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## Eloro Discovers Two New Mineralized Zones As it Completes Winter Diamond Drilling Program at the Simkar Gold Project; additional drilling planned to follow higher grade gold intervals

Toronto (Canada), May 27, 2010 – Eloro Resources Ltd. (TSX-V: ELO; FSE: P2Q) (“Eloro” or the “Company”) and Megastar Development Corp. (TSX-V: MDV; FSE: M5Q) are pleased to announce the discovery of two new mineralized zones and the successful intersection of over 80% of the intended gold-bearing targets. These drilling results further indicate that the gold mineralized structures are continuous over significant distances at the Simkar Gold Project (“Simkar” or the “Property”) located in the prolific Abitibi Greenstone Belt, 20 km east of Val-d’Or (Quebec). Simkar consists of two contiguous mining concessions totalling 226 hectares, and is wholly-owned by Megastar, under option to Eloro. Phase 1 of the Simkar drilling program totalled 6,125m in 17 holes. The table below provides highlights of the results obtained from the drilling program – holes SK-10-12 through SD-10-17 were previously issued on March 25, 2010.

DDH #	FROM (m)	TO (m)	CORE LENGTH (m)	GOLD GRADE (g/t)
SK-10-01	370.9	371.4	0.5	6.74
	378.0	379.2	1.2	3.94
	396.0	397.5	1.5	3.47
SK-10-02	162.0	163.5	1.5	3.26
	196.5	198.0	1.5	4.11
SK-10-03	120.0	121.5	1.5	1.95
SK-10-04	156.0	158.0	2.0	2.54
	192.8	193.9	1.1	3.03
SK-10-05	215.5	216.7	1.2	2.52*
	397.5	400.5	3.0	1.85
SK-10-06	213.4	214.2	0.8	4.72
	274.1	274.9	0.8	2.38
SK-10-07	219.8	220.4	0.6	4.20
	256.6	258.1	1.5	1.39
SK-10-08	132.0	133.5	1.5	1.73
SK-10-09	150.0	150.8	0.8	2.41
	267.8	268.3	0.5	13.55*
SK-10-10	144.9	145.3	0.4	1.19
SK-10-11	74.0	75.0	1.0	4.61
	156.0	156.5	0.5	41.70*
SK-10-12	313.9	319.8	5.9	9.40

DDH #	FROM (m)	TO (m)	CORE LENGTH (m)	GOLD GRADE (g/t)
incl.	317.7	319.2	2.1	24.60*
<b>SK-10-13</b>	246.0	249.0	3.0	20.40
incl.	246.0	247.3	1.3	40.30*
<b>SK-10-14</b>	no significant intervals			
<b>SK-10-15</b>	no significant intervals			
<b>SK-10-16A</b>	194.0	199.0	5.0	3.96
incl.	194.0	195.0	1.0	11.00*
<b>SK-10-17</b>	no significant intervals			

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. \*Assays from Metallic Sieve Analysis.

The two new mineralized zones were discovered in drill holes SK-10-11 and SK-10-16A. In addition, the drilling successfully intersected 80% of the intended gold-bearing targets at depth and results indicate that the gold mineralized structures are continuous over significant distances both along strike and down-dip. Although not all of the intersected zones yielded higher gold grades, most were well mineralized - containing over 10% sulphides - suggesting that the drilling intercepts were slightly off-plunge of the targeted mineralized chutes. The drilling results to date indicate that the gold mineralized structures are continuous over significant distances, both along strike and down-dip. The presence of higher gold grades is considered to be indicative of local higher grade mineralized chutes.

Thomas Larsen, President and CEO of Eloro stated, "With this drilling program Eloro has met its Year 1 work commitment of C\$750,000 required pursuant to the Option Agreement with Megastar. In light of the positive results to date Eloro will aggressively continue exploring Simkar with an additional 10,000 metre drilling program designed to further delineate higher grade gold mineralization discovered in holes SK-10-12 and SK-10-13, follow-up on two new gold zones, in holes SK-10-11 and SK-10-16, and test the down-plunge continuity of higher grade gold to depths below 300 m."

Dusan Berka, President and CEO of Megastar, stated, "The completion of this winter drilling program is another positive step in our efforts to bring the Simkar project back into production. These results reconfirm our optimism about the project's potential. We are particularly excited that Eloro will be following up on these most recent results and will continue exploring Simkar with an aggressive drilling program following up on these new results."

The Simkar mineralization model was generated from a comprehensive 3D compilation and synthesis of historic mine and drill hole data that included the "A", "B", "C", "Montana", "East" and "South" zones from which there is historic gold production. The intersected lithologies in this drill campaign corroborate the 3D geological model developed for the Property to delineate drill targets. The drilling specifically targeted the extensions of the modelled zones, primarily below 200 metres vertical depth, under the historic underground workings along the projections and intersections of gold-bearing, planar shear-zones. The drilling has continued to intersect narrow, higher grade quartz-tourmaline tension veins comparable to those encountered on the Property by Megastar in 2007, and similar to those occurring at the nearby Sigma-Lamaque Deposit in Val-d'Or

### **The Simkar Gold Project**

The Property hosts a thick sequence of east-west trending, near vertical dipping rhyolites, pyroclastics and quartz-feldspar porphyry dykes and sills closely associated with the lode gold vein

mineralization and the Louvicourt-type volcanogenic massive sulphide (or "VMS") mineralization. The higher gold grade vein mineralization is similar to the 9 million ounce Sigma-Lamaque Gold Deposit in Val-d'Or. The historic production of 30,500 ounces of gold (1946-1949) came from extensive underground workings along the A, B and C Zones. From 1987 to 1993, surface exploration and underground development work successfully outlined additional gold mineralization in the immediate extensions of the previously mined 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. This underground development work led to the extraction of 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, and integrated the former Simkar Gold Mine underground workings into a 3-D mine model. This work led to two National Instrument ("NI") 43-101 compliant technical reports, one in 2004 and a second in 2008 (available on SEDAR at [www.sedar.com](http://www.sedar.com) under Megastar Development Corp). The 2008 technical report outlines Mineral Resource estimates of 1,482,000 tonnes grading 3.01 g/t gold containing 143,160 ounces of gold to vertical depth of -200 m.

Eloro and Megastar are in the first year of an Option and Joint Venture Agreement that provides Eloro with the option to earn a 50% interest in Simkar by completing \$4 million in exploration work, paying Megastar \$350,000 and issuing 4.5 million shares of Eloro to Megastar over 3 years.

### ***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 base and precious metals in both the Val-d'Or and Timmins mining camps of Quebec and northern Ontario, and precious and base metal quality resources in the James Bay region of northern Quebec. In the James Bay (Quebec) region, Eloro has 11 gold-copper-silver properties (1,062 claims) covering 548 km<sup>2</sup> 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. in Timmins (Ontario). The Company holds both the prospective Hurdman Zinc Silver Property, and the 30 km<sup>2</sup> McArthur Lake Nickel Property under option to Fletcher Nickel Inc.

### ***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](http://www.megastardevelopment.com) or call the office at 604-683-6648.

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

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