

The Resource Stock Watch

Mega Precious Metals positioned for success with strategic acquisitions, strong management.

By Sara Patterson

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In the junior exploration sector, the most successful companies are often those with a keen eye not just for viable prospects, but for viable strategies as well. Mega Precious Metals Inc., backed by the leadership of management and directors with decades of experience in all aspects of exploration and development, is no stranger to strategy. The company's actions and acquisitions have led to the progression of an increasingly encouraging project portfolio, bolstered and augmented by ongoing efforts.

From its inception, as Mega Silver Inc., the company's keen eye for strategic acquisition and focused development established a strong foundation for its current progress. In June 2009, Mega announced the finalization of an option agreement to acquire a 100% interest in the East My-Ritt property in Red Lake, Ontario. The agreement stemmed from a joint venture between Premier Gold Mines Limited and Sabina Silver Corporation, companies that not only have seen exploration success, but were steered toward that success by present members of Mega's management.



The property forms a contiguous package with Mega's February 2, 2009 acquisition of the Lavery Property, where historic drill intersections grade up to 7.74 g/t gold over 11.2m adjacent to the historic Hasaga and Howey gold mine properties, producers of approximately 640,000 ounces of gold from geologically similar host rock.

The combination of a prolific region, adjacent producers, and encouraging previous exploration is a highly sought one, and in order to fully gauge the property's potential, Mega initiated a drill program at Laverty that both confirmed historic exploration and demonstrated potential for expansion. Drilling intersected 3.56 grams per tonne gold over an average width of 27.9 meters, lending additional credence to Mega's belief that East My-Ritt and Laverty are part of a much larger gold system that encompasses adjacent historically prolific mines.

In Nunavut, Mega's wholly-owned subsidiary, Skybridge Development Corp., owns and operates the Blue Caribou Project, located 480 km northeast of Yellowknife. The property consists of 25 staked mineral claims that form a contiguous rectangular block totaling 25,605.9 hectares, and has seen considerable encouraging exploration work to date.

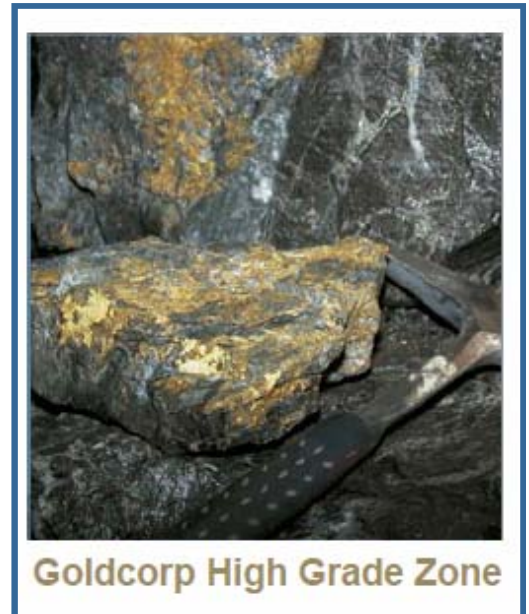
Skybridge conducted a drill program on the property in mid-2008, comprising 37 diamond drill holes and completing 2,790.8m in 33 holes in the Blue Caribou Copper Zone as well as 824m in 4 holes in the Blue Caribou Deformation Zone. The first documented diamond drilling in the project area, this program successfully delineated an estimated Inferred Mineral Resource of 2.77 million tonnes at weighted average grades of 2.82% copper, 0.06% molybdenum, 31.26 g/t silver and 0.20 g/t gold using a 1% cut-off grade for copper and a minimum true width of 2m. A follow-up program will continue to target extension of the Copper Zone, demonstrating its continuity and potential for a significant resource.

These efforts and acquisitions, significant in themselves, primed Mega for one of its most encouraging acquisitions to date, the Headway Property in Red Lake.

The Headway Property

Mega entered into a Definitive Acquisition Agreement to acquire 100% interest in Headway from King's Bay Gold Corporation in early October. Located between the towns of Red Lake and Balmertown in Ontario, the property lies near Goldcorp's Red Lake Gold Mines Headframes, underscoring the prolific nature of the region. Headway consists of six patented claims and one patented claim unit totaling approximately 320 acres, further strengthening Mega's foothold in this highly prospective area.

Geologically, the project demonstrates all of the essential elements associated with high grade gold systems on adjacent properties. An NI 43-101 compliant drill program carried out by King's Bay in 2005 returned intercepts ranging from 63.52 grams gold per tonne over 0.5 meters to 3.08 grams gold per tonne over 10.8 meters. Historically, Headway has seen several surface grab samples exceeding 1.0 ounces gold per tonne. The property's gold is developed within veins associated with quartz-feldspar porphyry dykes that bear strong structural relationships adjacent to and with the ESC and High Grade zones of Red Lake Gold Mines.



Goldcorp High Grade Zone



Goldcorp ESC Zone

With potential thus clearly established, Mega announced the commencement of a drill program at Headway in November. The company signed an all-inclusive deep drill contract to complete several 3,000-meter drill holes in order to test the prospective geological environment adjacent to Goldcorp's High Grade Gold Zone. Expected to take up to six months to reach target depth, this drill program is anticipated to make great strides in gauging the full capacity of Headway, a project that, given its prolific location and encouraging history, could prove once again the soundness of Mega's strategy.

Mega Precious Metals Management

James Rogers

President & CEO

Mr. Rogers is a registered Professional Geoscientist (Ontario) with over 30 years' experience in the Canadian mining industry. Jim was awarded the CIM Professional Proficiency metal in 1988 when he was Chief Mine Geologist at Dickenson Mine, predecessor to the current Red Lake Gold Mines. The first exploration drill holes into what ultimately became Goldcorp's High Grade Gold Zone were drilled on Jim's watch. While at Eskay Creek Mine as Chief Geologist, Jim was part of the team that received the E.A. Schultz Award for Mine Development.

Gord Yule

Vice-President, Exploration

Mr. Yule is a registered Professional Geoscientist (Ontario) with over thirty years' experience in the Canadian Mining Industry having taken numerous projects from "grass roots" to advanced exploration and development both as a regulator and as an explorer. He has an Honours Bachelor of Science in Geology from Lakehead University and is a semi-finalist in the Goldcorp "Gold Challenge", in the Red Lake Gold Camp.

Steve Filipovic

Chief Financial Officer

Mr. Filipovic holds an Honours Bachelor of Commerce degree and is a Chartered Accountant in good standing with both the Institute of Chartered Accountants of Alberta and Ontario. He has fourteen years of finance experience, the last eleven with publicly traded resource companies. Mr. Filipovic is Vice President, Finance of Premier Gold Mines Limited, and has been with the company since its inception in 2006.

Ewan S. Downie

Chairman & Director

Mr. Downie is President and CEO of Premier Gold Mines Limited. His career was highlighted in 2007, by the \$367M acquisition by Zinifex Limited of Wolfden Resources, a successful company in which Ewan founded in 1998. Additionally, Mr. Downie was the recipient of the prestigious PDAC "Bill Dennis Prospector of the Year" award for being a part of the team that discovered the West Zone deposit at High Lake.

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