

# MEGASTAR DEVELOPMENT CORP.

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TSX-V: **MDV**

Frankfurt: **M5Q**

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## **“NEWS RELEASE”**

### **Megastar Receives Exploration Program Update on its SEDEX Zinc-Lead-Silver Property in British Columbia**

**Vancouver, BC, Canada, July 13, 2010 - Megastar Development Corporation** (“Megastar” or the “Company”) (TSX-V: **MDV**; Frankfurt: **M5Q**) is pleased to announce an update of exploration on its 100% owned SEDEX Zinc-Lead-Silver Property (“property” or “project”) by the optionee and J/V partner Rio Grande Mining Corp. (“Rio Grande”) (TSX-V: RGV). By expending \$2 million on exploration, Rio Grande can earn up to a 60% interest in this property. Located approximately 420 km north-northwest of Prince George in North-eastern British Columbia, the Kwad South, New Quad, West Quad and Akie-Sika North claim blocks which are part of 11 segregated grouping of claims located within prolific Kechika basin, were subjected to an airborne magnetic survey conducted from March 23 to April 1 in 2010. The survey was flown by MPX Geophysics Ltd. of Markham, Ontario.

A total of 1,199 line-kilometers or 99 square kilometers of data were acquired on these four claim blocks using high sensitivity cesium magnetometer (Scintrex CS-3) survey, covering more than 7,503 hectares. The survey lines were flown at 100-metre spacing and tie lines at a separation of 1000 metres. The nominal mean terrain clearance of 70 metres (40 meters for the magnetic sensor) was maintained during the surveying. A GPS navigation system was employed to ensure accurate positioning of the geophysical data with respect to the topographic base maps. From the collected raw data, following products were produced: flight path map, digital elevation model, total magnetic field and calculated first vertical derivative maps.

The purpose of this survey was to collect and utilize the data as an exploration tool for locating faults and structurally-controlled lithologies such as Gunsteel Formation (black shale), which is host to the majority of known SEDEX-type zinc-lead-silver deposits and prospects within the Kechika Basin. Similar airborne magnetic survey was also flown in 2008 by Rio Grande on the Megastar’s Yuen North property, located approximately 10 km northwest of the current exploration area; the results of the survey were found useful in locating either new structures and/or extending the known regional faults, in particular, those bounding the Gunsteel Formation. However, these structures and Gunsteel Formation have yet to be ground-truthed for potentially SEDEX-type base metal mineralization. The 2010 survey has also shown relative good correlation between the known geology and magnetic signatures in the area particularly onto the Akie-Sika North claims where folded and fault-bounded Gunsteel Formation is showing good correspondence with the airborne magnetic data.

***In summary, Rio Grande reports that they now have a target lithology, the Gunsteel Formation, both, on the Yuen North and Akie-Sika North claims that warrant follow-up by ground-truthing methods such as prospecting, mapping, soil and litho-geochemical surveying.***

Megastar’s 100% owned SEDEX zinc-lead-silver properties are located within an emerging premier zinc-lead district -- namely the highly prospective Gunsteel shale formation in the regionally extensive, world-class Kechika trough sedex zinc basin. Geologically, these properties occur within the Gataga district of the Kechika

Trough, which forms the southern-most part of the regionally extensive Paleozoic Selwyn Basin, one the most significant sedimentary basins in the world for the occurrences of SEDEX-type zinc-lead-silver-barite deposits. The two most significant zinc-lead-silver deposits within the Kechika basin are the Cirque Deposit (non-NI 43-101 compliant resource of 40 MT @ 7.8% zinc, 2.2% lead and 48.0 g/t silver) owned by Teck/Korea Zinc and Cardiac Creek Deposit (23.6 MT @ 7.6% Zn, 1.5% lead, 13.0 g/t silver with a cut off grade of 5% zinc – NI 43-101 compliant resource) owned by Canada Zinc Metals Corporation.

The properties are comprised of 33 mineral claims covering approximately 22,000 hectares (220 sq. km). Rio Grande has an option to earn up to a 60% interest in these claims by paying to Megastar, in stages, a total of \$72,500 cash (\$27,500 paid), issue 200,000 common shares of Rio Grande (50,000 issued) and incur exploration expenditures on the property totaling \$2.0 million, on or before July 31, 2012.

Ike Osmani, P. Geo., technical advisor, is the Qualified Person responsible for the technical content of this news release.

#### Other

The Company also announces the appointment of Andrew Lee as Vice President Corporate Development. The primary role will be in the ongoing development and growth of the company and creating opportunities related to financings, projects, and market awareness. Mr. Lee holds a Bachelor of Science degree from the University of British Columbia. He has over a decade of experience working with public and private companies at various stages of development from start-ups to exploration & development in the mining industry.

In accordance with the provisions of the company's 2009 stock option plan, the Board of Directors have approved the granting of a total of 200,000 share purchase options exercisable at \$0.10 per share for a period of two years to certain officers.

#### **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 Project is estimated to have a remaining (post-historic mining) Inferred Resources of about 140,000 ounces gold (Au), 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](http://www.megastardevelopment.com) or call the office at 604-683-6648).

ON BEHALF OF THE BOARD OF DIRECTORS

“*DUŠAN BERKA*”

Dušan Berka, P. Eng.  
President & CEO

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