Mega Precious Metals Reports Updated Mineral Resource Estimate for the Monument Bay Project With a Significant Increase in Grade and Resources

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THUNDER BAY, Oct 8, 2014 - Mega Precious Metals Inc. (TSX VENTURE:MGP) ("Mega") is pleased to release an updated gold and initial tungsten mineral resource estimate ("resource; "resources"; "estimate") for the Company's 100% owned Monument Bay Project located in northeastern Manitoba. The undiluted and in-situ estimate was completed by WSP utilizing a 3D block model and supported with input from the Company's geological personnel and an extensive external third party peer review by Tim Twomey, P. Geo. Table 1 provides a deposit summary of the resource categorized by pit constrained and underground constrained cut-off grades (COG). For clarity, a reconciliation of changes with respect to the previously released resource estimate (June 17, 2013) is provided in Table 2 and 3. Three potential resource models were created to demonstrate either a higher grade scenario or utilizing larger and deeper potential pit shells that could be considered in a less-constrained capital markets environment are profiled in Table 6.

A conference call is planned for investors and analysts at 9:00am EST, Thursday, October 9, 2014 to discuss the results. Details of the call can be found at the bottom of the press release.

Highlights of the 2014 Twin Lakes Pit Constrained and Underground Constrained Deposit at a $1,092 USD gold price:

- Overall Measured and Indicated resources of 2.13 million ounces @ 1.51 g/t gold and 253,000 mtu (Metric Tonne Unit) of WO_3; an increase of 9% in grade.
- Overall Inferred resources of 0.63 million ounces @ 1.62 g/t gold and 99,000 mtu of WO_3; an increase of 27% in grade.
- Potential "starter pit" is identified and is based on higher-grade, near-surface mineralization
  - Measured and Indicated resource of 1.07 million ounces @ 2.89 g/t gold representing an increase of 60% in ounces and an increase of 7% in grade.
  - 305,000 Inferred ounces at 2.46 g/t gold.
- Conservative estimate utilizing a 20% reduction in gold price to $1,092 USD, 4.7% less gold recovery, 20% increase in pit constrained costs and a 31% reduction in gold grade cap (compared to the June 13, 2013 Resource Estimate).
- 13,500m of infill drilling, 11,000m OCAP sampling with the inclusion of separate gold and gold/tungsten wireframes were utilized compared to the previous estimate.
- The Indicated and Inferred tungsten resource is an initial resource and the ongoing OCAP sampling program will continue to build upon this tungsten resource in the coming months. Only one-quarter of the OCAP core has been sampled for tungsten.

Glen Kuntz, P.Geo, President and CEO, stated "Mega has produced a strong and conservative resource update at Monument Bay, Manitoba in challenging market conditions. The Twin Lakes Deposit has stood up well with a significant increase in overall grade and the definition of multiple high grade gold trends at surface that appear to be amenable to open pit mining, assuming the viability of the project is established by a feasibility study. The forthcoming feasibility analysis will further assess the potential to establish economically viable mineral resources of both gold and tungsten that can be permitted, mined and processed while continuing to build strong partnerships that focus on environmental and socio-economic programs with all local communities to facilitate long term success. The Company believes that the current resource and the significant potential to further grow resources confirms the emergence of a high grade gold and tungsten camp at Monument Bay."

Table 1: Mineral Resource Statement, Monument Bay Gold and Tungsten Project

Deposit	Cut-Off Category	Classification	Tonnes (000's)	Au Grade (g/t)	WO_3 Grade (%)	Au Ounces (000's)	WO_3 (mtu) (000's)	Au Equivalent Ounces
Twin Lakes	Pit Constrained > 0.7 g/t Au	Measured (M) Au Only	10,905	1.86	N/A	652	N/A	
		Measured (M) Au + WO_3	-	-	-	-	-	-
		Indicated (I) Au	30,992	1.38	N/A	1,375	N/A	
		Indicated (I) Au + WO_3	1,492	1.67	0.17	80	253	145
		Subtotal M & I	43,389	1.51	N/A	2,107	253	2,247
		Inferred Au Only	10,330	1.61	N/A	535	N/A	
		Inferred Au + WO_3	508	1.82	0.19	30	99	55
		Subtotal Inferred	10,838	1.62	N/A	564	99	617
	Underground Constrained > 4.0 g/t Au	Measured (M)	25	8.71	N/A	7	N/A	7
		Indicated (I)	96	5.02	N/A	15	N/A	15
		Subtotal M & I	121	5.78	N/A	22	N/A	55
		Inferred	388	4.98	N/A	62	N/A	62
AZ & Mid-East	Un Constrained > 0.4 g/t Au	Measured (M)	-	-	-	-	-	
		Indicated (I)	4,529	0.55	-	80	-	80
		Subtotal M & I	4,529	0.50	-	80	-	80
		Inferred	18,238	0.53	-	312	-	321
Combined		Total M& I	48,039	1.43	N/A	2,203	253	2,382
		Total Inferred	29,464	0.99	N/A	937	99	1,000

