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Eloro Resources and Megastar Development Announce \$4 Million Joint Venture Agreement on Megastar's Simkar Gold Project near Val d'Or, Quebec

Toronto, Canada, June 16, 2009 – Eloro Resources Ltd. (TSX-V: ELO) (“Eloro”) and Megastar Development Corp. (TSX-V: MDV) (“Megastar”) are pleased to announce that they have entered into a Letter of Agreement (the “Agreement”) for a \$4 million joint venture on Megastar’s wholly-owned Simkar Gold Project (the “Project”), located approximately 20 km east of Val-d’Or (Quebec). The Project, a former gold producer, consists of two contiguous mining concessions in Louvicourt Township, covering 225.63 hectare. The Project is not encumbered with any royalties.

The Agreement provides Eloro with the option to earn a 50% undivided interest in the Project by completing \$4 million in exploration work on the Project over a 3 year period, whereby \$750,000 would be incurred in the first year, \$1.25 million in the second year and \$2 million in the third year; paying Megastar \$350,000 cash over a three year period, and issuing 4.5 million common shares of Eloro to Megastar as follows: (1) 750,000 common shares upon execution of a definitive option agreement (the “Option Agreement”) and TSX Venture Exchange approval, (2) 750,000 common shares on the first year anniversary of the Option Agreement, (3) 1.5 million common shares on each the second and third anniversary of the Option Agreement. Eloro would be the project manager and operator. This transaction is subject to the receipt of all required regulatory and board approvals.

Thomas Larsen, President and CEO, Director of Eloro stated, *“Eloro’s venture into the Malartic/Val-d’Or Mining Camp is a major milestone in the Company’s efforts of focusing on quality gold projects in well established gold camps of eastern Canada. The Malartic/Val-d’Or segment of the Cadillac-Larder Lake Break has already yielded in excess of 25 million ounces of gold since the 1920’s, and has witnessed a resurgence in activity with the development of Osisko Mining Corporation’s 8 million ounce Canadian-Malartic Gold Deposit in Malartic. At the Simkar Gold Project, Eloro and Megastar are of the opinion that a high quality gold resource is present and will be actively exploring in the near term to develop this resource”*.

Dusan Berka, P. Eng., President and CEO, Director of Megastar added, *“As a former gold producer, we are excited about our Simkar Gold Project’s future potential and bringing new opportunities to fruition with Eloro via the joint venture. Both companies have agreed to create a joint technical committee to review and approve the exploration programs. As such, both companies will profit from the input of technical experts from both Megastar and Eloro. Megastar is pleased to have Eloro join the exploration*

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and development effort at Simkar. Eloro and Megastar's proposed aggressive exploration programs should help bring quality gold ounces closer to feasibility level in the near term."

The Project is located within the Abitibi Greenstone Belt and hosts a thick sequence of east-west trending, near vertical dipping volcanic flows and pyroclastics of the Malartic Group (the "North Rhyolite") that also includes quartz-feldspar porphyry dykes and sills, closely associated with the lode gold vein mineralization and the, little-investigated to date, Noranda- or Matagami-type volcanogenic massive sulphide (or "VMS") deposits. The higher gold grade, intrusion-centered gold-quartz-tourmaline vein system is similar to the 9 million ounce Sigma-Lamaque Gold Deposit in Val-d'Or and many other gold deposits in the Abitibi Belt. Prior gold production on the Project (1946-1949) came from extensive underground workings along three main zones (A, B and C Zones). More recent exploration outlined three new gold zones (Pillar Zone, F Zone, and Montana Zone) and identified one high potential structure, the East Zone Shear.

The Project has been the subject of two National Instrument ("NI") 43-101 compliant technical reports, one in 2004 and a second in 2008. The first was titled "*Technical Report (NI 43-101 F1) on the 2004 drilling Program, Simkar Property (Val-d'Or, Quebec), Louvicourt Township, Province of Quebec, Canada (NTS: 32C04)*", by C. Pelletier, B. Sc., P. Geo. (of InnovExplo Inc.), dated December 6, 2004. The 2008 report was titled "*Technical Report (NI 43-101) Simkar Property, Val d'Or, Quebec*" (the "Report") was prepared by M. Bourgoin, P. Geo., of MRB & Associates, and R. Sandefur, P. Eng., of Chlumsky, Armbrust and Meyer LLC. Both reports are available on SEDAR at www.sedar.com (under Megastar Development Corp).

