MEGA URANIUM LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Introduction

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Mega Uranium Ltd. ("Mega" or the "Company") should be read in conjunction with Mega's audited consolidated financial statements ("consolidated statements") and notes thereto as at and for the years ended September 30, 2018 and 2017.

Except as otherwise indicated, all financial data in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

All dollar amounts in this MD&A are reported in thousands of Canadian dollars, except for securities and per share amounts.

Caution Regarding Forward-Looking Information

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to the Company's expectations regarding its ability to continue as a going concern, its portfolio investment strategy, including the time horizon for holding positions and milestones for dispositions, the Company's exploration and development activities, including expectations regarding drilling and other activities conducted to advance properties, receipt of regulatory and governmental approvals, the Company's future operating costs and working capital requirements, including its ability to satisfy such requirements through dispositions of securities or other means and the anticipated timing of dispositions of securities, the exposure of its financial instruments to various risks and its ability to manage those risks, the Company's ability to use tax resource pools and loss carry-forwards, fees to be incurred by foreign subsidiaries and changes in accounting policies.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to uranium exploration activities generally, including the availability and cost of geophysical, drilling and other equipment; uncertainties associated with the uranium industry, including supply and demand fundamentals, our ability to complete our capital programs; geological, technical, drilling and processing problems, including the availability of equipment and access to properties; our ability to secure adequate transportation for our products; potential losses which would stem from any disruptions in production, including work stoppages or other labour difficulties, or disruptions in the transportation network on which we are reliant; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; our ability and the ability of our partners to attract and retain the necessary labour required to explore and develop our projects; potential conflicting interests with our joint venture partners; our failure or the failure of the holder(s) of licenses or leases to meet specific requirements of such licenses or leases; the failure by counterparties to make payments or perform their operational or other obligations in compliance with the terms of contractual arrangements between us and such counterparties; adverse claims made in respect of our properties or assets; operating hazards and other difficulties inherent in the exploration for and production and sale of uranium; political and economic conditions in the countries in which our property interests are located; obtaining the necessary financing for operations, and unanticipated costs or increased costs incurred to run the operations, our ability to generate taxable income from operations, fluctuations in the value of our portfolio investments due to market conditions and/or company-specific factors, fluctuations in prices of commodities underlying our interests and portfolio investments, unexpected working capital requirements (whether as to timing or quantum) which could require untimely investment dispositions, and other risks included elsewhere in this MD&A under the heading "Risks" and in the Company's public disclosure documents filed with certain Canadian securities regulatory authorities and available under the Company's profile at **www.sedar.com**.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Going Concern

The 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. As at September 30, 2018, the Company has an accumulated deficit of $314,480 (September 30, 2017 - $306,520 (restated – see "Restatement" section)). 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 capital by selling securities it holds and issuing its own equity and has been successful in raising funds in the past, there can be no assurance that adequate funding will be available in the future, or available on acceptable terms. If additional financing is raised by the issuance of shares from the treasury, control of the Company may change and shareholders may suffer dilution. 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.

The challenges of securing requisite funding beyond September 30, 2018 and the continued estimated operating losses cast significant doubt on the Company's ability to continue as a going concern.

The 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.

Nature of the Business

Mega 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 address is located at 211 Yonge Street, Suite 502, Toronto, Ontario, Canada, M5B 1M4.

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

Mega is in the process of exploring its mineral properties and has not as yet determined whether these properties contain economic reserves. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

In addition to the Company's own exploration 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 investment in Toro Energy Limited ("Toro") (TOE:ASX), and marketable securities in other uranium-focused issuers. The Company classifies its investments in each of the three categories in accordance with IFRS based on various factors, including Mega's percentage interest in and ability to otherwise influence the entity and its trading intentions. The classifications are discussed in the notes to the Company's audited September 2018 consolidated financial statements.

Investment Strategies and Oversight

We generally acquire and hold investments with a medium to long term view, on the basis of perceived value and growth opportunities and the ability of management teams to effectively execute business plans. We manage our investment portfolio in-house, relying upon the broad industry knowledge and expertise of management to identify and evaluate investment opportunities and monitor the investee companies on an on-going basis. Investment performance is monitored via available market data (including continuous disclosure made by the investees that are public companies) and contact with investee management. Monitoring may also include involvement on the board of directors of an investee, where the size of the investment or other factors so warrant. For example, we currently have representation on the boards of NexGen and Toro, our two principal investments (by value).

Our exit strategies include mergers or the achievement of other significant milestones for our investee companies, but may also involve otherwise timely dispositions of the securities in the secondary market, if and when warranted, and receipt of third-party bids for the securities which are beneficial to us, in the circumstances.

Notwithstanding the foregoing, we may pursue a particular investment or series of investments that may diverge from these strategies from time to time, where suitable opportunities present themselves.

