NOTICE TO READER

These consolidated financial statements for the three months ended December 31, 2017 have been restated (the "Restated Consolidated Financial Statements") and are being refiled because the original consolidated financial statements, which were filed on SEDAR on February 14, 2018, did not record deferred income tax recovery in respect of the company's investments. These Restated Consolidated Financial Statements now include the effect of deferred income tax recovery on the company's investments for the period (see Note 5 for details). The comparative interim financial information that is included in the Restated Consolidated Financial Statements is taken from consolidated financial statements for the three months ended December 31, 2016 that have also been restated due to the occurrence of the same type of deferred tax error in that period. The related Management's Discussion and Analysis for the three months ended December 31, 2017, which was filed on SEDAR on February 14, 2018, has been revised (the "Revised MD&A") to reflect the effects of the restatement and include the disclosure of a material weakness in the company's internal control over financial reporting that existed at the end of the interim period in light of the restatement, and is being refiled with the Restated Consolidated Financial Statements.

RESTATED

CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED DECEMBER 31, 2017

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Mega Uranium Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

MEGA URANIUM LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited - in thousands of dollars, except for securities and per share amounts)

	As at December 31, 2017 (note 5) restated	As at September 30, 2017 (note 5) restated
ASSETS		
Current assets		
Cash and cash equivalents (note 6)	**$ 653**	$ 1,012
Receivables and prepaid expenses (note 7)	**227**	256
Marketable securities (note 8)	**781**	663
Total current assets	**1,661**	1,931
Non-current assets		
Restricted cash (note 9)	**343**	342
Equity investment (note 10)	**15,443**	15,599
Long-term investment (note 11)	**61,810**	53,285
Capital assets, net	**80**	89
Total non-current assets	**77,676**	69,315
Total assets	**$ 79,337**	$ 71,246
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (notes 12 and 13)	**$ 374**	$ 231
Total liabilities	**374**	231
Capital and reserves		
Share capital (note 14)	**273,747**	273,644
Warrant reserve (note 16)	**426**	426
Share option reserve	**65,503**	65,355
Accumulated other comprehensive income	**45,505**	38,110
Deficit	**(306,218)**	(306,520)
Total equity	**78,963**	71,015
Total equity and liabilities	**$ 79,337**	$ 71,246

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Going concern (note 2)
Commitments and obligations (note 21)

MEGA URANIUM LTD.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income
(Expressed in Canadian Dollars)
(Unaudited - in thousands of dollars, except for securities and per share amounts)

	Three Months Ended December 31, 2017 (note 5) restated	Three Months Ended December 31, 2016 (note 5) restated
Operating expenses		
General and administrative expenses (note 19)	**$ 676**	$ 595
Exploration and evaluation expenditures (note 20)	**182**	143
Operating loss before the following items	**(858)**	(738)
Loss on equity investment	**(156)**	(331)
Loss on deemed disposition of equity investment	**-**	(22)
Unrealized gain (loss) on marketable securities	**106**	(156)
Interest income	**3**	1
Other income	**79**	-
Foreign exchange loss	**(2)**	(12)
Net loss before taxes	**(828)**	(1,258)
Deferred tax recovery	**1,130**	847
Net income (loss) for the period	**302**	(411)
Other comprehensive (loss) income		
Items that will be reclassified subsequently to the profit and loss:		
Exchange differences on translation of foreign operations	**-**	(24)
Change in fair value of long-term investment	**7,395**	5,547
Other comprehensive income	**7,395**	5,523
Total comprehensive income for the period	**$ 7,697**	$ 5,112
Basic and diluted loss per common share (note 17)	**$ 0.00**	$ (0.00)

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

MEGA URANIUM LTD.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited - in thousands of dollars, except for securities and per share amounts)

	Three Months Ended December 31, 2017 (note 5) restated	Three Months Ended December 31, 2016 (note 5) restated
Operating activities		
Net loss (income) for the period	**$ 302**	$ (411)
Adjustment for:		
Unrealized (gain) loss on marketable securities	**(106)**	156
Amortization	**9**	12
Stock-based compensation	**186**	86
Loss on equity investment	**156**	331
Loss on deemed disposition of equity investment	**-**	22
Deferred tax recovery	**(1,130)**	(847)
Non-cash working capital items:		
Receivables and prepaid expenses	**29**	(20)
Amounts payable and other liabilities	**143**	184
Net cash used in operating activities	**(411)**	(487)
Financing activities		
Proceeds from exercise of stock options	**65**	-
Proceeds from exercise of warrants	**-**	354
Net cash provided by financing activities	**65**	354
Investing activities		
Purchase of marketable securities	**(12)**	-
Purchase of capital assets	**-**	(4)
Net cash used in investing activities	**(12)**	(4)
Effect of exchange rate changes on cash held in foreign currencies	**(1)**	4
Net change in cash and cash equivalents	**(359)**	(133)
Cash and cash equivalents, beginning of period	**1,012**	734
Cash and cash equivalents, end of period	**$ 653**	$ 601

