# MATERIAL CHANGE REPORT
# Form 51-102F3

Section 7.1 of National Instrument 51-102

## Item 1. Name and Address of Company

ELORO RESOURCES LTD.
20 Adelaide Street East, Suite 301
Toronto, ON
M5C 2T6

Telephone: (416) 868-9168
Facsimile: (416) 361-1333

## Item 2. Date of Material Change

August 30, 2010

## Item 3. News Release (including date and method of dissemination)

A new release was released through the facilities of Marketwire on August 30, 2010 and subsequently filed on SEDAR.

## Item 4. Summary of Material Change

Eloro Resources Ltd. ("Eloro" or the "Company") and Megastar Development Corp. ("Megastar") announced that they have reached an agreement in principle regarding a proposed business combination (the "Business Combination"). Eloro and Megastar propose to complete a Business Combination that will provide that shareholders of Megastar will receive seventy million (70,000,000) common shares of Eloro in exchange for all of Megastar's right, title and interest in and to the Simkar Property, hosted in the Abitibi Greenstone Belt, 20 km east of Val-d'Or (Quebec). The common shares of Eloro to be distributed to shareholders of Megastar will be listed for trading on the TSX Venture Exchange ("TSXV"). The common shares of Megastar will continue to be listed for trading on the TSXV.

## Item 5. Full Description of Material Change

Eloro and Megastar announce that they have reached an agreement in principle regarding a proposed Business Combination. Eloro and Megastar propose to complete a Business Combination that will provide that shareholders of Megastar will receive seventy million (70,000,000) common shares of Eloro in exchange for all of Megastar's right, title and interest in and to the Simkar Property, hosted in the Abitibi Greenstone Belt, 20 km east of Val-d'Or (Quebec). The common shares of Eloro to be distributed to shareholders of Megastar will be listed for trading on the TSXV. The common shares of Megastar will continue to be listed for trading on the TSXV.

While the definitive form of the Business Combination will be determined by both parties acting with the advice of counsel, it is anticipated that the Business Combination may take the form of a court-sanctioned statutory arrangement or other mechanism, involving Megastar transferring all of its right, title and interest in and to the Simkar Property to Eloro in exchange for Eloro shares, which Eloro shares will then be distributed by Megastar to its shareholders, in each case with an applicable exemption from the prospectus requirements of Canadian securities legislation. The parties will jointly determine the optimum structure for the Business Combination in order to best satisfy tax planning, regulatory and other considerations, specifically in regards to the mitigation of any tax consequences to Megastar and/or its shareholders.

It was further agreed that Eloro will use its reasonable best efforts to complete an equity financing of up to $3,500,000 concurrently with or within 60 days following the completion of the Business Combination; provided that Eloro shall be required, as a condition precedent to completion of the Business Combination, to complete an equity financing of not less than $1,500,000 prior to or concurrently with the closing of the Business Combination (the "Financing").

Currently, Eloro has 76,226,903 common shares issued and outstanding while Megastar has 39,487,233 common shares issued and outstanding as of the date hereof, eligible and subject to the proposed Business Combination. Under the terms of the proposed Business Combination, Megastar shareholders would own approximately 48% of the Eloro shares outstanding on completion of the transaction, prior to the completion of the Financing.

The board of directors of Eloro resulting from the Business Combination will consist of four nominees from Eloro and three nominees from Megastar. Thomas Larsen, currently Chairman, President and CEO of Eloro, will become Chairman and Dusan Berka, currently President and CEO of Megastar, will become Vice Chairman. Thomas Larsen would continue in his role as Eloro's President and CEO.

Completion of the transaction is subject to usual terms and conditions for such a transaction, including but not limited to the completion of due diligence, completion and execution of definitive Business Combination documentation, receipt of all required regulatory and shareholder approvals and no material adverse changes occurring in the financial condition of either company.

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

Not applicable

## Item 7. Omitted Information

Not applicable

## Item 8. Executive Officer

Inquiries in respect of the material change referred to herein may be made to:

Jorge Estepa, Vice President and Secretary-Treasurer
(416) 868-9168.

## Item 9. Date of Report

This report is dated as of the 9th day of September, 2010.