

CANSTAR RESOURCES INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

CANSTAR RESOURCES INC., Suite 2500, 120 Adelaide Street West, Toronto, Ontario M5H 1T1.

Item 2. Date of Material Change

December 12, 2006.

Item 3. News Release

The Press Release was sent on December 12, 2006 via CCN Matthews—Toronto, Ontario.

Item 4. Summary of Material Change

For further information, attached hereto is a copy of the Press Release.

Item 5. Full Description of Material Change

For further information, attached hereto is a copy of the Press Release.

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

Confidentiality is not requested.

Item 7. Omitted Information

No information has been omitted in respect of the material change.

Item 8. Executive Officer

Harry Hodge, Chairman, (416) 363-4376

Item 9. Date of Report

December 12, 2006.

canstar resources inc.

2500 – 120 Adelaide Street, West
Toronto Ontario M5H 1T1
Tel: (416) 363-4376 Fax: (416) 367-1954

TSX-V: **ROX**
www.canstarresources.com

NEWS RELEASE 10-2006

DECEMBER 12th ,2006

CANSTAR ENTERS FINANCING AGREEMENT WITH CANACCORD CAPITAL. WILL COMMENCE DRILLING OF SHRIMP, TAHOE AND SUNDAY LAKE PROPERTIES IN EARLY JANUARY, 2007

The Directors of Canstar Resources Inc. are pleased to announce that the Company has entered into an agreement with Canaccord Capital Corporation to raise up to \$606,000 through the sale of up to 4,200,000 Flow Through Units (each a "FT Unit") of Canstar at \$.12 per FT Unit and up to 850,000 Non Flow Through Units (each a "NFT Unit") at \$.12 per NFT Unit on a private placement basis. Each FT Unit will consist of one flow through common share and one flow through common share purchase warrant. Each flow through warrant will be exercisable into one flow through common share at \$.15 per share for 24 months. Each NFT Unit will consist of one common share and one common share purchase warrant. Each warrant will be exercisable into one common share at \$.15 per share for 24 months. On closing the company will pay Canaccord 10% of the gross proceeds and Agents Warrants equal to 20% of the securities sold. Each Agents Warrant will be exercisable into one common share at \$.12 for 24 months

The flow-through funds raised from the issuance of the FT Units and exercise of the FT Warrants will be used for exploration expenditures, which will constitute Canadian exploration expenses (as defined in the Income Tax Act) and will be renounced for the 2006 taxation year and year exercised respectively. Specifically The proceeds will be used to conduct diamond drilling programs on at least three of the company's mineral properties, Shrimp Lake, Tahoe Lake, and Sunday Lake, all in Northwestern Ontario. Some of the funds may be diverted to conduct drilling on the Mary March property in the Buchans area of Newfoundland pending resolution of the previously disclosed title dispute.

Previous limited drilling on the Mary March property, prior to the title dispute, resulted in the discovery of several Volcanic Massive Sulphide (VMS) zones of mineralization, similar to the high grade, past producing Buchans Mines. The best intersection returned 9.63 meters assaying 10.1% zinc, 1.68% lead, 0.64% copper, 122.1 g/ton silver, and 4.2 g/ton gold.

The 100% owned Shrimp and Tahoe Lake properties, located north of Red Lake, cover a number of strong electromagnetic (EM) conductors in a sequence of volcanic-sedimentary rocks indicated to be highly favourable for the occurrence of Volcanic Massive Sulphide (VMS) type base and precious deposits, as well as gold in iron formation. At least 8 to 10 holes will be put down to test selected targets.

The Sunday Lake property, located 30 kilometers north of Thunder Bay, covers a very prominent, complex, reverse polarity, magnetic anomaly, which is indicated from an MMI soil geochemical soil survey to be caused by Carbonatite, possibly with associated Kimberlite. Carbonatites are relatively rare carbonate rich intrusive rocks which, world wide, host a variety of important economic mineral deposits, including copper, iron, uranium, thorium, titanium, phosphorous, niobium, zirconium fluorine and other rare earth elements. Following receipt and interpretation of a detailed airborne magnetic survey, recently completed over the property, a minimum of two holes will be put down to determine the source and nature of the causative body.

The Directors are also very pleased to announce the appointment of David Palmer, Ph.D. P.Geo., as President and CEO of Canstar. Dr. Palmer is a technically skilled and experienced exploration geologist and administrator who will receive the full support of the Board in guiding Canstar's exploration projects through the next level of growth. Dr. Palmer replaces Harry J. Hodge, P.Eng., as President and CEO and also joins the Board of the Corporation. Mr. Hodge will continue to serve as Chairman of the Corporation.

The Directors regret to announce that Paul Chamois has resigned as a director of the Corporation and wish to acknowledge and appreciate his contribution to the growth of the Corporation through Candor Ventures Corp. He will continue to act as a consultant to the Corporation on project matters.

On behalf of the Board of Directors

Harry J. Hodge, P.Eng.

For further information please contact Mr. Harry Hodge, chairman and President at (416) 363-4376 or by e-mail at hjhodge@geocanex.com

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This News Release includes certain "forward-looking statements". All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding potential mineralization and reserves, exploration results and future plans and objectives of Canstar, are

forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Canstar's expectations are exploration risks detailed herein and from time to time in the filings made by Canstar with securities regulators