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

MEGA URANIUM LTD.
Condensed Interim Consolidated Statements of Equity
(Expressed in Canadian Dollars)
(Unaudited - in thousands of dollars, except for securities and per share amounts)

	Number of common shares	Share capital	Warrant reserve	Share option reserve	Accumulated other comprehensive income (loss) (note 5) restated	Deficit (note 5) restated	Total Shareholders' equity
Balance, October 1, 2016	**281,849,328**	**$ 271,741**	**$ 154**	**$ 64,784**	**$ 25,022**	**$ (304,948)**	**$ 56,753**
Exercise of warrants	2,525,000	429	(75)	-	-	-	354
Expiry of warrants	-	-	(44)	-	-	44	-
Stock-based compensation	-	-	-	86	-	-	86
Net loss for the period	-	-	-	-	-	(411)	(411)
Other comprehensive income	-	-	-	-	5,523	-	5,523
Balance, December 31, 2016	**284,374,328**	**$ 272,170**	**$ 35**	**$ 64,870**	**$ 30,545**	**$ (305,315)**	**$ 62,305**
Balance, October 1, 2017	**294,278,973**	**$ 273,644**	**$ 426**	**$ 65,355**	**$ 38,110**	**$ (306,520)**	**$ 71,015**
Exercise of stock options	666,666	103	-	(38)	-	-	65
Stock-based compensation	-	-	-	186	-	-	186
Net income for the period	-	-	-	-	-	302	302
Other comprehensive income	-	-	-	-	7,395	-	7,395
Balance, December 31, 2017	**294,945,639**	**$ 273,747**	**$ 426**	**$ 65,503**	**$ 45,505**	**$ (306,218)**	**$ 78,963**

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

1. Nature of business

Mega Uranium Ltd. ("Mega" or the "Company") was incorporated in 1990 under the laws of the Province of Ontario and its shares are publicly traded on the Toronto Stock Exchange (the "TSX") under the symbol "MGA". The Company is domiciled in the Province of Ontario, Canada and its registered office located at 211 Yonge Street, Suite 502, Toronto, Ontario, Canada, M5B 1M4.

Mega is an exploration and development stage mineral resources company with properties in Australia and Canada and investments in uranium-focused public companies.

Mega is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related expenditures is dependent upon various factors, including: the future selling price of uranium; the existence of economically recoverable reserves; the ability of the Company to obtain the necessary financing to complete exploration and development; government permitting policies and regulations; and future profitable production or proceeds from disposition of such properties.

In addition to the Company's own exploration and development activities, Mega participates indirectly in the uranium sector through its securities holdings in other public companies, including its significant long-term investment in NexGen Energy Ltd. ("NexGen") (NXE:TSX), its equity interest in Toro Energy Limited ("Toro") (TOE:ASX), and marketable securities in other uranium-focused issuers. NexGen is an exploration stage entity engaged in the acquisition, exploration and evaluation of uranium properties in Canada. NexGen is a public company incorporated pursuant to the provisions of the British Columbia Business Corporations Act and has its registered records office located on the 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3. Toro's principal activities include the development of the Wiluna Uranium Project, generating and investing in securities and financial instruments and new projects in uranium, though not exclusively, and exploration and evaluation of its tenement holdings. Toro is public company incorporated and domiciled in Australia. The address of its registered office and principal place of business is 60 Havelock Street West Perth WA 6005.

These unaudited condensed interim consolidated financial statements ("interim consolidated statements") were approved by the Company's board of directors on January 24, 2019.

2. Going concern

These interim consolidated statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company has an accumulated deficit of $306,218 (restated) (September 30, 2017 - $306,520 (restated)). The Company is in the exploration and development stage and is subject to risks and challenges similar to other companies in a comparable stage of exploration.

These risks include, but are not limited to, dependence on key individuals, successful exploration and the ability to secure adequate financing to meet the minimum capital required to successfully complete the projects, political risk relating to maintaining property licenses in good standing and continuing as a going concern.

The Company will have to raise additional funds to continue operations. Although the Company is able to raise funds by selling equity investments and has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available on terms acceptable to the Company. The Company's ability to generate capital from external sources or dispositions of investments is dependent upon many factors outside of its control, including the market values of its investments which can fluctuate significantly at any time and have a material and unpredictable impact of the Company's capital resources.

2. Going concern (continued)

Failure to meet its funding commitments with its partners or its ongoing obligations in respect of governing bodies in the jurisdictions in which it operates may result in the loss of the Company's exploration and evaluation interests.

