

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 – Name and Address of Company

Melcor Developments Ltd.
900, 10310 Jasper Avenue
Edmonton, Alberta, T5J 1Y8

Item 2 - Date of Material Change

The material change occurred effective January 5, 2011.

Item 3 – News Release

Press Release was issued from Edmonton, Alberta, on January 5, 2011 via Marketwire and subsequently filed on SEDAR.

Item 4 - Summary of Material Change

Appointment on January 5, 2011 of Jonathan Chia as Chief Financial Officer and Vice-President Finance effective January 24, 2011.

Item 5 - Full Description of Material Change

On January 5, 2011, Ralph Young, President and CEO of Melcor Developments Ltd. announced the appointment of Jonathan Chia as CFO and VP Finance effective January 24, 2011.

Jonathan joins Melcor after serving as CFO of an Edmonton-based public company with global operations. Jonathan graduated with distinction from the University of Alberta School of Business in 2002 and received his chartered accountancy appellation in 2004. Jonathan has strong public company experience with significant merger and acquisition involvement.

Melcor is pleased to welcome Jonathan to the Melcor management team as the Company continues to build their growing organization.

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

[Not applicable]

Item 7 - Omitted Information

[Not applicable]

Item 8 - Executive Officer

Ralph B. Young, President & Chief Executive Officer – 780.423.6931.

Item 9 – Date of Report

Executed this 7th day of January, 2011 at Edmonton, Alberta by **Ralph B. Young, President, Melcor Developments Ltd.**