

SHANE RESOURCES LTD.

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Reporting Issuer:

Shane Resources Ltd. (“**Shane**” or the “**Corporation**”)
Suite 272 – 2366 Avenue C North
Saskatoon, SK S7L 5X5
Telephone: (306) 933-0664

2. Date of Material Change:

December 17, 2013.

3. News Release:

A news release was disseminated on December 18, 2013.

4. Summary of Material Change:

The Corporation announced that it has entered into an asset purchase agreement (the “**Purchase and Sale Agreement**”) with Star Minerals Group Ltd. (“**Star**”) whereby Star has agreed to purchase the Don’s Lake, Munroe and Brownell claims held by Shane, as well as a net smelter royalty granted by Golden Band Resources Inc. (the “**Purchased Assets**”), subject to certain conditions. The Corporation also announced a proposed de-listing of its common shares and a voluntary winding up of the Corporation.

5. Full Description of Material Change

5.1 Full Description of Material Change:

The description of the Purchase and Sale Agreement in this Material Change Report is a summary only and is qualified in its entirety by the full text of the Purchase and Sale Agreement (a copy of which has been filed on SEDAR at www.sedar.com).

Under the terms of the Purchase and Sale Agreement, Star has agreed to purchase substantially all of the assets of Shane for an aggregate of \$655,000, payable as to \$55,000 in cash and the balance in common shares of Star (the “**Consideration Shares**”). The deemed price of the Consideration Shares will be \$0.05 in accordance with the terms of the Purchase and Sale Agreement, representing the minimum allowable issuance price of the Consideration Shares as prescribed by the policies of the TSX Venture Exchange as determined at the date of the Purchase and Sale Agreement, resulting in an aggregate of 12,000,000 Consideration Shares to be issued. The Consideration Shares will be subject to a four month hold period pursuant to applicable securities laws.

The closing is subject to customary conditions precedent and closing conditions, including (i) Shane shareholder approval; and (ii) in respect of the Don’s Lake property, Claude Resources Inc. having waived its right of first refusal or allowed it to lapse; and (iii) applicable regulatory approvals. Shane shareholders will be asked to approve the transactions contemplated by the Purchase and Sale Agreement at the annual and special meeting of shareholders (“**AGSM**”), scheduled for January 31, 2014.

Under the Purchase and Sale Agreement, Star has been granted typical deal protection provisions, including a right to match any superior proposal that is received by Shane on an unsolicited basis. The transaction contemplated by the Purchase and Sale Agreement are considered to be Non-Arm's Length pursuant to the policies of the NEX board of the TSX Venture Exchange due to Mr. Kozuska being a director of both companies.

At the AGSM, the Corporation will also seek shareholder approval for the delisting of its common shares from the NEX board of the TSX Venture Exchange prior to the proposed winding up of the Corporation.

Furthermore, the Board of Directors of Shane will be proposing the voluntary winding up of the Corporation pursuant to *The Business Corporations Act* (Saskatchewan). This will involve the discontinuance of the business of the Corporation and the satisfaction of all liabilities of the Corporation. The Corporation intends to settle liabilities by first using available cash on hand, followed by liquidation of a portion of the Consideration Shares if required. At this time the Corporation projects that the cash from the sale proceeds may be sufficient to settle outstanding liabilities. Following the satisfaction of all such liabilities, the liquidation plan will contemplate the distribution to shareholders, on a pro rata basis, the remaining funds and assets of the Corporation, if any, which distribution the Corporation anticipates would consist primarily of the Consideration Shares. At the AGSM, shareholders will be asked to approve a plan of liquidation and distribution to take all necessary steps to effect the voluntary winding up of the Corporation. A one-time distribution to shareholders is not expected before the end of Q1 2014.

Both the approval by shareholders of the transactions contemplated by the Purchase and Sale Agreement and the voluntary winding up of the Corporation will require the approval of two thirds of the votes cast at the AGSM. The Shareholders will receive additional details on the transaction contemplated by Purchase and Sale Agreement, the delisting of Shane's common shares and the winding up process in the management information circular to be sent to shareholders as part of the AGSM materials.

Cautionary Statements

Certain information set out in this Material Change Report constitutes forward-looking information. Forward-looking statements (often, but not always, identified by the use of words such as "expect", "may", "could", "anticipate" or "will" and similar expressions) may describe expectations, opinions or guidance that are not statements of fact and which may be based upon information provided by third parties. Forward-looking statements are based upon the opinions, expectations and estimates of management of the Corporation as at the date the statements are made and are subject to a variety of known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Those factors include, but are not limited to, the ability of the Corporation to complete the transaction contemplated by the Purchase and Sale Agreement and to satisfy the conditions precedent thereto, the uncertainty of the value of the non-cash consideration anticipated to be received and the ability of the Corporation to satisfy its liabilities, uncertainties and other factors that are beyond the control of the Corporation, risks associated with the industry in general, commodity prices and exchange rate changes, operational risks associated with exploration, development and production operations, delays or changes in plans, risks associated with the uncertainty of reserve or resource estimates, health and safety risks and the uncertainty of estimates and projections of costs and expenses. In light of the risks and uncertainties associated with forward-looking statements, readers are cautioned not to place undue reliance upon forward-looking information. Although the Corporation believes that the expectations reflected in the forward-looking statements set out in this Material Change Report or incorporated herein by reference are reasonable, it can give no assurance that such expectations will prove to have been correct. The Corporation does not undertake to update any forward-looking statements except as required by law.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. Reliance on Subsection 7.1(2) of National Instrument 51-102:

Not Applicable.

7. Omitted Information:

No material information has been omitted from this report.

8. Executive Officer:

For further information, please contact Mr. Kyle Kozuska at (306) 933-0664.

9. Date of Report:

December 23, 2013.