BC FORM 53-901F (Previously Form 27)

Securities Act

Material Change Report Under Section 85(1) of the Act

ITEM 1 Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer:

Megastar Development Corp.
(the "Company")
Unit 5, 9110 Glover Road
Fort Langley, BC V1M 2S2
(604) 888-0786

ITEM 2 Date of Material Change

State the date of the material change:

February 25, 2003

ITEM 3 Press Release

State the date and place(s) of issuance of the press release issued under section 85(1) of the Act.

February 25, 2003
Vancouver, British Columbia

ITEM 4 Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change:

The Company announces that it has arranged a private placement of up to 800,000 units (the "Units") to one placee, Derby Reach Holdings Ltd., at a price of $0.12 per Unit. Proceeds from the private placement will be used for general working capital.

Each Unit will consist of one common share in the capital stock of the Company and one non-transferable share purchase warrant (the "Warrants"). Each Warrant will entitle the holder to purchase one additional common share for a term of two years from the payment for the Units at a price of $0.16 per share.

ITEM 5 Full Description of Material Change

See attached Schedule.

ITEM 6 Reliance on Section 85(2) of the Act

If the report is being filed on a confidential basis in reliance on section 85(2) of the Act, state the reasons for that reliance:

N/A

ITEM 7 Omitted Information

N/A

ITEM 8 Senior Officers

Give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom the Commission may contact that senior officer:

Peter Haladin, President and Director
(604) 888-0786

ITEM 9 Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Fort Langley, British Columbia, this 25th day of February, 2003.

"Peter Haladin"
Peter Haladin,
President and Director

Schedule A

MEGASTAR DEVELOPMENT CORP.
Unit 5, 9110 Glover Road
Fort Langley, BC V1M 2S2
Telephone: (604) 888-0786
Facsimile: (604) 888-3286

February 25, 2003 CDNX Symbol: MDV

<u>NEWS RELEASE</u>

The Company announces that it has arranged a private placement of up to 800,000 units (the "Units") to one placee, Derby Reach Holdings Ltd., at a price of $0.12 per Unit. Proceeds from the private placement will be used for general working capital.

Each Unit will consist of one common share in the capital stock of the Company and one non-transferable share purchase warrant (the "Warrants"). Each Warrant will entitle the holder to purchase one additional common share for a term of two years from the payment for the Units at a price of $0.16 per share.

The private placement is subject to regulatory acceptance.

ON BEHALF OF THE BOARD OF DIRECTORS

"Peter Haladin"

PETER HALADIN, DIRECTOR

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the contents herein.