The challenges of securing requisite funding beyond December 31, 2017 and the continued estimated operating losses cast significant doubt on the Company's ability to continue as a going concern.

The interim consolidated statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern. Such adjustments could be material.

3. Basis of preparation

a) Statement of compliance:

These interim consolidated statements have been prepared on a condensed basis in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting issued by IAS Board ("IASB") and interpretation of the International Financial Reporting Interpretations Committee using accounting policies consistent with International Financial Reporting Standards ("IFRS") and includes the accounts of Mega and its subsidiary entities.

The same significant accounting policies and methods of computation were followed in the preparation of these interim consolidated statements as were followed in the preparation and described in note 4 of the restated annual consolidated financial statements as at and for the years ended September 30, 2018 and 2017 filed on SEDAR on December 18, 2018. Accordingly, these interim consolidated statements for the three months ended December 31, 2017 should be read together with the restated annual consolidated financial statements as at and for the years ended September 30, 2018 and 2017 filed on SEDAR on December 18, 2018. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these interim consolidated statements are presented below.

b) Basis of presentation:

These interim consolidated statements have been prepared using the historical cost convention except for some financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("$") except as otherwise noted.

c) Basis of consolidation:

These interim consolidated statements include the accounts of Mega and its wholly-owned subsidiaries: Maple Resources Inc.; Uranium Mineral Ventures Inc. ("UMVI"); Mega Georgetown Pty Ltd.; Mega Hindmarsh Holdings Pty Ltd. ("Hindmarsh").; Mega Redport Holdings Pty Ltd.; Monster Copper Corporation ("Monster").; Nu Energy Uranium Corporation. ("Nu Energy"); and Northern Lorena Resources Ltd. ("Lorena"). The Company has additional indirect subsidiaries that are wholly-owned investments of its subsidiaries.

Subsidiaries are all entities which the Company controls, either directly or indirectly, where control is defined as the power to govern an entity's financial and operating policies and generally accompanies a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that may arise upon the exercise or conversion of non-voting securities are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and they are de-consolidated from the date on which control ceases.

All inter-company transactions and balances have been eliminated upon consolidation.

3. Basis of preparation (continued)

d) Critical accounting judgments, estimates and assumptions:

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and contingent liabilities and the accompanying note disclosures at the date of the interim consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, actual outcomes may differ from these estimates. The information about significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, revenue and expenses are discussed below:

(i) Determination of functional currency:

IAS 21 "The Effects of Changes in Foreign Exchange Rates" ("IAS 21"), defines the functional currency as the currency of the primary economic environment in which an entity operates. The determination of functional currency, which is performed on an entity by entity basis, is based on various judgmental factors outlined in IAS 21. Based on an assessment of the factors in IAS 21, primarily those that influence labour, material and other costs of goods or services received by the Company's subsidiaries, management determined that the functional currency for the parent is the Canadian Dollar and the functional currency for the Company's subsidiaries in Australia is the Australian Dollar.

(ii) Share-based payments:

The Company uses the Black-Scholes option pricing model to calculate stock-based compensation expense. The Black-Scholes model requires six key inputs to determine a value for an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

(iii) Significant influence:

Management determines its ability to exercise significant influence over an investment in shares of other companies by looking at its percentage interest and other qualitative factors including but not limited to its voting rights, representation on the board of directors, participation in policy-making processes, material transactions between the Company and the associate, interchange of managerial personnel, provision of essential technical information and operating involvement.

(iv) Deferred tax assets and liabilities:

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The Company computes deferred tax assets and liabilities in respect of taxes that are based on taxable profit. Taxable profit is understood to be a net, rather than gross, taxable amount that gives effect to both revenues and expenses. Taxable profit will often differ from accounting profit and management may need to exercise judgment to determine whether some taxes are income taxes (subject to deferred tax accounting) or operating expenses.

3. Basis of preparation (continued)

d) Critical accounting judgments, estimates and assumptions: (continued)

(iv) Deferred tax assets and liabilities: (continued)

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the differences are expected to be recovered or settled. The determination of the ability of the Company to utilize tax loss carry forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is “probable” that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, commodity prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

(v) Going concern

The assessment of the Company’s ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in note 2.

4. Recent accounting pronouncements

New standards not yet adopted:

(a) Financial instruments ("IFRS 9")

In July 2014, the IASB published the final version of IFRS 9. IFRS 9 introduces a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting.

In addition, IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value, such that gains caused by the deterioration of an entity’s own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. The final version of IFRS 9 is effective for periods beginning on or after January 1, 2018; however, it is available for early adoption.

The Company is in the process of assessing the impact of adopting this standard.

