

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. Name and Address of Reporting Issuer

Yalian Steel Corporation (the “**Company**”)
Suite 1010, 1055 West Hastings Street
Vancouver, B.C.
V6E 2E9

Item 2. Date of Material Change

February 27, 2012

Item 3. News Release

A news release (the “**News Release**”) announcing the material change referred to in this report was issued on February 20, 2012. The News Release was published on SEDAR and disseminated via CNW Group.

Item 4. Summary of Material Changes

The Company announced that it has appointed Ms. Helen Lu as its Chief Financial Officer and Corporate Secretary effective February 27, 2012.

Item 5. Full Description of Material Change

Item 5.1 Full Description of the Material Change

The Company announced that it has appointed Ms. Helen Lu as its Chief Financial Officer and Corporate Secretary effective February 27, 2012. Ms. Xia Xu, Acting Chief Executive Officer of the Company, has relinquished her roles as the Acting Chief Financial Officer and Interim Corporate Secretary, positions she had assumed since February 1, 2012.

Ms. Lu has many years of experience in both public practice and banking industry. Prior to joining Yalian Steel Corporation, she had been working in Ernst & Young Vancouver and Shanghai office for 8 years and had been audit manager of Ernst & Young Vancouver practice since 2008. Ms. Lu was the head of the internal control department of Citigroup in China prior to her involvement in public practice. Ms. Lu is a Chartered Accountant, Certified Public Accountant (USA) and Chartered Financial Analyst. Ms. Lu has a MBA from the University of British Columbia.

Item 5.2 Disclosure for Restructuring Transaction

Not applicable.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

For further information, please contact Ms. Helen Lu, Chief Financial Officer, at (604) 696-6388.

Item 9. Date of Report

This material change report is dated as of February 27, 2012.