Following the original discovery, the Project produced 261,590 tons of ore grading 0.123 oz/ton gold for 30,500 ounces of gold from 1947 to 1949. This production was from the A, B and C Zones. Operations were suspended due to increased mining costs at a time of fixed gold prices.

From 1987 to 1993, over \$12 million of surface exploration and underground development work was completed on the Project. The exploration work successfully defined significant gold mineralization in the extensions of the previously mined A,B and C Zones, as well as defining new gold resources in three new gold bearing structures, the East, F, and Pillar Zones. Subsequently, the existing underground workings were dewatered and new underground development was completed to access the East Zone on two levels. This underground development work led to the extraction of 71,068 tonnes grading 8.42 g/t gold for approximately 20,000 ounces of gold.

Megastar acquired all rights, titles and interests of the Project in 1996. Since then, Megastar completed ground geophysics; surface diamond drilling totaling 8,000 m in 26 holes; and integrated the former Simkar Gold Mine underground workings into a GEMCOM™ GEMS 3-D mine model. This work led to the Report and mineral resource estimates in 2008 which are outlined in the following table to a vertical depth of -200 m:

SIMKAR GOLD DEPOSIT			
TOTAL INFERRED RESOURCES*			
CUT-OFF (g/t gold)	TONNES	GRADE (g/t gold)	TOTAL CONTAINED GOLD OUNCES
1.0	1,482,000	3.01	143,160
2.0	641,050	5.10	105,100
3.0	347,400	7.32	81,800
5.0	188,750	10.23	62,100

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* Numbers may be rounded for simplicity.

Eloro's plan going forward is to enhance the 3-D mine model with detailed interpretation work in preparation of a drill program to test the down plunge extension of all of the gold structures below the 200 m vertical depth, particularly on the East Zone Shear, where the gold grades are higher than those defined elsewhere on the Project. Eloro is of the opinion that the presence of higher grade tension veins intersected by Megastar in the 2007 surface diamond drilling work (140.0 g/t gold over 0.5 m, 99.8 g/t gold over 0.3 m, 33.9 g/t gold over 1.0 m, and 31.0 g/t gold over 0.5 m) represents strong evidence of the similarities of the Simkar Gold Deposit with the 9 million ounce Sigma-Lamaque Gold Deposit located 20 km to the west.

The information contained in this news release was prepared and revised by Martin Bourgoin, P. Geo., Eloro's Executive VP, and a Qualified Person as defined by National Instrument 43-101.

About Eloro Resources Ltd.

Eloro is a junior exploration company focused on discovering and developing precious and base metal quality resources in the James Bay region of northern Quebec, and base and precious metals in the Timmins Camp of northern Ontario. Eloro currently has eleven 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. Eloro also has an option to earn a 50% interest in 31 claims held by Virginia Mines Inc. also located in James Bay, Quebec. The Timmins area holdings include both the prospective Hurdman Property, and the 30 km² McArthur Lake Nickel Property under option to Fletcher Nickel Inc.

For all Eloro investor relations needs, investors are asked to visit the Eloro Resources IR Hub at <http://www.agoracom.com/ir/eloro> where they can post questions and receive answers within the same day, or simply review questions and answers posted by other investors. Alternatively, investors are able to e-mail all questions and correspondence to elo@agoracom.com where they can also request addition to the investor e-mail list to receive all future press releases and updates in real time.

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 which a NI 43-101 compliant independent Technical Report concludes that the Project is estimated to have a remaining (post-historic mining) Inferred Resources of about 140,000 ounces, based on parameters appropriate for a reasonable underground mining scenario. For further information, investors and shareholders are invited to visit the Company's website at www.megastardevelopment.com or call the office at 604-683-6648.

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