(b) Revenue from Contracts with Customers (“IFRS 15”)

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognized when a customer obtains control of a good or service. The standard replaces IAS 18 “Revenue” and IAS 11 ”Construction Contracts” and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted.

The Company is in the process of assessing the impact of adopting this standard, however the Company does not expect IFRS 15 to have an impact on its financial statements.

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

4. Recent accounting pronouncements (continued)

New standards not yet adopted: (continued)

(c) Leases ("IFRS 16")

IFRS 16 was issued by the IASB in January 2016. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. IFRS 16 is effective for periods beginning on or after January 1, 2019. Earlier application is permitted.

The Company is in the process of assessing the impact of adopting this standard.

5. Restatement

During the external audit of the Company's financial statements for the year ended September 30, 2018, the Company identified that it had not recorded, on a quarterly basis, the correct balance for deferred income tax recovery in respect of its investment in NexGen. The effect of the deferred tax error was that it required the restatement of the Company's consolidated financial statements for the first three quarters of its 2016, 2017 and 2018 financial years. For the three months ended December 31, 2017 the effect of this error is an understatement of deferred tax recovery of $1,130 (three months ended December 31, 2016 - an understatement of deferred tax recovery of $847) and an overstatement of change in fair value of long-term investment, net of tax of $1,130 (three months ended December 31, 2016 - an overstatement of $847).

The impact of the restatement on the consolidated financial statements as at and for the three months ended December 31, 2017 is as follows:

	As previously reported	Adjustment	Restated
STATEMENT OF FINANCIAL POSITION			
Accumulated other comprehensive income	$ 44,633	$ 872	**$ 45,505**
Deficit	(305,346)	(872)	**(306,218)**
STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME			
Deferred tax recovery	$ -	$ 1,130	**$ 1,130**
Net (loss) income for the period	(828)	1,130	**302**
Change in fair value of long-term investment, net of tax	8,525	(1,130)	**7,395**
Total comprehensive income for the period	7,697	-	**7,697**
Basic and diluted (loss) income per share	(0.00)	0.00	**0.00**
STATEMENT OF CASH FLOWS			
Net (loss) income for the period	$ (828)	$ 1,130	**$ 302**
Deferred tax recovery	-	(1,130)	**(1,130)**

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

5. Restatement (continued)

The impact of the restatement on the consolidated financial statements as at and for the three months ended December 31, 2016 is as follows:

	As previously reported	Adjustment	Restated
STATEMENT OF EQUITY			
Accumulated other comprehensive income	$ 31,392	$ (847)	**$ 30,545**
Deficit	(306,162)	847	**(305,315)**
STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME			
Deferred tax recovery	$ -	$ 847	**$ 847**
Net (loss) income for the period	(1,258)	847	**(411)**
Change in fair value of long-term investment, net of tax	6,394	(847)	**5,547**
Total comprehensive income for the period	5,112	-	**5,112**
Basic and diluted (loss) income per share	(0.00)	0.00	**(0.00)**
STATEMENT OF CASH FLOWS			
Net (loss) income for the period	$ (1,258)	$ 847	**$ (411)**
Deferred tax recovery	-	(847)	**(847)**

6. Cash and cash equivalents

	As at December 31, 2017	As at September 30, 2017
Cash	**$ 643**	$ 1,002
Short-term deposits in bank	**10**	10
Cash and cash equivalents	**$ 653**	$ 1,012

7. Receivables and prepaid expenses

	As at December 31, 2017	As at September 30, 2017
Sundry receivables	**$ 95**	$ 151
Sales tax receivables	**68**	62
Prepaid expenses	**64**	43
	$ 227	$ 256

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

8. Marketable securities

Marketable securities consist of equity investments in publicly traded junior or small cap mining companies for the following periods indicated:

	As at December 31, 2017	As at September 30, 2017
Investments at fair value	**$ 781**	$ 663
Cost	**$ 3,630**	$ 3,618

The Company has classified its investments in marketable securities as held for trading investments and unrealized gains and losses or changes in fair value are recorded fair value through profit and loss.

The Company's investments in marketable securities are classified as Level 1 in the fair value hierarchy outlined in IFRS 7 Financial Instruments: Disclosures as their fair value have been determined based on a quoted price in an active market.

9. Restricted cash

As at December 31, 2017, the Company pledged AUD$350 ($343) (September 30, 2017 – $342) of cash held in a Guaranteed Investment Certificate ("GIC") as collateral for a letter of guarantee issued to the State of Queensland, Australia, related to the mining leases for the Ben Lomond Property. The letter of guarantee is automatically renewable annually for an indefinite period of time and, accordingly, the pledged GIC is expected to continue to be renewed annually.