The independent and Qualified Persons for the Mineral Resource Estimate, as defined by Regulation 43-101 are Todd McCracken P.Geo Geology, Joanne Robinson P.Eng Mine Engineering from WSP Canada Inc. and Dean Thibault P.Eng Senior Process Chemical Engineer from Thibault and Associates Inc. The effective date of the estimate is August 12, 2014.

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- Pit constrained results are presented undiluted within a Whittle-Optimized pit shell for the Twin Lakes Deposit and a non-pit constrained for the AZ and Mid East Deposits.
- Below pit constrained resources are presented undiluted outside a Whittle-Optimized pit shell.
- The estimate includes 3 gold bearing zones and 24 gold-tungsten bearing zones.
- Gold Equivalent Ounces = ((gold grade X gold price in grams X gold recovery) + (tungsten grade X tungsten price in mtu X tungsten recovery)) /(gold price in grams X gold recovery).
  - i.e.: ((Au grade (g/t) x $35.109/g x 0.903) + ($WO_3$% x $336/t x 0.75))/($35.109*0.903)
- A minimum thickness of 2.0 m for the interpretation of the mineralized zones was applied using the grade of the adjacent material when assayed, or a value of "absent" for any areas not assayed yet with the Old Core Assay Program (OCAP).
- Compositing was completed on all drill holes falling within the mineralized zones (Composites = 2.0 m).
- Resources were evaluated from drill holes using a 4-pass NN, ID2 and OK interpolation method, with OK being used as the final estimate for Au mineralization and ID2 for tungsten mineralization.
- The Measured Category is defined in areas where blocks were interpolated within 50% of the max search radius in pass 1, kriging variance of less than 1.01, minimum number of samples is 4 and minimum number of drill holes is 2.
- The Indicated Category is defined in areas where blocks have a kriging variance of less than 2.0, minimum number of samples is 4 and minimum number of drill holes is 2.
- The Inferred Category is defined as all remaining estimated blocks.
- Ounce (troy) = Metric Tonnes x Grade / 31.103. Calculations used metric units (metres, tonnes and g/t).
- A Metric Tonne Unit (MTU = 10 kgs/tonne)
  * The number of metric tonnes was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in Regulation 43-101.
- WSP and Thibault are not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the Mineral Resource Estimate.
- The mineral resource estimate used the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by CIM Standing Committee on Reserve Definitions and adopted by CIM Council on November 27, 2010. The mineral resource estimate is classified as "Indicated", or "Inferred" as defined by CIM. The Company intends to file a National Instrument 43-101 ("NI 43-101") compliant technical report in respect of the updated mineral resource estimate on SEDAR and on the Company's website within 45 days of this news release.

Additional Details on Mineral Resource Estimate

The Twin Lakes Gold Tungsten deposit wireframes were created on the basis of the geological model of an

interconnected breccia and shear vein anastomosing mineralizing system within a brittle ductile deformation zone known as the Twin Lakes Shear Zone (TLSZ).

The main gold and tungsten mineralization is centered around a felsic to intermediate feldspar and locally quartz porphyritic dyke which strikes sub-parallel to surrounding volcanic and sedimentary rocks. This dyke is strongly spatially associated with the mineralization and structurally behaves as a very competent rock relative to the surrounding volcanics and sediments and is typically brecciated with quartz vein fill containing both gold and tungsten mineralization. Locally the sediments and volcanics surrounding the porphyry are silicified and for this reason behave structurally similar to the porphyry and are brecciated and mineralized in a similar fashion. In general the hanging wall and foot wall sediments and volcanics are less competent and are sheared rather than brecciated and host the majority of the narrower and locally much higher grade shear veins which generally branch off of the main breccia system in the core of the deposit.

Gold tungsten mineralized zones wireframes were created on 25 m sections with a 25 m viewing corridor (±12.5 m of section line) with reference to 3D space for aiding interpretation in complex areas. Measured and interpreted field structural data was taken into consideration when modelling the trends of mineralized zones. Three gold zones (Main, FW1, and FW2) were created to model the gold and 24 gold tungsten zones were created to model the tungsten mineralization. Wireframe resource areas are constrained within an open pit resource model with an additional U/G resource estimated below the open pit. Areas of less well defined mineralization or areas of scattered mineralization were lumped together to avoid very narrow irregular wireframes. A minimum width of two metres was used to create the wireframes. In a few areas where there is narrow high grade mineralization, some dilution was included to meet the minimum wireframe limits. Wireframes were not restricted to within a single geologic unit and were modelled to crosscut geologic contacts where structural controls and the overall trend of mineralization supported this.

