# FORM 51-102F3
# MATERIAL CHANGE REPORT

**Item 1 Name and Address of Company**

Alberta Star Development Corp.
506, 675 West Hastings Street
Vancouver, B.C. V6B 1N2

**Item 2 Date of Material Change**

This material change occurred on November 2, 2009.

**Item 3 News Release**

Alberta Star Development Corp. ("**Alberta Star**" or the "**Company**") issued a press release on November 2, 2009 through Marketwire.

**Item 4 Summary of Material Change**

The Company announced that it has entered into a binding agreement with Sterling Mining Company ("**Sterling**") whereby the Company has agreed to acquire a controlling interest in Sterling and its assets and provide for financing of Sterling's ongoing operations.

**Item 5 Full Description of Material Change**

The Company announced that it has entered into a binding agreement with Sterling whereby the Company has agreed to acquire a controlling interest in Sterling and its assets and provide for financing of Sterling's ongoing operations.

**STERLING MINING COMPANY**

Sterling is currently a debtor-in-possession in Chapter 11 Bankruptcy in the District of Idaho, U.S.A. Sterling is engaged in the business of acquiring, exploring, developing and mining mineral properties primarily those containing silver and associated base and precious metals. Sterling operates the Sunshine Silver Mine in Idaho and has exploration projects in Idaho, U.S.A. Sterling was incorporated under the laws of the State of Idaho on February 3, 1903 and its common shares are currently listed on the OTCBB: SRLMQ and Frankfurt Stock Exchange: SMX.

**THE SUNSHINE SILVER MINE**

The Sunshine Mine located near Couer d'Alene Idaho, U.S.A. and has been one of the world's largest producers of silver, having recorded production of over 360,000,000 ounces of silver since 1904. A 2007 Canadian "National Instrument 43-101- Standards of Disclosure for Mineral Projects", report by Behre Dolbear & Company estimated remaining resources as follows: Measured and Indicated resources of 31.51 million ounces of silver in 1.43 million tons at 21.8 ounces of silver per ton; Inferred resources of 231.5 million ounces of silver in 2.28 million tons at 101.6 ounces of silver per ton. The Behre Dolbear & Co. National

Instrument 43-101 report is considered historic in nature and is used to illustrate the ongoing resource potential of the Sunshine Mine.

**TERMS OF ACQUISITION OF STERLING**

As previously announced by the Company (see Press Release dated June 10, 2009), the Company filed a "Notice of Appearance and Request for Special Notice" with the United States Bankruptcy Court for the District of Idaho, U.S.A. (the "**Court**") regarding Sterling. Since the filing of the Notice, the Company has monitored the bankruptcy proceedings of Sterling and pursued various financing options with Sterling, which has resulted in the Agreement which would allow the Corporation to gain control of Sterling and its assets. The Agreement contains a number of conditions precedent to the obligations of the parties. Unless all of such conditions are satisfied or waived by the party for whose benefit such conditions exist, to the extent that they may be capable of waiver, the proposed transaction will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all. Such conditions include: an order ("**Order**") of the Court approving the Plan of reorganization of Sterling; all claims of all the creditors of Sterling are paid, satisfied, settled or compromised under the Plan of reorganization and that all other consents and approvals, including regulatory approvals, are obtained. The proposed transaction has not been approved by the TSX Venture Exchange (the "**Exchange**") and remains subject to Exchange approval.

There can be no assurance that the proposed transaction will be completed as proposed or at all. The proposed transaction is an "arms length transaction" as defined in Exchange Policy 1.1.

The Agreement provides that Sterling must make an application for reorganization to the Court on or before December 15, 2009 and receive an Order confirming the Plan on or before February 28, 2010, staying all claims and actions against Sterling and its assets and whereby the Company will acquire not less than 90% of the issued and outstanding common shares of Sterling, on a fully diluted basis, in exchange for $10.5 million USD. In addition, the Company has agreed to make available up to $1,250,000 USD ($250,000 USD per month) in interim term debtor-in-possession financing to Sterling, which amount will bear interest at a rate of 10% per annum, bringing the total value of the agreement to $11.75 million USD. The Agreement prohibits Sterling from soliciting or initiating any discussion regarding any other business combination or sale of material assets, contains provisions for the Company to match competing, unsolicited proposals and provides for a $250,000 USD termination fee payable to the Company in certain circumstances.

It is the Company's objective, subject to Court and Exchange approval, to acquire at least 90% of the outstanding Sterling shares, and for Sterling to exit the Chapter 11 process with the following assets in place: its interest in the Sunshine Mine, facilities, and lease, and exploration interest in the Sterling exploration projects in Idaho. In addition, the Company upon meeting of the above referenced conditions, including the confirmation of a Chapter 11 Plan, will reconstitute the Sterling Board of Directors and make additions to senior management of Sterling.

The Company believes that the proposed acquisition of Sterling represents a significant opportunity for the Company to become a near-term, mid-tier silver producer.

The Company maintains a strong balance sheet and has no long term debt. The Company continues to maintain seasoned and qualified management and seeks to fulfill its stated mandate of acquiring a world class advanced stage exploration and production projects.

**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**

For further information, please contact Tim Coupland, President and Chief Executive Officer at the above-mentioned address or at (604) 681-3131.

**Item 9 Date of Report**

This report is dated the 3rd day of November, 2009.