

Eloro Resources and Megastar Development Intersect 7.88 g/t Gold Over 4 Metres From the Simkar Gold Property, Val-d'Or (Quebec)

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Toronto, Ontario -- (Marketwire - Sept. 14, 2010) - [Eloro Resources Ltd.](#) (TSX VENTURE: ELO) (Frankfurt: P2Q) ("Eloro" or the "Company") and [Megastar Development Corp.](#) (TSX VENTURE: MDV) (Frankfurt: M5Q) ("Megastar") are pleased to announce the completion of the Phase 2 diamond drilling program at the Simkar Gold Property (the "Property"), located 20 km east of Val-d'Or (Quebec). The recently completed program followed on the Phase 1 discovery of a New Zone and current results show intersections of up to 7.88 g/t gold over 4 metres. Given these results, Eloro plans to immediately proceed this autumn with a Phase 3 drilling program at Simkar, and will focus on further delineating the New Zone.

The Phase 2 drill program, consisting of 5 diamond-drill holes totalling 2,200 metres, targeted the New Zone of gold mineralization intersected during Phase 1 drilling earlier in the year. The discovery drill-hole intersections included 3.96 g/t Gold over 5 metres in SK10-16A and 9.27 g/t Gold over 5.9 metres in SK10-12 (refer to the Eloro and Megastar news releases dated May 27, 2010). The discovery intersections are located immediately below the historic "A" and "B" zones that were mined from the former Louvicourt Goldfields Mine located on the Property.

The Phase 2 program focused on delineating the up-plunge and down-plunge extensions of the New Zone, which is interpreted to have similar geometry and orientation to the known, shallower mineralized zones. The drilling tested the New Zone from 175 metres to 350 metres below surface, along its projected 30° plunge to the southwest, and successfully intersected the New Zone in 4 of 5 holes. Highlights from the recent drilling are as follows:

| DDH # | FROM (metres) | TO (metres) | INTERVAL (metres) | GOLD (g/t) | ZONE |
|---------|---------------|-------------|-------------------|------------|-----------|
| SK10-18 | 210.65 | 212.40 | 1.75 | 1.61 | East Zone |
| SK10-19 | 249.00 | 250.00 | 1.00 | 9.01 | New Zone |
| SK10-21 | 357.00 | 358.30 | 1.30 | 5.06 | New Zone |
| SK10-22 | 416.00 | 420.00 | 4.00 | 7.88 | New Zone |

Notes - All drill holes are inclined. The From and To lengths are metres drilled down hole and not vertical depths. Lengths tabulated are down hole lengths and not true widths. All gold assays are reported uncut. Quality Assurance and Quality Control ("QA/QC") protocols are outlined below.

SK10-20 did not intersect the New Zone due to a porphyry dyke that crosscuts the favourable diorite host rock where the hole should have intersected the mineralized zone. SK10-18 intersected the New Zone 125 meters vertically below the discovery hole intersection in SK10-12 however, the mineralized intersection did not return significant gold values. SK10-22, the deepest of the Phase 2 program, intersected the projected down-plunge location of the New Zone at a vertical depth of 375 metres (416 metres down-hole) demonstrating the zone remains open down-plunge.

The attitude of the New Zone mimics that of the "A" and "B" zones, but at a deeper level, signifying the possible existence of a stacked set of mineralized lenses below the New Zone as well as below other historic zones identified on the Property.

"We continue to build on the resource and Simkar once again is showing great potential", stated Eloro CEO Tom Larsen. "As a result, we are immediately moving forward with the next phase, Phase 3, again focussed on the New Zone."

"The Simkar gold property is a previous proven producer, and we continue to advance it with the ultimate goal of moving it into production", stated Megastar CEO Dusan Berka. "This program, our joint venture with Eloro and our proposed Simkar Business Combination gives us the best opportunity to achieve this goal."

The Simkar Gold Property and the Proposed Eloro – Megastar Business Combination

On August 30, 2010 Eloro and Megastar jointly announced they have reached an agreement in principle regarding a proposed business combination (the “Business Combination”). Eloro and Megastar propose to complete a Business Combination that will provide that Megastar will receive 70 million (70,000,000) Eloro common shares in exchange for all of Megastar's right, title and interest in and to the Simkar Gold Property. Completion of the transaction is subject to usual terms and conditions for such a transaction, including but not limited to the completion of due diligence, completion and execution of definitive Business Combination documentation, receipt of all required regulatory and shareholder approvals and no material adverse changes occurring in the financial condition of either company.

Eloro and Megastar are currently in the second year of an Option and Joint Venture Agreement that provides Eloro with the option to earn a 50% interest in the Property by completing \$4 million in exploration work, paying Megastar \$350,000 and issuing 4.5 million shares of Eloro to Megastar over 3 years. Eloro has met its Year 1 commitments, including incurring exploration costs of minimally C\$750,000 pursuant to the Option Agreement with Megastar.

QA/QC Procedures

The Company has implemented QA/QC procedures to ensure best practices in sampling and analysis of the core samples. The NQ drill core is logged and then split in half with one-half sent for assay. Duplicates, standards and blanks are inserted randomly into the sample stream. The samples are delivered, in secure tagged bags, directly to the ALS Laboratory Group facility in Val-d'Or (Quebec) for analysis. Samples with visible gold are analyzed by the Total Metallic Sieve method, whereas the remaining samples undergo more conventional Fire Assays. For the reported intersections, total metallic screen check-assays were completed on the coarse crushed reject for all samples reporting greater than 10 g/t Gold from the initial fire assay. Other samples within the intersection are re-submitted for check fire-assay using the original pulps. The final reported gold grade for a sample is either the Total Metallic Sieve assay result or it is the average of the two fire assays.

About Eloro Resources

Eloro is a junior exploration company focused on discovering and developing precious metals in the Val-d'Or mining camp, as well as quality precious and base metal resources in the James Bay region of northern Quebec. In the James Bay region, Eloro has 11 gold-copper-silver properties (1,062 claims) covering 548 km² in the La Grande and Eastmain Greenstone Belts, proximal to Goldcorp's Eleonore Gold Project.

About Megastar Development Corp.

Megastar Development Corp. is an emerging resource company engaged in the acquisition, exploration and development of mineral properties in Canada. Megastar owns gold and base metal properties in Quebec and British Columbia, including the Simkar Gold Project in Val d'Or, Quebec. For further information, investors and shareholders are invited to visit the Company's website at www.megastardevelopment.com or call at 604-683-6648.

The technical information contained in this news release was prepared and approved by Martin Bourgoïn, P. Geo., Executive VP of Eloro, and John Langton, P. Geo., VP Exploration of Eloro and Project Manager of the Simkar Gold Project. Both individuals are Qualified Persons as defined by NI 43-101.

Statements made in this news release that are not historical facts are “forward-looking statements”, and readers are cautioned that any such statements are not guarantees of future performance, and that actual developments or results, may vary materially from those in these “forward-looking” statements.

To view Figure 1, please visit the following link:
<http://media3.marketwire.com/docs/elo0914fig1.pdf>.

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