Megastar Development Closes $926,800 Financing

Vancouver, BC, Canada, June 18, 2020 – Megastar Development Corp. (“Megastar”, or the “Company”) (TSX-V: MDV; Frankfurt: M5QN; OTC: MSTXF), a mineral exploration company focused on gold, silver and polymetallic properties in Oaxaca, Mexico, is pleased to announce that it has closed a non-brokered private placement financing in the amount of $926,800 (the “Placement”).

Under the terms of the Placement, Megastar has issued 11,585,000 units at a price of $0.08 per unit (a “Unit”). Each Unit comprises one common share in the capital of the Company and one-half of one non-transferable share purchase warrant. Each whole warrant (a “Warrant”) will allow the holder to purchase an additional common share of the Company at a price of $0.12 for a period of 24 months.

The proceeds of the Placement will be used to continue exploration on multiple properties within the Oaxaca, Mexico Au-Ag belt optioned from Minera Zalamera S.A. de C.V. Mr. David M. Jones, President of Minera Zalamera, member of the Board of Directors and Exploration Manager of Megastar, has over 40 years experience in mineral exploration and a very successful track record in Mexico, which includes the discovery of the Los Filos deposit (Equinox Gold) and, most recently, the targeting that directly led to discovery of Gold Resource Corp.’s (NYSE: GORO) Switchback Mine. Exploration is focussed on high-grade Au-Ag deposits similar to those of Fortuna Silver’s (TSX: FVI) San Jose mine, and Gold Resource Corp’s Arista-Switchback and Alta Gracia mines.

“With additional capital now in place, we are ready to continue advancing our work and build on the significant results generated from our most recent exploration campaigns on the Yautepec and Magdalena properties,” said Dusan Berka, CEO of Megastar. “Through the summer and fall of 2019, our team of geologists under the direction of David Jones, were able to identify multiple targets that the Company will now look to bring to drill-ready in the coming months. Oaxaca has shown itself to be an area of significant interest with producing mines such as Fortuna Silver’s San Jose mine and Gold Resources’ Switchback mine as examples of the potential in the region.”

The securities issued under the Placement will be subject to a four-month and one-day hold period expiring on October 18, 2020. The Placement remains subject to the final approval of the TSX Venture Exchange.

ABOUT MEGASTAR DEVELOPMENT CORP.

Megastar Development Corp. is 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

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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.