10. Equity investment

An associate is an entity over which the Company has significant influence, and is not a subsidiary or joint venture. Significant influence is presumed to exist when the Company has the power to be actively involved and influential in financial and operating policy decisions of the associate.

The Company accounts for its investment in an associate using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of profit and loss of the associate and for impairment losses after the initial recognition date. The Company's share of comprehensive earnings or losses of associates are recognized in comprehensive loss during the period. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

In November 2013, Mega acquired 415 million ordinary shares of Toro, representing approximately 28.00% of Toro's outstanding shares at the date of acquisition. The shares were received as consideration for the sale of the Lake Maitland properties and certain associated rights and assets valued at $34,337.

The Company is considered to have significant influence over Toro due to the percentage of its equity interest in Toro and its representation on Toro's board of directors. Accordingly, Mega accounts for its investment in Toro using the equity method.

As at December 31, 2017, Mega's holdings in Toro remained at 20.20% (September 30, 2017 - 20.20%).

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

10. Equity investment (continued)

The following is a summary of the Company's investment in Toro:

		Amount
Investment as at September 30, 2016	$	16,689
Mega's share of loss		(1,068)
Loss on deemed disposition of equity investment in Toro		(22)
Investment as at September 30, 2017		**15,599**
Mega's share of the loss		(156)
Investment as at December 31, 2017	**$**	**15,443**

The fair value of the equity investment in Toro is $15,881 as at December 31, 2017 (September 30, 2017 - $11,889) based on the applicable closing share price. Such fair value is categorized as level 1 within the fair value hierarchy.

The Company picks up its share of the loss of Toro for the period based on the most recent financial information of Toro (being the September 30, 2017 financial information), which is within 3 months of the Company's period-end. Any significant transactions between September 2017 and December 2017 are adjusted.

The following table summarizes certain unaudited financial information of Toro for the three months ended September 30, 2017 and 2016:

	Three Months Ended September 30,			
		2017		**2016**
Total assets	**$**	**8,697**	$	10,418
Total liabilities		**14,203**		12,339
Revenue		**36**		302
Net loss		**(773)**		(1,642)

11. Long-term investment

Mega holds 19,376,265 (September 30, 2017 - 19,376,265) shares of NexGen as at December 31, 2017. The shares were acquired in December 2012 as consideration for the sale of the majority of Mega's Canadian projects to NexGen.

The change in the investment in NexGen is detailed as follows:

		As at December 31, 2017		As at September 30, 2017
Opening balance	**$**	**53,285**	$	38,171
Fair value unrealized gain for the period end recorded in other comprehensive income		**8,525**		15,114
Closing balance	**$**	**61,810**	$	53,285

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

12. Amounts payable and other liabilities

	As at December 31, 2017	As at September 30, 2017
Trade payables	**$ 90**	$ 102
Due to related parties	**179**	56
Accrued liabilities	**105**	73
	$ 374	$ 231

13. Related party transactions

All transactions with related parties have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party transactions were as follows for the three months ended December 31, 2017 and 2016:

Type of service	Nature of relationship	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016
Salaries	Directors	**$ 39**	$ 39
Consulting fees (a)	Officers	**$ 281**	$ 283
Stock-based compensation expense	Directors and officers	**$ 156**	$ 71

(a) Consulting agreements are with the Company's Chief Executive Officer, Executive Vice President-Australia and Chief Financial Officer. For the three months ended December 31, 2017, $222 of the costs relating to these agreements (three months ended December 31, 2016 - $223) are included in general and administrative expenses and $59 (three months ended December 31, 2016 - $60) are included in exploration and evaluation.

Included in amounts payable and other liabilities are fees owing to officers and directors of $179 as at December 31, 2017 (September 30, 2017 - $56).

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

14. Share capital

a) Authorized share capital

At December 31, 2017, the authorized share capital consisted of an unlimited number of common shares.

The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

At December 31, 2017, the issued share capital amounted to $273,747. The change in issued share capital for the periods was as follows:

	Number of common shares		Amount
Balance, September 30, 2016	**281,849,328**	**$**	**271,741**
Exercise of warrants (i)	2,525,000		429
Balance, December 31, 2016	**284,374,328**	**$**	**272,170**
Balance, September 30, 2017	**294,278,973**	**$**	**273,644**
Exercise of stock options	666,666		103
Balance, December 31, 2017	**294,945,639**	**$**	**273,747**

(i) Officers and directors of Mega exercised 2,525,000 warrants.

15. Stock options

Stock option plans:

The Company grants options to directors, officers, employees and consultants under its 2007 Stock Option Plan. Under the plan, the Company is authorized to issue up to the number of common shares of Mega equal to 10% of the number of common shares outstanding from time to time. The term of an option granted under the plan may not exceed 10 years.

