

MEGASTAR DEVELOPMENT CORP.

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TSX-V: **MDV**

Frankfurt: **M5Q**

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“NEWS RELEASE”

MEGASTAR ANNOUNCES PRIVATE PLACEMENT

Vancouver, BC - Megastar Development Corporation (the “Company”) (TSX-V: **MDV**; Frankfurt: **M5Q**) has negotiated a non-brokered private placement through the issuance of up to 6 million units at a price of 5 cents per unit, for gross proceeds of up to \$300,000. Each unit comprises one common share and one transferable share purchase warrant entitling the investor to purchase one additional common share for a period of 24 months, at an exercise price of 6 cents in the first year and 10 cents in the second year after closing of the financing. The securities issued under the private placement will be subject to a four-month hold period as per TSX Venture Exchange policy. The proceeds of this private placement will be used for general working capital and to continue the development and planning of the next phase of exploration of the company’s properties in Quebec and BC. Finders' fees will be payable in whole or in part on the units issued under the financing, in accordance with TSX Venture Exchange policy.

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 property is estimated to have a remaining (post-historic-mining) Inferred Resource of about 110,000 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 or call the office at 604-683-6648.

ON BEHALF OF THE BOARD OF DIRECTORS

“DUSAN BERKA”

Dusan Berka, P. Eng.
President & CEO

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