Form 51-102F3
Material Change Report

Item 1: Name and Address of Company
Megastar Development Corp. (the "Company")
#600-625 Howe Street
Vancouver, BC V6C 2T6
(604) 683-6648

Item 2: Date of Material Change
December 15, 2010

Item 3: News Release
Issued **December 15, 2010** and distributed through the facilities of Marketwire

Item 4: Summary of Material Change
RESULTS OF ANNUAL GENERAL MEETING; SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 20, 2010

Item 5: Full Description of Material Change

Vancouver, BC, Canada, December 15, 2010 - Megastar Development Corporation ("Megastar", the "Company" or "MDV") (TSX-V: **MDV**; Frankfurt: **M5Q**) wishes to announce that at its annual general meeting held on December 7, 2010 the shareholders re-elected Dusan Berka, Gary Musil, Richard Roy and newly elected Chris Staargaard as directors of the Company for the upcoming year. We welcome Mr. Staargaard, M. Sc., P. Geo, a seasoned professional with over thirty years experience in the evaluation of mineral exploration projects in a wide variety of geological environments throughout Canada, the United States, Central and South America as well as China, the Southwest Pacific, Africa, Eastern Europe, Ukraine and Madagascar. Since 2002, he has been President, CEO and Director of Lithic Resources Ltd. a company listed on the TSX-V. Mr. Brian Thurston chose not to stand for re-election, in order to pursue other opportunities. The Board wishes to thank Mr. Thurston for his contribution over the past years, and wish him the very best in his future business endeavors. All other resolutions submitted by management to the shareholders for consideration were approved as presented.

The directors re-appointed only the following officers of the Company: Mr. Berka as President & CEO, and Mr. Musil as Chief Financial Officer and Corporate Secretary. "The Board and management of the Company wish to thank Shawn Thomas and Andrew Lee, former Vice-Presidents, for their dedicated service to the Company", said Dusan Berka, President & CEO of Megastar.

Special Meeting of Shareholders - December 20, 2010

The Company wishes to remind and invite shareholders to attend the Special Meeting of Shareholders of Megastar (the "Meeting") at 10:00AM on Monday, December 20, 2010 at the offices of Macdonald Tuskey, Corporate and Securities Lawyers, #1210 – 777 Hornby Str., Vancouver, BC, for the following purposes:

1. To consider a special resolution to adopt an Arrangement to distribute to MDV Shareholders 70,000,000 common shares of Eloro Resources Ltd. ("Eloro") (TSX-V: ELO) on a pro-rata basis. If the arrangement is approved, MDV Shareholders of record on the Distribution Record Date will remain shareholders of Megastar and will also become shareholders of Eloro on the Distribution Record Date, ultimately receiving as a dividend, approximately 1.7 shares of Eloro for every one share of MDV beneficially owned on the Distribution Record Date. **The Distribution Record Date** has been set as **December 21, 2010.**

2. Secondly, to consider the consolidation of the issued and outstanding common shares of Megastar on the basis of one (1) new post-consolidation Share for up to every six (6) pre-consolidation Shares outstanding. If this resolution is approved, it will give the Board of Directors the ability to consolidate the issued and outstanding Common Shares of the Company on the basis of one (1) new share for up to six (6) old shares, if considered necessary or advisable by the Board of Directors, with the actual consolidation ratio to be determined by the Board of Directors.

Shareholders and investors are encouraged to obtain detailed information and read the Information Circular **Dated as of November 25, 2010, in its entirety regarding this Special Meeting. A copy of the Information Circular can be downloaded from www.sedar.com or www.megastardevelopment.com .**

Benefits and Reasons for Business Combination

- Improved focus and a clear mandate for each company to pursue its own business plan and to develop and achieve its own strategic goals
- The opportunity for each company to develop its own in-depth management teams
- Improved financing opportunities for each company
- Greater corporate clarity and transparency
- Continued participation by shareholders in each company's potential upside and additional growth opportunities
- Greater investment flexibility for shareholders

ABOUT MEGASTAR DEVELOPMENT CORP.

Megastar Development Corp. is an emerging resource company engaged in the acquisition, exploration and development of mineral properties in Canada. Megastar owns gold and base metal properties in Quebec and British Columbia. For further information, investors and shareholders are invited to visit the Company's website at www.megastardevelopment.com or call the office at 604-683-6648.

Item 6: Reliance on subsection 7.1(2) or (3) of National Instrument 51-102
This report is not being filed on a confidential basis.

Item 7: Omitted Information
There are no significant facts required to be disclosed herein which have been omitted.

Item 8: Executive Officer
Contact: Dušan Berka, President & CEO
Telephone: (604) 683-6648

Item 9: Date of Report
December 15, 2010