

Megastar Development Corp. Closes \$672,600 Financing

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VANCOUVER, May 8, 2019 - [Megastar Development Corp.](#) ("Megastar", or the "Company") (TSX-V: MDV; Frankfurt: M5QN), an early stage mineral exploration company focused on its recently optioned properties in Oaxaca, Mexico, is pleased to announce that it has closed on a financing in the amount of \$672,600 by way of non-brokered private placement. Under the terms of the placement, Megastar has issued 11,210,000 units at a price of \$0.06 per unit. Each unit is comprised of one common share of the Company and one non-transferable share purchase warrant. Each warrant will allow the holder the ability to purchase an additional common share of the Company at a price of \$0.10. The warrants are good for a period of 24 months, however, should the common shares close at or above \$0.20 for a period of 10 consecutive days, the Company may accelerate the expiry date of the warrants to 30 days from such notice.

The proceeds of the financing will be used to advance exploration on multiple properties within the Oaxaca, Mexico Au-Ag belt as optioned from Minera Zalamera S.A. de C.V. in an agreement reached in August of 2018 (see press release dated August 9, 2018). Mr. David M. Jones, President of Minera Zalamera and member of the board of directors of Megastar, has 40 years experience in mineral exploration and a very successful track record in Mexico, which includes the discovery of the Los Filos deposit (Leah Gold) and, most recently, the targeting that directly led to discovery of [Gold Resource Corp.](#)'s Switchback Mine. Exploration is focussed on high-grade Au-Ag deposits similar to those of Fortuna Silver's ("FVI" on TSE) San Jose mine, and [Gold Resource Corp.](#)'s ("GORO" on NYSE) Arist-Switchback and Alta Gracia mines.

"With working capital now in place, we are very excited about the prospects of advancing preliminary work done on these properties," said Dusan Berka, Megastar's CEO. "David recently returned from Mexico where he deployed a team of Oaxaca-savvy geologists with the goal of efficiently generating exploration targets for drill testing. Oaxaca has shown itself to be an area of interest and, producing mines such as Fortuna Silver's San Jose mine and Gold Resources' Switchback mine are examples of the potential in the region." Mr. Berka concludes: "On behalf of the Board of Directors and the Management, I'd like to express our sincere thanks to all our loyal shareholders and investors for their patience and continued support."

As part of the financing, insiders participated for \$66,000 and included all members of the Board. In connection with the closing, Megastar paid finder's fees of \$33,600 and issued 560,000 non-transferable broker warrants. Each broker warrant entitles the holder to acquire one common share of Megastar at an exercise price of \$0.06 for a period of 24 months from closing. The securities issued under the offering will be subject to a four-month and one-day hold period expiring on September 8, 2019. The offering remains subject to the final approval of the TSX Venture Exchange.

ABOUT MEGASTAR DEVELOPMENT CORP.

[Megastar Development Corp.](#) is an emerging resource company engaged in the evaluation, acquisition and exploration of mineral properties in Canada and Mexico. Megastar has an Option to acquire 100% interest in three epithermal Au-Ag mineral properties in Oaxaca, Mexico. Megastar also owns 100% interest in Ralleau mineral property in Urban Barry District, Lebel-Sur-QuÃ©villion area of Quebec, currently under 50% Option to DeepRock Minerals Exploration Inc. For further information, investors and shareholders are invited to visit the Company's website at www.megastardevelopment.com or call the office at 604-681-1568, or toll free at 1-877-377-6222.

ON BEHALF OF THE BOARD OF DIRECTORS

"DUSAN BERKA"

Dusan Berka, P. Eng.
President & CEO

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Forward Looking Statements:

Statements included in this announcement, including statements concerning our plans, intentions and expectations, which are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements". Forward-looking statements may be identified by words including "anticipates", "believes", "intends", "estimates", "expects" and similar expressions. The Company cautions readers that forward-looking statements, including without limitation those relating to the Company's future operations and business prospects, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements.

SOURCE: [Megastar Development Corp.](#)

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