

Gunpoint Options Mexican Cerro Minas Project

Vancouver, British Columbia--(Newsfile Corp. - October 16, 2019) - Gunpoint Exploration Ltd. (TSXV: GUN) ("Gunpoint" or the "Company") wishes to announce that it has entered into an agreement ("Option Agreement") with Megastar Development Corp. (TSXV: MDV) whereby Megastar Development Corp. ("Megastar") has been granted an option to acquire a 100% interest in Gunpoint's Cerro Minas Project ("Cerro Minas") located in Oaxaca State, Mexico.

The Cerro Minas Project is located 130 kilometers southeast of Oaxaca City and comprises 899 hectares. The mineralization at Cerro Minas consists of skarn and polymetallic replacement zones with silver, copper, zinc, lead and locally gold. Previous exploration identified two mineralized zones, La Reyna and La Fe, associated to the contact of an intermediate intrusion within a sequence of Cretaceous limestones and shales converted to marble and hornfels.

Pursuant to the Option Agreement and subject to TSX Venture Exchange approval ("Effective Date"), Megastar has the right to acquire a 100% interest in Cerro Minas by making US\$100,000 in cash payments and issuing 800,000 Megastar common shares to Gunpoint per the following schedule:

- **A payment of US\$10,000 and 100,000 common shares of Megastar on the Effective Date;**
- **A US\$20,000 cash payment and the issuance of 150,000 common shares of Megastar on or before the first anniversary of the Effective Date;**
- **A US\$30,000 cash payment and the issuance of 250,000 common shares of Megastar on or before the second anniversary of the Effective Date; and**
- **A US\$40,000 cash payment and the issuance of 300,000 common shares of Megastar on or before the third anniversary of the Effective Date.**

Gunpoint retains a 1.5% net smelter return royalty on Cerro Minas of which Megastar has the option to purchase 0.5% net smelter royalty for US\$1.0 million dollars.

P. Randy Reifel, President, commented, "We believe it is strategic to option Cerro Minas as a central part of Megastar's district consolidation covering seven kilometers strike length with skarn and epithermal targets. The transaction is consistent with our corporate strategy to monetize non-core properties with equity leverage from potential future exploration success."

As of the Effective Date, Megastar will be responsible for the property taxes and holding costs (including surface right agreement) to maintain Cerro Minas in good standing during the term of the agreement.

About Gunpoint Exploration Ltd.

Gunpoint owns the Talapoosa gold-silver project in Nevada, U.S.A. Talapoosa has a NI 43-101 compliant mineral resource estimate by Mine Development Associates Inc. with a measured and indicated resource of 632,000 ounces of gold and 8.2 million ounces of silver. Inferred mineral resources add an additional 326,000 ounces of gold and approximately 4.3 million ounces of silver.

For additional information please contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains statements that constitute forward-looking information that address future events and conditions which are based on certain factors and assumptions and are subject to various risks and uncertainties in relation to the Company. Such forward-looking information includes statements about the completion of the exercise of the Option Agreement by Megastar; and TSX Venture Exchange approval of the Option Agreement. There can be no assurance that the option under the Option Agreement described will be exercised in whole or at all. Forward-looking statements are based on the expectations and opinions of the management of the Company on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.



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