



MEGA SILVER TO ACQUIRE 100% OPTION ON THE HEADWAY PROPERTY, RED LAKE, ONTARIO

Thunder Bay, Ontario
September 1 , 2009

Shares Issued: 35,333,972

Mega Silver Inc. (MSR:TSX-V) (“Mega”) is pleased to announce that it has entered into a Letter of Intent to acquire a 100% interest in the “Headway” property in the Red Lake, Ontario area from King’s Bay Gold Corporation (“King’s Bay”).

The Headway property is located adjacent to Hwy 105, between the towns of Red Lake and Balmertown, Ontario, 2 km southwest of the High Grade Zone, in the shadow of Goldcorp’s Red Lake Gold Mines Headframes. The property consists of six (6) patented claims and one (1) unpatented claim totaling approximately 320 acres. The property appears to have all of the essential geological elements including a well-developed intersection pattern of stratigraphic, shear / deformation zones that are associated with the high grade gold system on the adjacent mine properties. The Bonanza Replacement High Grade Zone is postulated to be hosted in Balmer age rocks occurring below the unconformity with the Confederation age rocks at 1,500 to 2500 metres deep.

The range of diamond drill intercepts carried out under NI-43101 compliant guidelines by King’s Bay in 2005 include 63.52 grams/tonne over 0.5 metres and 3.08 grams/tonne over 10.8 metres, true widths are unknown. Highlights of historical, none NI-43101 compliant exploration includes 0.61 oz/ton gold over 3.08 feet in drill core (H-13) and several surface grab samples exceeding 1.0 oz/ton gold. Gold is developed within quartz-carbonate +/- tourmaline +/- arsenopyrite veins associated with quartz-feldspar porphyry dykes that intrude altered and sheared mafic volcanics. These quartz-feldspar porphyry dykes are deep-seated structures that are intruded during the late stages of ore emplacement. This is evidenced by their structural relationships adjacent to and within the “ESC” and “High Grade” zones of Red Lake Gold Mines. The property contains two east-west trending, gold-bearing structural zones in intersection with the deep-seated extension of the north east trending Madsen deformation zone.

Currently, the Headway Joint Venture consists of King’s Bay Gold Corporation as to an 85% interest and Richview Resources inc. (“Richview”) as to a 15% interest of the mineral rights of the Headway Property. Subsequent to the signing of the Letter of Intent but before entering into a Definitive Agreement, King’s Bay shall

acquire a 100% interest in the property (the “Richview Condition”). Initial payment obligation at signing of the Definitive Agreement between the parties will be CAD\$340,000, issuance of 200,000 Mega Silver shares and first year project expenditures of \$750,000. Of the \$340,000 to be paid on the signing of the Definitive Agreement, \$140,000 is to be paid by Mega to Richview Resources to satisfy the Richview Condition, and \$200,000 is to be paid by Mega to King’s Bay Gold Corporation.

Terms of the staged 3 year option agreement between Mega and King’s Bay include cash payments totaling CAD\$460,000, issuance of 4,425,000 common shares of Mega and project expenditures of \$3,000,000. There is a 2.0% Net Smelter Royalty payable to the initial vendors of the property.

Jim Rogers, President and CEO of Mega states; “Our strategy to aggressively focus on building solid value by diligently acquiring and working high quality projects is coming together. I am thrilled and excited that our persistence and strong financial position has enabled us to add this high grade, high value project to our Red Lake corner stone focus.”

The Company is planning deep drill testing of a conceptual exploration model which may be viewed at

<http://www.megasilver.ca/home/properties/redlake/mapsandplans>

Terms and share issuance remain subject to TSX Venture Exchange and all regulatory approvals.

This press release is approved by Mr. Gord Yule, P.Geo., Qualified Person and Vice President Exploration for Mega Silver Inc.

Jim Rogers, President and CEO, is former Chief Mine Geologist at the Dickenson Gold Mine, forerunner to the prolific Red Lake Mine complex and most recently Regional Exploration Manager for Goldcorp in the Red Lake gold camp.

Mega Silver Inc. is a well financed Canadian-based mineral exploration company with several projects in Northwestern Ontario, Nunavut and the Yukon. The Company is committed to an accelerated growth strategy and is backed by a team of experienced mining experts and a strong financial position. The Company is poised for rapid expansion through quick response to new opportunities and changes in the market. Mega’s common shares trade on the TSX Venture Exchange under the symbol MSR.

For further information and presentation material, please review the Mega website at www.megasilver.ca

For further information, please contact:
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This news release includes certain forward-looking statements concerning the future performance of our business, its operations and its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. Forward-looking statements are frequently identified by such words as "may", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. These forward-looking statements represent management's best judgment based on current facts and assumptions that management considers reasonable. The Company makes no representation that reasonable business people in possession of the same information would reach the same conclusions. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and the availability of financing and as described in more detail in our recent securities filings available at www.sedar.com. Actual events or results may differ materially from those projected in the forward looking-statements and we caution against placing undue reliance thereon.

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