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## NEWS RELEASE

### Mega Silver Inc. announces Cost Reductions and Growth Plans

**November 4, 2008**

**Trading Symbol: TSX-V: MSR**

**Vancouver, Canada, November 4, 2008 – Mega Silver Inc.** (“Mega Silver”; MSR: TSX-V)

In response to current conditions in both domestic and international markets the Company is significantly reducing overhead and project expenditures to preserve cash. The Company’s technical staff, including the Vice President of Business Development, Mr. Peter Thiersch and the Vice President of Exploration, Mr. David Tupper, have resigned effective November 1<sup>st</sup> and December 31<sup>st</sup>, 2008, respectively. Several other employees and contractors have also been given notice and their contracts will be terminated effective December 31, 2008. Mr. Ken Carter, President and CEO of Megasilver said, “These are difficult and unpredictable times and the market uncertainties have required very hard decisions. The Board of Megasilver wishes to say thank you to its entire staff for the excellence and enthusiasm they brought to the Company over the past year and in particular to Mr. Tupper and Mr. Thiersch for their encouragement, contributions and leadership. With Mega Silver’s strong cash position of over \$11 million, we want to ensure that we are in a position to move quickly on new opportunities as we remain committed to finding new projects that will add shareholder value.”

At present Megasilver is winding up activities related to its 2008 exploration programs. Despite the market uncertainties the Company remains optimistic about commodities in general and the precious metals outlook in particular for 2009. The Company is going forward with planning for approximately \$2.2 million in flow through expenditures in 2009 on its existing Yukon projects as well as new exploration opportunities as they are identified. The Company will also continue actively looking at new precious metal acquisition and exploration opportunities throughout Canada and abroad during the coming year.

As part of its cost-cutting initiatives, the Company has renegotiated its agreement with Doyle Investments Inc. (“Doyle”) for the provision of investor relations services to Mega Silver. The new agreement provides for a reduced fee of \$2,500 per month plus expenses, and the Company has agreed to grant to Doyle an additional 100,000 stock options, exercisable at \$0.50 per share for a term of five years, subject to the approval of the TSX Venture Exchange. The options are subject to a four-month hold period and vest quarterly over a period of 10 months in accordance with the Company’s stock option plan.

The TSX Venture Exchange has neither approved nor disapproved the contents of this press release.

Certain statements contained in this news release may contain forward-looking information within the meaning of Canadian securities laws. Such forward-looking information are identified by words such as “estimates”, “intends”, “expects”, “believes”, “may”, “will” and include without limitation, statements regarding the Company’s plan of business operations; ability to negotiate and enter into definitive agreements; potential benefits of the acquisitions; the costs and timing associated with integrating the acquisitions; production levels, timing and costs; potential contractual arrangements and the delivery of equipment; receipt of working capital; anticipated revenue; mineral reserve and resource estimates; and projected expenditures. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially include, among others, metal prices, third party risks, acquisition risks, risks inherent in the mining industry, financing risks, regulatory risks and environmental concerns. Most of these factors are outside the control of the Company. Investors are cautioned not to put undue reliance on forward-looking information. Except as otherwise required by applicable securities statutes or regulation, the Company expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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The TSX Venture Exchange does not take responsibility for the adequacy or accuracy of this release.