

MEGASTAR DEVELOPMENT CORP.

#1450 - 789 W. Pender Street, Vancouver, BC, Canada V6C 1H2

Tel.: (604) 681-1568, Fax: (604) 681-8240

Toll Free: 1-877-377-6222

www.megastardevelopment.com

TSX-V: **MDV** Frankfurt: **M5QN**

Megastar Closes Options on Epithermal Au-Ag Projects in Oaxaca, Mexico

Vancouver, BC, Canada, August 9, 2018 - **Megastar Development Corp.** (“**Megastar**”, the “**Company**” or “**MDV**”) (TSX-V: **MDV**; Frankfurt: **M5QN**) is pleased to announce that further to signing the three option agreements (the “**Option Agreements**”) to acquire a 100% undivided interest (the “**Options**”) in the Rama de Oro, Magdalena and Yautepec projects (the “**Projects**”), located in the state of Oaxaca, Mexico (see press releases dated May 10 and June 4, 2018 for more information on the Projects and the Option Agreements), the Company has proceeded with the closing of these transactions with the owner of the Projects, Minera Zalamera S.A. de C.V. (“**Minera Zalamera**”).

As such, as contemplated by the Option Agreements, the Company paid a total amount of USD \$45,000 and issued a total of 1,500,000 common shares for the benefit of Minera Zalamera. Furthermore, Mr. David M. Jones, president of Minera Zalamera, has been appointed to the board of directors of Megastar.

Mr. Jones is a graduate of Dartmouth College and the University of Arizona with 40 years’ experience in mineral exploration and project development in the U.S. and Latin America. As the foremost expert in the Guerrero Gold Belt, Mr. Jones discovered the Los Filos gold deposit in 1995 (Teck), was the leader of the technical team that won the bid for the Morelos reserve in 1998 (El Limon-Guajes deposits) and served as the principal geologic advisor in the start-up of Torex Gold Resources Inc. For the past 16 years he has worked extensively in epithermal precious metals system in Oaxaca and was responsible for targeting the recent discovery of Gold Resource Corporation’s (NYSE: GORO) polymetallic Switchback mine. Mr. Jones was a board member of Cayden Resources Inc. at the time of its \$205 million sale to Agnico Eagle, and is currently a director of both Minaurum Gold Inc. (TSX-v: MGG) and the private concern Acapulco Gold.

“We are very excited to have concluded on this acquisition”, said Dusan Berka, CEO of Megastar Development. “These projects have been on our radar for some time and bring with it two most important ingredients for early stage exploration - location and expertise. On location, the properties sit on the trend of two producing mines – Gold Resource Corporation’s Arista/Switchback Mine complex (NYSE: “GORO”) defining the southeast arm of the trend, and Fortuna Silver Mines Inc.’s San Jose Mine (TSE: “FVI”) defining the western extension. From a technical perspective, having David Jones, a geologist with extensive experience and success in Mexico, having been part of the finds of several, now producing mines join the Board of Directors, is a real coup for our Company. David, in addition to being a Director of the Company, will also be the technical advisor/consultant to the Company in relation to its exploration activities in Mexico, and an instrumental part of the exploration team, allowing us to benefit from his historical understanding of the properties and their surrounding geology.” 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”.

Within the next year, in order to keep the Options in good standing under the Option Agreements, the Company will need to issue an additional 1.5 million common shares and incur exploration expenditures on the Projects for the total amount of USD \$230,000.

All securities issued in connection with the closing are subject to a hold period of 4 months and one day expiring on December 9, 2018. Furthermore, the transaction 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. Megastar currently owns mineral property in Quebec. 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.