

To our valued Shareholders:

May 10, 2010

Since the merger our Mega Precious Metals Team has acquired property and created a Red Lake focused company with the vision, expertise and strategic economic understanding to grow shareholder value. We are executing exploration programs, working hard to expand our prospective land position and our project potential has never looked better! Headway is in the right rocks just above the target area, North Madsen results are demonstrating multiple areas of broad open pit potential and the Blue Caribou property results confirm the depth potential of this high grade copper deposit.

The first 3,000m deep Headway drill hole which is currently at 1,760m depth has been in sedimentary rocks since 655m. Based on the current folded sequence of conglomerate, we believe that we are very close to the unconformity and the favorable Balmer volcanic rocks. The program has progressed slower than anticipated but we are in the right place, seeing rocks that are consistent with our model and we are closer to the target than we have ever been before (target projected 1800m– 2500m).

While the Red Lake Gold District is famous for its' high grade gold discoveries, it is a relatively young gold camp who's future includes not only the potential for new high grade discoveries, but also the potential to consolidate low to medium grade resources that will be mined and then processed at a large centralized milling facility. Positive results on our Red Lake, North Madsen Laverty dyke zone (NI-43-101 resource will be released later in May) and most recently on the broadly mineralized East west trending, 800m long, Main and South zones is very exciting! The recent results of 4.9 g/t Au over 10m and 1.87g/t over 16.4m (1.33g/t over 40m) south of the dyke zone, drilled 300m and 600m west of the main zone (historical grades up to 7.74 g/t au over 11.2m), all combine to demonstrate that the Laverty property alone, has multi-million gold ounce, open pit potential. We anticipate that our first pass of drilling of historical and new target areas on the North Madsen project will continue to provide positive results that will require delineation follow-up. I anticipate that once we have compiled and reviewed the North Madsen target potential that more drill rigs will be added to speed up the outlining of NI 43-101 compliant resources.

Our focus at Blue Caribou is to evaluate the economics of a much larger expanded deposit (30mt). To this end we are currently conducting metallurgical and baseline economic evaluation of the projected deposit. With the success of other deposits in the region and other factors coming together to promote and develop the infrastructure, we will be ready to drill out and capitalize on the dynamic and evolving economics of the area.

Our goal continues to be to add value and acquire properties that are high quality, high grade and or high margin projects. Our basis for working or acquiring projects will include an understanding of the economic model, partner and stake holder expectations and the odds of success. The year ahead is shaping up to be very exciting!

Thank you for your support.

James (Jim) Rogers, P.Geol
President & CEO, Mega Precious Metals Inc.