Each of the stock options granted and currently outstanding vest in three-month intervals over an 18-month period from the date of grant and have a term of five years.

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

15. Stock options (continued)

The following table reflects the continuity of stock options for the periods ended December 31, 2017 and 2016:

	Number of stock options	Weighted average exercise price ($)
Balance, September 30, 2016 and December 31, 2016	**20,471,666**	**0.11**
Exercisable, at the end of period	17,096,639	0.12
Balance, September 30, 2017	**25,811,666**	**0.12**
Exercised	(666,666)	0.10
Balance, December 31, 2017	**25,145,000**	**0.12**
Exercisable, at the end of period	**19,569,998**	**0.11**

The following table summarizes information about stock options outstanding and exercisable as at December 31, 2017:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
December 31, 2018	0.100	1.00	1,795,000	1,795,000	-
May 31, 2020	0.090	2.42	7,650,000	7,650,000	-
December 31, 2020	0.070	3.00	1,975,000	1,975,000	-
February 28, 2021	0.085	3.16	1,525,000	1,525,000	-
May 31, 2021	0.140	3.42	2,750,000	2,750,000	-
January 1, 2022	0.140	4.01	6,050,000	3,024,999	3,025,001
May 31, 2022	0.175	4.42	1,700,000	566,666	1,133,334
August 31, 2022	0.200	4.67	1,700,000	283,333	1,416,667
		3.19	25,145,000	19,569,998	5,575,002

These stock options are expensed over the option's vesting periods in the unaudited condensed interim consolidated statements of loss and comprehensive income and credited to share option reserve.

For the three months ended December 31, 2017, included in the unaudited condensed interim consolidated statements of loss and comprehensive income was stock-based compensation expense of $167 (three months ended December 31, 2016 - $79) relating to the fair value of stock options granted during the current and prior periods and $19 (three months ended December 31, 2016 - $7) was expensed as exploration and evaluation expenditures.

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

16. Warrants

	Number of warrants		Grant date fair value
Balance, September 30, 2016	**5,130,000**	**$**	**154**
Exercised	(2,525,000)		(75)
Expired	(1,455,000)		(44)
Balance, December 31, 2016	**1,150,000**	**$**	**35**
Balance, September 30, 2017 and December 31, 2017	**7,104,645**	**$**	**426**

The following table reflects the warrants issued and outstanding as of December 31, 2017:

Expiry date	Exercise price ($)	Warrants outstanding
June 2, 2019	0.25	7,104,645

17. Loss per common share

	Three Months Ended December 31, 2017 (note 5) restated	Three Months Ended December 31, 2016
Weighted average number of common shares outstanding - basic 282,370,795	**294,474,625**	
Dilutive effect of stock options and warrants	**9,180,585**	-
Weighted average number of common shares outstanding **-** diluted	**303,655,210**	282,370,795

Basic and diluted (loss) income per share is calculated based on the weighted average number of common shares issued and outstanding during the period.

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

18. Segmented information

The Company's operations are segmented on a regional basis and are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been defined as the Chief Executive Officer.

The Company's significant segments are divided into two distinct geographic areas. The Canadian operations, which are mainly in Ontario and Newfoundland and Labrador, are managed from the Company's head office in Toronto. The Australian operations are managed from Perth.

The following is segmented information of operations for the three months ended December 31, 2017 and 2016 and as at December 31, 2017 and September 30, 2017:

	Three Months Ended December 31, 2017 (note 5) restated	Three Months Ended December 31, 2016 (note 5) restated
Country/Region	**Net loss (income)**	
Canada	$ (543)	$ 36
Australia	241	375
	$ (302)	**$ 411**

As at December 31, 2017

Country/Region	**Capital assets**	**Cash and cash equivalents**	**Other assets**	**Total assets**
Canada	$ -	$ 428	$ 78,372	$ 78,800
Australia	80	225	232	537
	$ 80	**$ 653**	**$ 78,604**	**$ 79,337**

As at September 30, 2017

Country/Region	**Capital assets**	**Cash and cash equivalents**	**Other assets**	**Total assets**
Canada	$ -	$ 790	$ 69,809	$ 70,599
Australia	89	222	336	647
	$ 89	**$ 1,012**	**$ 70,145**	**$ 71,246**

The Company has no inter-segment revenues.

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

19. General and administrative expenses

The following table summarizes the general and administrative expenses incurred for the periods ended as indicated below:

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016
Professional fees	**$ 17**	$ 9
Consulting and directors' fees	**300**	300
Transfer agent and filing fees	**30**	22
Travel and promotion	**10**	6
Salaries and office administration	**143**	167
Stock-based compensation	**167**	79
Amortization	**9**	12
	$ 676	$ 595

20. Exploration and evaluation expenditures

The Company entered into exploration agreements with other companies pursuant to which it may earn interests in mineral properties by issuing common shares and/or making option payments and/or incurring expenditures in varying amounts by varying dates. Failure by Mega to meet such requirements can result in a reduction or loss of the Company’s ownership interests or entitlements under the agreements.

