TELSTAR RESOURCES LTD.
Box 73011, R.P.O. Woodbine
Calgary, AB T2W 6E4

ALBERTA SECURITIES COMMISSION
4th Floor, 300 - 5th Avenue SW
Calgary, AB T2P 3C4

Attention: Executive Director

BRITISH COLUMBIA SECURITIES COMMISSION
701 West Georgia Street
Vancouver, BC V7Y 1L2

Attention: Director of Filings

TSX VENTURE EXCHANGE
10th Floor, 300 - 5th Avenue SW
Calgary, AB T2P 3C4

Dear Sirs:

RE: TELSTAR RESOURCES LTD. (the "Corporation")
Material Change Report under National Instrument 51-102

This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of the Corporation. For convenience, this letter is itemized in the same manner as Form 51-102F3 of National Instrument 51-102. Concurrent with this filing, this letter is being filed with the TSX Venture Exchange, being the only Exchange on which the Corporation's shares are currently listed.

Item 1 - Name and Address of Company

TELSTAR RESOURCES LTD.
Box 73011, R.P.O. Woodbine
Calgary, AB T2W 6E4

Item 2 - Date of Material Change

The material change occurred on April 11, 2006.

Item 3 - News Release

A news release was issued on April 11, 2006 by CCN Matthews.

Item 4 - Summary of Material Change

The Corporation has completed its share capital reorganization.

Item 5 - Full Description of Material Change

The Corporation has completed its share capital reorganization with the filing of articles of amendment and the receipt of a certificate of amendment and registration of restated articles.

Under the Reorganization, each common share, other than those held directly or indirectly by Kary Holdings Ltd., Kenneth M. Kary, K. Greg Kary, Ardis Kary and Gail Lagasse (collectively, the "**Majority Shareholder**") was converted into one (1) Series I Preferred Share of the Corporation ("**Series I Preferred Share**"). Pursuant to their terms, the Series I Preferred Shares have been immediately redeemed after issuance for $0.11 cash per share.

Shareholders are entitled to receive redemption funds provided that they have deposited letters of transmittal with the Corporation's depositary, Olympia Trust Company, together with the certificates representing the common shares of the Corporation that have been converted into Series I Preferred Shares and any other documents required by the letter of transmittal. Letters of transmittal, and instructions on delivery, were delivered to shareholders with the information circular dated February 16, 2006 which was mailed to shareholders in connection with the Reorganization. Additionally, letters of transmittal can be found on SEDAR at www.sedar.com.

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

The name of a Executive Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Greg Kary
Telephone: (403) 261-4020

Item 9 - Date of Report

This report is dated this 13th day of April, 2006.