FORM 51-102F3
Material Change Report

1. Name and Address of Company:

Desert Star Resources Ltd.
Suite 717-1030 West Georgia Street
Vancouver, BC V6E 2Y3

2. Date of Material Change:

July 25, 2016

3. News Release:

The news release with respect to the material change was disseminated through Stockwatch on July 26, 2016 and filed on the SEDAR website at www.sedar.com.

4. Summary of Material Change:

Desert Star Resources Ltd. closed its non-brokered private placement financing previously announced by news release dated June 20, 2016.

5. Full Description of Material Change:

5.1 Full Description of Material Change

Desert Star Resources Ltd. (the "Company") is pleased to announce that it has closed its non-brokered private placement financing, previously announced by news release dated June 20, 2016 (the "Private Placement") for gross proceeds of $602,500 by the issuance of 12,050,000 units (each a "Unit") of the Company at a price of $0.05 per Unit. Each Unit is comprised of one common share and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire one additional share of the Company for a period of two years from the date of issuance at a price of $0.10 per common share.

In connection with the Private Placement, the Company paid aggregate cash commission of $29,000 and issued 580,000 non-transferable finder warrants, exercisable for two years from the date of issuance at a price of $0.10 per common share. Proceeds of the Private Placement will be used for general working capital purposes. All securities issued pursuant to the Private Placement are subject to a four month and a day hold period.

Certain directors of the Company acquired Units under the Private Placement. Any such participation could be considered to be a related party transaction as defined under Multilateral Instrument 61-101. The transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any Units issued to, nor the consideration paid for such Units by, such persons exceeded 25% of the Company's market capitalization.

5.2 Disclosure of Restructuring Transactions

Not applicable.

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not Applicable

7. **Omitted Information:**

Not Applicable

8. **Executive Officer:**

Vince Sorace, President and CEO
717 – 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3
Telephone: (604) 639-9052

9. **Date of Report:**

July 28, 2016