in accordance with the Trust Indenture and the provisions attaching to the Class A Shares and the Class B Shares (such Class A Shares or Class B Shares, as applicable, "Shares") (without adjustment to the Conversion Price (as defined below) for distributions on Shares issuable on conversion or for interest accrued on such Debentures surrendered for conversion; however, holders converting their Debentures shall be entitled to receive, in addition to the applicable number of Shares, accrued and unpaid interest in respect thereof as provided in the Trust Indenture) at a conversion price of C$5.25 (the "Conversion Price") per Share, as such price may be adjusted pursuant to Article 6 of the Trust Indenture, being a rate of 190.4762 Shares for each C$1,000 principal amount of Debentures, all subject to the terms and conditions and in the manner set forth in the Trust Indenture. The Trust Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Shares will be issued on any conversion but in lieu thereof, Chorus will satisfy such fractional interest by a cash payment equal to the Current Market Price (as defined in the Trust Indenture) of such fractional interest determined in accordance with the Trust Indenture.

DATED: January 7, 2014

CHORUS AVIATION INC.

By: ***"Rick Flynn"***
Name: Rick Flynn
Title: Chief Financial Officer