



The Resource Stock Watch

Mega Precious Metals positioned for continued success with steadily advancing projects, strong management.

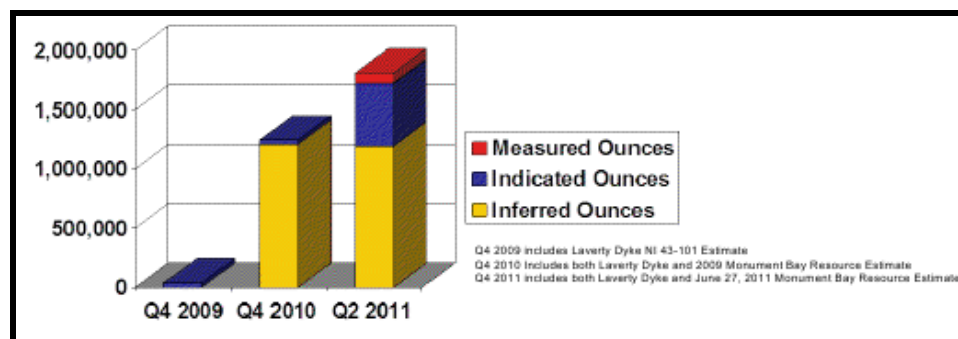
By Sara Patterson

Executive Vice President, Windward Global

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 formed a contiguous package with Mega's February 2, 2009 acquisition of the Laverly Property, where historic drill intersections grade up to 7.74 g/t (grams per tone) 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. These contiguous properties form the North Madsen Project.



ABOVE: *Mega continues to create ounces across all categories at a rapid rate at the Monument Bay Project in Manitoba.*

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 drilling at Laverty that both confirmed historic exploration and demonstrated potential for expansion. Drilling intersected 3.56 g/t gold over an average width of 27.9 meters, lending additional credence to Mega's belief that North Madsen is part of a much larger gold system that encompasses adjacent historically prolific mines.

The company's continued efforts at this project led to the July announcement of encouraging results from its current drill program. Marked by highlights such as 21.0 meters of 4.40 g/t followed by 21.3m of 0.94 g/t and 15.9 m of 1.65 g/t on the Buffalo West zone, this drilling and exploration program to date has outlined 7 mineralized structures that host two different styles of mineralization. The Buffalo Extension mineralization has been significantly expanded both laterally and vertically, and strong potential exists for additional resource expansion on 4 of the 7 structures. As such, an updated NI 43-101 resource calculation on North Madsen is expected by autumn. The project continues to demonstrate near surface gold potential, open pit potential, and the possibility of near-term production, strengthening its position as a key player in the steadily evolving Red Lake gold district.

In late 2009, Mega entered into a Definitive Acquisition Agreement to acquire 100% interest in Headway from King's Bay Gold Corporation. 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. 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. Mega is currently deep drill testing a conceptual exploration model at Headway.

Mega's most advanced project, Monument Bay, has been making further progress of late, underscoring the company's focus on steadily building shareholder value through its diverse project portfolio. Located 570 kilometers northeast of Winnipeg and 340 kilometers southeast of Thompson, Manitoba, the property consists of 35 contiguous claims totaling 6,692 hectares. Monument Bay is 100% owned by Mega, and a Memorandum of Understanding has been signed with Red Sucker Lake First Nations to cover certain portions of the project that lie therein.

The project was initially estimated to contain an Inferred Resource of 6,300,000 tonnes grading 5.98 g/tonne at a 3 g/tonne cutoff grade, equating to 1,294,999 contained ounces. Under Mega's management, however, the project has steadily and positively progressed, and in late June the company announced a newly updated calculation of mineral resources. The most recent calculation is a result of surface diamond drilling that targeted potential extensions of gold-bearing mineralization similar to those that were outlined during historic campaigns. This drill program sought to both upgrade portions of Inferred resources to the Measured and Indicated categories and add additional mineralized zones.

Coupled with a comprehensive due-diligence study of historical drill core and all other available technical data, the drill campaign led to a newly estimated NI 43-101 compliant Measured Resource of 221,510 tonnes grading 12.48 g/tonne, plus an Indicated Resource of 2,199,100 tonnes grading 7.12 g/tonne plus Inferred Resources of 6,147,000 tonnes grading 6.01 g/tonne using a 3.0 g/tonne cut off grade.

Significantly, Mega has executed over 27,000 meters of new drilling at the Red Lake and Monument Bay projects in 2011, emphasizing the rapid, goal-oriented pace of the company's progress. The Monument Bay resource in particular is notably robust, with a strong high-grade core not seen in previous estimates. In order to build upon this growing potential, the summer/fall drill program will add an additional 15,000 meters of drilling, expanding focus to include targets that could be mined as large bulk mineable stopes, thus increasing the property's overall economic potential. The project's underground potential will also be explored in the coming year.

The most recent resource estimation represents a 47% increase of gold in all categories, extending known zones, outlining newly discovered zones, and upgrading the project's overall resource quality and quantity. Further, detailed modeling indicated multiple opportunities to outline near-surface open pit resources, emphasizing the project's multifaceted potential. Mega will continue to test the deposit along strike and down dip for additional resource expansion during the remainder of the 2011 field season.

Monument Bay will be advanced toward underground development in 2012 and, along with additional projects in Mega's portfolio, is thus a strong factor in its management's confidence that the company will achieve its goal of reaching positive cash flow by 2014.

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 medal 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.

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.

Glen Kuntz

Chief Operating Officer

Mr. Kuntz is a registered Professional Geoscientist (Ontario) with over 20 years of broad-based expertise in all facets of exploration, mineral resources/reserves, reconciliation, production statistics, mine planning/scheduling, mine production, business development, and executive management. Glen has held positions of increasing responsibility with mining companies including Noranda, Vale, Rea Gold and Placer Dome (Canada and Australian Operations). Glen started his career 20 years ago as an exploration geologist with Noranda Exploration at the Monument Bay/Stull Lake camp and spent 6 years at Placer Dome - Campbell mine in the Red Lake operation in various project/team lead roles.

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. Prior to this, Wolfden Resources was the recipient of the 2004 NWOPA "Discovery of the Year" award for the discovery of the East Bay gold deposit, and again was honoured in 2005 for the discovery of the Bonanza gold deposit, in the burgeoning Red Lake gold camp. 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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