The current tungsten resource is preliminary in nature due the relatively limited sampling analysis completed to date. For comparison the sample density of Mega's current gold resource is approximately 30,000 samples within the mineralized envelope and tungsten is approximately 4,000 samples.

Table 2 outlines the multiple adjustments which have been made in completing the resource estimate in 2014 versus 2013. Table 3 summarizes the reconciliation between the 2013 resource estimate and the new 2014 Monument Bay mineral resource update.

Table 2: Summary of Resource Whittle Input Parameters and Assumptions used for the potential pit constrained Monument Bay Resource Estimate

Whittle Input Parameters or Assumption	Twin Lakes Deposit 2014 Resource	Twin Lakes Deposit 2013 Resource
Whittle Assumptions		
Gold Price per Ounce (USD)	$1,092	$1,372
WO_3 Concentrate/ MTU (USD)	$336	N/A
Mining Cost $/tonne O/P	$1.89	$ 1.82
Re-handling $/tonne	$0.05	$0.05
Processing $/tonne O/P AU	$10.10	$ 8.73
Processing $/tonne O/P WO_3	$13.31	N/A
Mining Recovery	95%	95%
Mining Dilution	8%	5%
Mill Recovery (%) AU	90.3%	95%
Mill Recovery (%) WO_3	75%	N/A
Cut-Off Grade Potential O/P (g/t)	0.7	0.7
Cut-Off Grade Below the Potential O/P (g/t)	4.0	4.0
G&A Cost (fly in/out Camp) $/tonne milled	$1.06	$0.24
Assumed Pit Slope Angle	55	55
Data or Assumption		
Date of Data Used	August 12, 2014	Jan 31, 2013
Number of drill holes and Surface Samples	592 drill holes	539 drill holes and 73 channel samples (property wide)
Number of Raw Assays	80,380 Au samples	70,026 Au samples
Composite Length m	2.0	2.0
O/P Strip Ratio	6.21 (water and OB removed)	5.2 (water and OB removed)
O/P Strip Ratio (Starter Pit)	5.84 (water and OB removed)	2.15 (water and OB removed)
Specific Gravity (SG)	2.76	2.73
Block Model & Interpolation Software	Surpac/Whittle	Datamine NPV Scheduler /Gems
Interpolation Method	OK for Au and ID2 for WO_3	OK

Block Sizes (mxmxm)	(10 X 10 X 10) subblocked	30x30x30 (subblocked)
Cap Grade (g/t) AU	60.35 (After first pass)	88.0
Cap Grade (%) W	1.62% (After first pass)	N/A

All costs are in CDN dollars unless noted

Table 3 - Reconciliation of the 2014 vs 2013 Mineral Resource Estimates

	Potential Mining Horizon	Estimates & Impact of Variables	Tonnes ('000)
Measured and Indicated Resources	Pit Constrained	June 2013 Estimate (0.70 g/t COG)	62,484
		Conversion from Inferred	-5,670
		Potential Mining Cost/Factors (operating costs, cap grade, gold recovery, gold price)	-11,542
		Addition of Tungsten mineralization	1,492
		New and OCAP drilling in 2013 and 2014	3,600
		New structural, lithological and mineralized wireframes	-6,975
		October 2014 Estimate (0.70 g/t COG)	43,389
	Underground Constrained	June 2013 Estimate (4.00 g/t COG)	133
		Conversion to O/P	-12
		October 2014 Estimate (4.00 g/t COG)	121
Inferred Resources	Pit Constrained	June 2013 Estimate (0.70 g/t COG)	7,630
		Conversion from Underground	204
		Conversion from Measured and Indicated	5,450
		Potential Mining Cost/Factors (operating costs, cap grade, gold recovery, gold price)	-1,814
		Addition of Tungsten mineralization	508
		New and OCAP drilling in 2013 and 2014	1295
		New structural, lithological and mineralized wireframes	-2,435
		October 2014 Estimate (0.70 g/t COG)	10,838
	Underground Constrained	June 2013 Estimate (4.00 g/t COG)	592
		Conversion to O/P	-204
		October 2014 Estimate (4.00 g/t COG)	388

The Ordinary Kriging (OK) method, which gives a high level of selectivity, was utilized in the gold resource estimate and Inverse Distance (ID^2) method was used for the tungsten estimate within the mineralized wireframes. The resource models were validated visually by sectioning and running a parallel estimate using Nearest Neighbor (NN) and Inverse Distance.

