

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

**Item 1**

**Name and Address of Company**

**GREYSTAR RESOURCES LTD.** (the “Company”)  
1430 – 333 Seymour Street  
Vancouver, BC V6B 5A6

**Item 2**

**Date of Material Change**

The material change occurred on March 18, 2011.

**Item 3**

**News Release**

The Company issued a press release on March 18, 2011 through Marketwire via Canadian Timely Disclosure and UK Regulatory.

**Item 4**

**Summary of Material Change**

The Company clarified that it does not intend to withdraw from its Angostura Project (“the Project”) but will study the viability of alternative options for the project and continue to proceed with evaluating the entire project while working jointly with the Ministry of Environment, Housing and Territorial Development as well as the Ministry of Mines and Energy of Colombia in resolving any outstanding issues..

**Item 5**

**Full Description of Material Change**

**5.1 Full Description of Material Change**

See Schedule “A” attached hereto.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**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 and business number of an executive officer of the Company who is knowledgeable about the material change and this report is:

Victoria Vargas, Vice President Investor Relations and Corporate Communications  
1.416.572.2139

**Item 9**

**Date of Report**

March 22, 2011

## SCHEDULE "A"



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March 18, 2011  
Vancouver, British Columbia

### **NEWS RELEASE** **For Immediate Release**

**TSX: GSL AIM: GSL**

#### **Greystar Resources to study viability of alternate project at Angostura**

Greystar Resources Ltd. (the "Company") today clarified that it does not intend to withdraw from its Angostura Project ("the Project") but will study the viability of alternative options for the project and continue to proceed with evaluating the entire project while working jointly with the Ministry of Environment, Housing and Territorial Development as well as the Ministry of Mines and Energy of Colombia in resolving any outstanding issues.

Comments made yesterday could be incorrectly interpreted to mean that Greystar is fully withdrawing from the Project, but the intent is simply to desist from on-going environmental licensing to allow for a future re-filing in the terms that reflect concerns.

"We are committed to developing the project but recognize that there is a need to reconfigure it. Consequently, we intend to continue with studies into the feasibility of an alternate project at Angostura whilst the uncertainty surrounding the definition of Paramo and the exclusion of mining from Paramo affects the permitting of our open pit/heap leach project," the Company said. "Additionally, we are committed to the reclamation of all areas affected by the Project and to develop a biodiversity offset program. We believe that the oxide resource can be developed with open pit mining whilst preserving biodiversity and water quality. In due course, when legislation is resolved regarding the definition of Paramo, this Project can contribute significantly to regional economic development and employment".

The Company further said that it decided to take this course of action after it became evident that regional and national government and the community of Bucaramanga did not support the Project as configured. The controversy on the project led to the early termination of the second Public Hearing in Bucaramanga on 4<sup>th</sup> March 2011. The Company wants to ensure that the future filing reflects the many concerns that have been presented and that this will allow it to have a social license to operate sustainably.

Over the course of the past few months the Company has completed a Preliminary Economic Evaluation of an underground operation that targets the high grade resource at Angostura. Most of these resources were contained within the shell of the open pit. Mineable resources were estimated at 14 million tonnes at 5.34 g/t gold and 29.6 g/t silver. A mining rate of 4,000 tpd and flotation plant operation of 3,300 tpd are envisaged which after a ramp up of one year, would produce approximately 200,000 oz/year gold over the first seven years before production declines owing to resource constraints. A high grade drilling program is planned to extend the underground resource base which has considerable potential. Over a 14 year initial project life, gold production is estimated at 2 million oz gold and 8 million oz silver. Production costs are estimated at US\$395/oz gold after silver credits. The initial capital cost is estimated at US\$352 million. At a long term gold price of US\$1015/oz gold and US\$15.85/oz silver, the pre-tax NPV (5%) is US\$412 million and the IRR 20%.

Steve Kesler, President and CEO commented: "We appreciate the hard work and efforts of all who are supportive of our desire to bring financially viable and environmentally sustainable mining operations to the California district, city of Bucaramanga and to the surrounding metropolitan area. We understand there are concerns about the open pit project and protection of the Paramo and respect the concerns of Government and communities. We have arranged to meet with the Minister of Mines and Energy and the Minister of Environment, Housing and Territorial Development early next week to discuss how the open pit project can be modified to meet concerns and to present our proposal to proceed with an underground project. Clearly there will be a delay to anticipated first production compared with the proposed open pit

## SCHEDULE “A”

project, but we shall work rapidly to advance the next phase of study and drilling to extend and improve the categorization of high grade underground resources. Our recently appointed COO, David Heugh, has extensive experience of underground gold mining from his career with Anglo American to bring to this effort. We want to work with the Government of Colombia in making this a project that will demonstrate our commitment, diligence and respect for communities and the environment.”

The Company will complete all necessary steps to ensure that its Project will not affect the quality of the water supply to the town of Bucaramanga, the surrounding metropolitan area, or the North Soto Province. The Company will also maintain its efforts to keep citizens fully informed about the proposed mining projects and continue to foster an understanding that responsible mining can bring considerable economic and social benefits, not only to the region, but to the country as a whole.

The above information has been reviewed and approved by Mr. Rodrigo Mello, Senior Geologist, a "qualified person" as that term is defined in National Instrument 43-101 and Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in respect of AIM companies, which outline standards of disclosure of mineral projects. Mr. Mellow is a geologist with more than 36 years of industry experience and is a member in good standing with the Australian Institute of Mining and Metallurgy.

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*Neither the Toronto Stock Exchange nor the AIM Market of the London Stock Exchange has reviewed and neither accepts responsibility for the adequacy or accuracy of this news release.*

### Forward-Looking Statements

*Certain statements in this news release are “forward-looking” within the meaning of Canadian securities legislation. They include statements about the estimated annual production from the Angostura Project. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and other contingencies. Many factors could cause the Company’s actual results to differ materially from those expressed or implied in the forward-looking statements. These factors include, among others, conclusions or realization of mineral resources, the actual results of exploration activities, possible variations in ore grade or recovery rates, fluctuations in the price of gold and silver, risks relating to additional funding requirements, political and foreign risks, production risks, environmental regulation and liability, government regulation as well as other risk factors set out under the heading “Risk Factors” in the Annual Information Form dated March 26, 2010 which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.*