

Megastar Development Corp. to Purchase a 100% Interest in Cerro Minas Property, Mexico

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Purchase expands land holdings within the Megastar's Yautepec project

VANCOUVER, Oct. 16, 2019 - Megastar Development Corp. ("Megastar", or the "Company") (TSXV:MDV) (Frankfurt:M5QN) is pleased to announce that it has entered into an option agreement (the "Agreement") with Gunpoint Exploration Ltd. ("Gunpoint") and Gunpoint's subsidiary, Minera CJ Gold S.A. de C.V. ("CJ Gold"), whereas the Megastar, through its wholly-owned subsidiary, Minera Mazateca, S.A. de C.V. ("Mazateca"), may acquire a 100% interest in the Cerro Minas mineral concession (title # 234333) having a surface area of 899 hectares, located in the state of Oaxaca, Mexico (the "Property").

"Given the extremely exciting results we have announced to date from our Yautepec property, the addition of this land is very compelling for us," said David M. Jones, exploration manager and director of Megastar Development. "Completely surrounded by our current land holdings, Cerro Minas displays similar epithermal characteristics to targets that we have already identified and, given our early-staged success, adding this land is a natural as we look to enlarge our foot-print in, what we believe, is a very prospective area."

The Cerro Minas Property lies within the Oaxaca epithermal Au-Ag belt, approximately 130 kilometers southeast of Oaxaca City, and 30 kilometers southeast of [Gold Resource Corp.](#)'s (NYSE American: GORO) operating Arista-Switchback mine (Au-Ag-Cu-Pb-Zn). The Property is an inlier to Megastar's principal Yautepec Project concession, and covers 5 kilometers strike length of highly prospective ground along a northwest trending caldera structural margin as reported in prior Megastar news releases (see July 16th and August 22nd, 2019). In addition, the Property contains polymetallic skarn-style mineralization (Ag-Au-Cu-Pb-Zn) that is the subject of historical reports by the Mexican Consejo de Recursos Minerales which document small-scale artisanal mining. With this agreement, Megastar has consolidated over 7 kilometers strike length of high potential targets for epithermal and skarn mineralization.

Terms of Agreement

1. Under the terms of the Agreement, the Company may earn a 100% interest in the Property by paying Gunpoint US\$100,000 and issuing 800,000 common shares (the "Shares") as follows:

- (i) US\$10,000 and 100,000 Shares on the Effective Date;
- (ii) US\$20,000 and 150,000 Shares on the first anniversary of the Effective Date;
- (iii) US\$30,000 and 250,000 Shares on the second anniversary of the Effective Date; and
- (iv) US\$40,000 and 300,000 Shares on the third anniversary of the Effective Date.

Gunpoint shall retain a 1.5% Net Smelter Returns Royalty on the Property, of which the Company may purchase, at any time, 0.5% for US\$1,000,000.

The Agreement is subject to the approval of the TSX Venture Exchange and Gunpoint satisfying certain conditions, specifically: (a) Gunpoint having delivered to Megastar (and to Mazateca) all reports and other filings regarding the Property which were required to be filed by CJ Gold under applicable laws (including, notably, the Ley Minera and the regulations adopted thereunder), and (b) having paid all outstanding fees and having provided written evidence of same to Megastar (and to Mazateca).

All shares issued pursuant to the Agreement will be subject to a hold period of four months and one day

following issuance.

ABOUT MEGASTAR DEVELOPMENT CORP.

[Megastar Development Corp.](#) is an emerging resource company engaged in the evaluation, acquisition and exploration of mineral properties in Mexico and Canada. Megastar has an option to acquire 100% interest in three epithermal Au-Ag mineral properties in Oaxaca, Mexico. Megastar also owns 100% interest in the Ralleau, VMS/lode gold mineral property in Urban Barry District, Lebel-sur-Quévillon area of Quebec, currently under 50% option to DeepRock Minerals Inc. (CSE: DEEP). 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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