The drillhole assay and survey database used in the current estimate is complete as of August 12, 2014. At that time, Mega had completed 13,000m of new diamond drilling, and 11,000 OCAP samples for a total of greater than 171,000m of overall drilling integrated into the current estimate.

The aggregate impact of adjustments to the 2014 resource update has resulted in a 25% decrease in overall Measured and Indicated ounces and a 50% increase in Pit Constrained Inferred ounces. More importantly, the Pit Constrained Measured and Indicated grade had a 9% increase and the Inferred grade increased by 27% compared to the 2013 resource estimate. The 2014 capping strategy removed 22% of the gold contained within the overall uncapped gold inventory as compared with 16% in the 2013 resource estimate.

Tables 4 and 5 present the sensitivity of tonnage and grade at a range of cut-off grades from the block model used for the Mineral Resource Estimate. The analysis indicates the robust nature of the overall resource and potential to optimize the grade and deposit margins.

Table 4: Sensitivity of the Pit Constrained Twin Lakes Deposit at Various Cut-off Grades - Au Only

Measured and Indicated Resources			
Cut-off (Au g/t)	Tonnes (000's)	Gold (Au) Grade (g/t)	Au Ounces (000's)
0.4	81,036	1.06	2,754

0.6	53,202	1.35	2,312
*0.7	43,389	1.51	2,107
0.8	35,564	1.68	1,919
1.0	25,105	2.01	1,619
1.2	18,541	2.33	1,389
1.5	12,017	2.87	1,108
Inferred Resources			
Cut-off (Au g/t)	Tonnes (000's)	Gold (Au) Grade (g/t)	Au Ounces (000's)
0.4	16,799	1.23	666
0.6	12,575	1.48	599
*0.7	10,838	1.62	564
0.8	9,391	1.75	529
1.0	7,693	1.94	480
1.2	5,627	2.26	409
1.5	4,384	2.52	356

**Pit Constrained cut-off used for 2014 resource estimate*

Table 5: Sensitivity of the Underground Constrained Twin Lakes Deposit at Various Cut-off Grades - Au Only

Measured and Indicated Resources			
Cut-off (Au g/t)	Tonnes (000's)	Gold (Au) Grade (g/t)	Au Ounces (000's)
2.0	1,471	2.78	132
2.5	641	3.52	73
3.0	346	4.21	47
3.5	177	5.13	29
*4.0	121	5.78	22
4.5	84	6.44	17
5.0	52	7.47	13
Inferred Resources			
Cut-off (Au g/t)	Tonnes (000's)	Gold (Au) Grade (g/t)	Au Ounces (000's)
2.0	2,197	3.08	218
2.5	1,381	3.59	159
3.0	885	4.07	116
3.5	552	4.61	82
*4.0	388	4.98	62
4.5	276	5.27	47
5.0	84	6.31	17

** Underground Constrained cut-off used for 2014 resource estimate*

Pit Constrained, Mineral Resource Sensitivity Analysis

Three potential resource models were created to demonstrate either a higher grade scenario or utilizing larger and deeper potential open pit shells that could be considered in a less-constrained capital markets environment are profiled in Table 6. The pit constrained resource is found within the Twin Lakes pit constrained resource outlined in Table 1. There is no guarantee that the potential for higher grade mineralization to form the basis for a starter pit component in any production scenario at Monument Bay.

Option 1 and 2 use the same parameters found in table 2 other than the gold price. Option 2 was created at a gold price of USD $1372/ounce which is the same gold price used in the June 2013 resource estimate.

Table 6 - Pit Constrained, Mineral Resource Sensitivity Analysis

Resource Options	Cut-off Category	Resource Category	Tonnes ('000)	Gold (Au) Grade (g/t)	WO_3 Grade (%)	Au Ounces ('000)

