

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Groundstar Resources Limited (“**Groundstar**” or the “**Corporation**”)
Suite 1650 - 717 7th Avenue S.W.
Calgary, AB T2P 0Z3

Item 2. Date of Material Change

August 18, 2011

Item 3. News Release

A news release was disseminated through the services of Marketwire on August 18, 2011

Item 4. Summary of Material Change

Groundstar announced that it closed a non-brokered private placement (the "**Offering**") of 13,000,000 units (“**Units**”) of the Corporation at a price of \$0.10 per Unit, for aggregate gross proceeds of \$1,300,000.

Item 5.1 Full Description of Material Change

Groundstar announced that it closed a non-brokered private placement (the "**Offering**") of 13,000,000 units (“**Units**”) of the Corporation at a price of \$0.10 per Unit, each Unit consisting of one common share (“**Common Share**”) in the capital of the Corporation and one-half of one Common Share purchase warrant (“**Warrant**”). Each whole Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.15 for a period of 18 months from the date of the closing of the Offering. An aggregate finder’s fee of \$43,400 was paid to Primary Capital Inc. for services provided to the Corporation in connection with the Offering..

Proceeds from the Offering will be utilized for general and corporate purposes. The Common Shares and Warrants issued under the Offering will be subject to a four month hold period from the date of issue.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

- 2 -

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

Not applicable. This is not being filed on a confidential basis.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

For further information, contact Kam Fard, President & Chief Executive Officer at (403) 265-2549 or Jason Krueger, Investor Relations at (403) 374-1234.

Item. 9 Date of Report

August 23, 2011