The Company's key exploration properties are located in Western Australia, Queensland Australia and Ontario, Canada. The Company incurred $182 in exploration expenditures during the three months ended December 31, 2017 (three months ended December 31, 2016 - $143).

21. Commitments and obligations

The Company has the following commitments and obligations as at December 31, 2017:

(i) The Ben Lomond Properties located in Queensland, has a yearly commitment and obligation of $416 (AUD$425) towards the care and maintenance costs and environmental obligation of the project for the next five years. On the Georgetown properties located in Queensland, there is a yearly commitment of $24 (AUD$25), towards the care and maintenance costs of the properties for the next five years. On the Redport gold properties located in Western Australia there is a yearly commitment of $196 (AUD$200), towards the care and maintenance costs of the properties for the next five years.

(ii) The Company is subject to management contracts with certain executive officers that provide for payments under circumstances involving a change of control of Mega or termination of the officer's services. As at December 31, 2017, these contracts require that additional payments of approximately $2,227 be made upon the occurrence of a change of control. The minimum commitment upon termination of these contracts is approximately $1,020. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

21. Commitments and obligations (Continued)

(iii) The Company entered into a lease agreement in respect of its head office location for a five year period commencing March 15, 2016, which provides for a monthly cost of $4.5.

(iv) The Company's Chief Executive Officer's compensation package includes a discretionary bonus that is dependent upon the excess of cash proceeds on disposition of the NexGen investment net of acquisition and disposition costs. The entitlement is payable at the discretion of the board of directors up to a maximum amount equal to 5% of the net cash proceeds. Fifty percent of the bonus may be settled in common shares of the Company (also at the discretion of the board and subject to regulatory approval).

22. Management of capital

The Company includes the following items in its managed capital:

	As at December 31, 2017 (note 5) restated	As at September 30, 2017 (note 5) restated
Shareholders' equity comprises of:		
Share capital	**$ 273,747**	$ 273,644
Warrant reserve	**426**	426
Share option reserve	**65,503**	65,355
Accumulated other comprehensive income	**45,505**	38,110
Deficit	**(306,218)**	(306,520)
	$ 78,963	$ 71,015

The Company's objectives when managing capital are:

(a) To maintain the necessary financing to complete exploration and development of its properties;

(b) To realize proceeds from sales of one or more of its properties;

(c) To maximize the income it receives from cash and cash equivalents without significantly increasing the principal at risk by making investments in high credit quality issuers; and

(d) To maintain a flexible capital structure that optimizes the cost of capital at an acceptable level of risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

- realizing proceeds from the disposition of its investments;
- raising capital through equity financings;
- reviewing and reducing capital spending on mineral properties when necessary.

22. Management of capital (continued)

The Company is not subject to any capital requirements imposed by a regulator. To date, the Company has not declared any cash dividends to its shareholders. The Company's management is responsible for the management of capital and reviews its capital management approach on an ongoing basis through the preparation of annual expenditure budgets, which are updated regularly to take into account factors such as successful financings to fund activities, changes in property holdings and related obligations and exploration activities and believes that this approach, given the relative size of the Company, is reasonable. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration, the Company will be required to raise additional funding.

There were no changes in the Company's approach to capital management during the three months ended December 31, 2017 and the Company is not subject to any externally imposed capital requirements.

23. Financial instruments

Part of Mega's business includes the acquisition of short-term investments in marketable securities and in some cases, long-term equity investments in public companies. The use of financial instruments can expose the Company to several risks, including interest rate, foreign exchange and market risks. A discussion of the Company's use of financial instruments and their associated risks is provided below:

(a) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investment declines, resulting in lesser proceeds on disposition and losses upon disposition. The Company generates cash flow primarily from its financing activities and proceeds from disposition of its marketable securities and long-term investments in addition to interest income earned on its investment. The Company has cash and cash equivalents of approximately $653. The cash equivalents consist of highly liquid short-term deposits with the bank. The Company has working capital surplus as at December 31, 2017 of $1,287. The funds are available as needed to fund the Company's ongoing expenditures. The Company regularly evaluates these holdings to ensure preservation and security of capital as well as maintenance of liquidity. Refer to note 2 on the Company's going concern assessment. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised through the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. All of the Company's liabilities are due within the next 12 months.