Pit Constrained Resource ($1014 Au)	Pit Constrained 1.5 g/t cut-off	Measured (M) & Indicated (I) Au	11,034	2.89	N/A	983
		Indicated (I) WO_3	472	2.89	0.18	86
		Subtotal M & I	11,506	2.89	0.18	1,069
		Inferred Au	3,648	2.46	N/A	270
		Inferred WO_3	211	2.46	0.17	35
		Subtotal Inferred	3,859	2.46	0.17	305
Option # 1 ($1300 Au)	Pit Constrained 0.7 g/t cut-off	Measured (M) & Indicated (I)	46,428	1.49	N/A	2,226
		Inferred	11,831	1.61	N/A	612
	Underground Constrained 4.0 g/t cut-off	Measured (M) & Indicated (I)	78	4.94	N/A	12
		Inferred	373	4.98	N/A	60
	Combined	Measured (M) & Indicated (I)	46,506	1.50	N/A	2,238
		Total Inferred	12,204	1.71	N/A	672
Option # 2 ($1372 Au)	Pit Constrained 0.7 g/t cut-off	Measured (M) & Indicated (I)	53,489	1.46	N/A	2,502
		Inferred	16,500	1.56	N/A	829
	Underground Constrained 4.0 g/t cut-off	Measured (M) & Indicated (I)	24	5.03	N/A	4
		Inferred	250	5.00	N/A	40
	Combined	Measured (M) & Indicated (I)	53,513	1.46	N/A	2,506
		Total Inferred	16,750	1.61	N/A	869

Live Conference Call Access Information

The Corporation has scheduled a conference call for investors and analysts at 9:00 AM (Eastern Time) Thursday October 9, 2014. Please download the Monument Bay Technical Presentation prior to conference call at www.megapmi.com/assets/files/monument_bay/2014/October_2014_Resource_Update.pdf

North American Toll-Free Number: 1.866.261.6767, Participant Code: 6714263#
International Toll-Free Number: 0080045622524, Participant Code: 6714263#
International Toll Number: 416.850.2050, Participant Code: 6714263#

Technical Information

The design of Mega's drilling programs, Quality Assurance/Quality Control and interpretation of results is under the control of Mega's geological staff including qualified persons employing a QA/QC program consistent with NI 43-101 and industry best practices. A detailed review of Mega's QA/QC procedures is filed in the NI 43-101 report dated June 17, 2013 and on SEDAR.

All drill core is transported by Company personnel from drill site to our camp for logging, sampling preparation are completed. Sampling intervals are defined after core logging and determination of scheelite content by examination under short-wave UV-light. One half of the core is sent for analysis, while the other half is retained in the core boxes for future reference. All samples are shipped to Accurassay Laboratories in Thunder Bay, Ontario and analyzed employing the appropriate gold fire assaying technique. For QA/QC purposes the Company as well as the lab submits standards and blanks every 20 samples. Samples are analyzed for W by XRF and assay results for tungsten are reported by the laboratory as W%. WO_3 values are calculated using a conversion factor of 1.2611.

BC Energy & Mines
http://www.empr.gov.bc.ca/MINING/GEOSCIENCE/MINFILE/PRODUCTSDOWNLOADS/MINFILEDOCUMENTATION/

Qualified Person

The Independent and Qualified Persons as defined in NI 43-101, of Mega Precious Metals Inc. being WSP Canada Inc, Tim Twomey, P.Geo (3rd Party Peer Reviewer) & Thibault and associates acknowledges that it has read this press release and there are no errors contained herein.

Glen Kuntz, P. Geo, President and CEO, is the Qualified Person for the information contained in this press release and is a Qualified Person defined by National Instrument 43-101. Mr. Kuntz was Sr. Resource Geologist at the Campbell Gold Mine and Global Spatial Data Systems Coordinator for Placer Dome, Vice President Enterprise Mining Solutions for Runge Ltd., and most recently, Chief Operating Officer with Mega Precious Metals

The QP has prepared, supervised the preparation or approved the technical and scientific disclosure in this

news release.

Mega Precious Metals Inc. is a Canadian-based exploration company with a pipeline of high quality gold and copper projects located in the mining friendly jurisdictions of Manitoba, Northwestern Ontario and Nunavut. The Company's significant portfolio includes the flagship Monument Bay Gold Tungsten Project in NE Manitoba as well as the N. Madsen Gold Project in the prolific Red Lake gold mining district.. Mega has established a record of delivering rapid resource growth through their focused and low cost approach to exploration and resource development. The Company's common shares trade on the TSX Venture Exchange under the symbol MGP.

For further information and presentation material, please review the Mega website at www.megapmi.com

Forward-looking Statements

Certain statements in this press release relating to the Company's exploration activities, project expenditures and business plans are "forward-looking statements" within the meaning of securities legislation. The Company does not assume any obligation, to update these forward-looking statements. 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. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In particular, fluctuations in the price of gold or in currency markets could prevent the Company from achieving its targets. Readers should not place undue reliance on forward-looking statements. More information about risks and uncertainties affecting the Company and its business is available in Mega Precious Metal's filings which are posted on SEDAR at www.sedar.com.

There is no guarantee that drill results reported in this news release will lead to the identification of a deposit that can be mined economically and further work is required to identify a reserve or resource.

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.

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