(b) Market risk

Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. In the normal course of business, the Company is exposed to market risk as a result of its investments in publicly traded companies and marketable securities. During periods of significant broader market volatility or volatility experienced by the resource/commodity markets, the value of the Company's investment portfolio can benefit or be vulnerable to market fluctuations.

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

23. Financial instruments (continued)

(b) Market risk (continued)

The following table shows the estimated sensitivity of the Company's after-tax net income (loss) for the period ended December 31, 2017 from a change in the closing bid price of the Company's investments in marketable securities with all other variables held constant as at December 31, 2017:

Percentage of change in closing bid price	Change in net after-tax income (loss) from % increase in closing bid price	Change in net after-tax income (loss) from % decrease in closing bid price
2%	$ 11	$ (11)
4%	23	(23)
6%	34	(34)
8%	46	(46)
10%	57	(57)

(c) Interest rate risk:

Interest rate risk is the impact that changes in interest rates could have on the Company's income and liabilities. In the normal course of business, the Company is exposed to interest rate fluctuations as a result of the significant portion of cash equivalents being invested in interest bearing instruments.

The Company's sensitivity analysis suggests that a 1% change in interest rate would change the value of the investment by approximately $5.

(d) Currency risk:

Currency risk is the risk that the fair value of future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency fluctuations as it presently holds funds in Canadian and Australian dollars and a significant amount of its costs and liabilities are denominated in Australian and other currencies. The Company has not entered into any foreign currency contracts to hedge this exposure.

The following table shows the estimated sensitivity of the Company's net after-tax income (loss) for the period ended December 31, 2017 from a change in all foreign currencies (Australian dollars, and U.S. dollars) with all other variables held constant as at December 31, 2017:

Percentage of change in closing exchange rate	Change in net after-tax income (loss) from % increase in exchange rate	Change in net after-tax income (loss) from % decrease in exchange rate
2%	$ (8)	$ 8
4%	(16)	16
6%	(25)	25
8%	(33)	33
10%	(41)	41

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

23. Financial instruments (continued)

(e) Credit risk:

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company has its cash and cash equivalents deposited with highly rated financial institutions. Other credit risk is limited to cash, restricted cash and trade receivables in the ordinary course of business. The balance of trade receivables owed to the Company in the ordinary course of business is not significant.

(f) Concentration risks:

The Company is exposed to concentration risks as its investment portfolio is concentrated primarily in NexGen and Toro, two uranium companies which have total asset carrying values in aggregate of $77,253 as at December 31, 2017 and $68,884 as at September 30, 2017 and possess the risk to produce losses large enough so as to threaten the ability of the Company to continue operating as a going concern. Neither entity is revenue-generating.

The following table shows the estimated sensitivity of the Company's after-tax net income (loss) for the period ended December 31, 2017 from a change in the closing bid price of the Company's investment in NexGen with all other variables held constant as at December 31, 2017:

Percentage of change in closing bid price	Change in net after-tax income (loss) from % increase in closing bid price of NexGen	Change in net after-tax income (loss) from % decrease in closing bid price of NexGen
2%	$ 909	$ (909)
4%	1,817	(1,817)
6%	2,726	(2,726)
8%	3,634	(3,634)
10%	4,543	(4,543)

(g) Fair value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The consolidated statement of financial position carrying amounts for cash and cash equivalents, restricted cash, receivables and amounts payable and other liabilities approximate to fair value due to their short-term nature. Marketable securities and long-term investment are fair valued using the bid price on the closing date for the underlying investment.

The Company does not fair value its investment in Toro as it is held as an equity investment (see note 10).

(Unaudited - in thousands of dollars, except for securities and per share amounts)
(Expressed in Canadian Dollars)

23. Financial instruments (continued)

Fair Value Analysis

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The Company's financial assets measured at fair value through profit or loss have used Level 1 valuation techniques during the three months ended December 31, 2017 and 2016. The carrying values of the Company's financial assets and liabilities approximate to their fair values as at December 31, 2017. During the three months ended December 31, 2017, there were no transfers between levels.

As at December 31, 2017 and September 30, 2017, the fair values of cash and cash equivalents, restricted cash, receivables and amounts payable and other liabilities approximate their carrying values because of the short-term nature of these instruments. Financial assets and financial liabilities measured at fair value on a recurring basis include:

As at December 31, 2017

	Level 1	Level 2	Level 3	Total Fair Value
Marketable securities	$ 781	$ -	$ -	$ 781
Long-term investments	61,810	-	-	61,810
	$ 62,591	$ -	$ -	$ 62,591

As at September 30, 2017

	Level 1	Level 2	Level 3	Total Fair Value
Marketable securities	$ 663	$ -	$ -	$ 663
Long-term investments	53,285	-	-	53,285
	$ 53,948	$ -	$ -	$ 53,948