Operational Highlights

On August 31, 2018, the Company completed a non-brokered private placement (the "Financing"), pursuant to which the Company raised aggregate gross proceeds of $1,500 from the issuance and sale of 13,636,364 units, at a price of $0.11 per unit. Each unit was comprised of one common share and one common share purchase warrant of Mega. Each warrant entitles the holder to purchase one common share of the Company, at a price of $0.15 per share, until expiry on August 31, 2020.

Mega paid aggregate finders' fees to third parties who assisted the company in the Financing in the form of $50 in cash and 456,000 common share purchase warrants.

During the year ended September 30, 2018, 1,466,666 stock options were exercised for gross proceeds of $134.

During the year ended September 30, 2018, Mega disposed of 10,000,000 shares of Toro for cash proceeds of $258, resulting in a realized loss of $112.

Overall Performance

As at September 30, 2018, the Company had a working capital surplus of $2,307 as compared to a working capital surplus of $1,700 as at September 30, 2017. The increase in working capital surplus is attributable to the proceeds from the Financing, exercise of stock options and the sale of Toro shares and marketable securities, offset by spending on exploration activities, general and administrative expenses and payment of payables during the year ended September 30, 2018.

The fair value of the Company's NexGen investment decreased by $2,907 as the NexGen closing bid price decreased from $2.75 on September 30, 2017 to $2.60 on September 30, 2018.

During the year ended September 30, 2018, the Company recorded an impairment of $4,496 on its equity investment in Toro based on the Company's determination that the carrying value of its investment in Toro exceeded its recoverable amount.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

Mineral Properties

The following details the exploration and evaluation expenditures of the Company's mineral properties for the year ended September 30, 2018 and 2017:

Year ended September 30, 2018	Canadian properties	Ben Lomond Property (Queensland Australia)	Redport Properties (Western Australia)	Total
Consulting - geology and environmental	$nil	$201	$nil	$201
Consulting fees	nil	nil	64	64
Land licenses	6	32	39	77
Travel expenses	nil	3	7	10
Administration	nil	3	34	37
Miscellaneous	nil	18	nil	18
Professional fees	nil	1	nil	1
Stock-based compensation	nil	nil	76	76
	$6	**$258**	**$220**	**$484**

Year ended September 30, 2017	Georgetown Properties (Queensland Australia)	Ben Lomond Property (Queensland Australia)	Redport Properties (Western Australia)	Total
Assaying	$nil	$7	$nil	$7
Consulting - geology and environmental	nil	83	106	189
Consulting fees	nil	nil	240	240
Land licenses	1	173	39	213
Travel expenses	7	14	23	44
Administration	5	3	20	28
Miscellaneous	3	14	nil	17
Professional fees	nil	33	nil	33
Stock-based compensation	nil	nil	68	68
	$16	**$327**	**$496**	**$839**

None of Mega's properties are in production. Pre-feasibility studies are ongoing on the Ben Lomond Project in Queensland. In February 2017, Mega and a joint venture partner terminated the joint venture agreement for the Kintyre Rocks project in Western Australia and the underlying tenements were surrendered.

There are no active exploration programs on the Company's Canadian properties.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

Following are the plans related to Mega's properties:

Project/Property Name	Brief Description	Plans for Project	Planned Expenditure for Fiscal 2019	Expenditures Incurred in September 30, 2018
Ben Lomond	2 mining leases totaling 21.6 km^2 in Queensland, Australia.	Environmental and geological prefeasibility studies	\$275	\$258
Georgetown (including the Maureen uranium resource)	Uranium rights in the Georgetown area of Queensland, Australia.	Ground checking airborne radiometric anomalies; drill testing of various prospects if warranted	\$10	\$nil
Redport	Gold properties in Western Australia	Geological studies	\$150	\$220

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Mega.

Proposed Transactions

There were no material proposed transactions as of the date of this MD&A, except as disclosed in "Subsequent Events" below.

Selected Annual Financial Information

	Year ended September 30, 2018 (\$)	Year ended September 30, 2017 (\$) (restated)	Year ended September 30, 2016 (\$)
Revenue	nil	nil	nil
Net income (loss)	(7,960)	(1,616)	730
Net loss per share – basic and diluted	(0.03)	(0.01)	0.00
	As at September 30, 2018 (\$)	**As at September 30, 2017 (\$)**	**As at September 30, 2016 (\$)**
Total assets	63,323	71,246	56,950
Total long-term liabilities	nil	nil	nil

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

Quarterly information

A summary of selected financial information of Mega for the eight most recently completed quarters is provided below:

Three Months Ended	Total Revenue ($)	Working capital surplus ($)	Net Income or (Loss)	
			Total ($) (restated)	Per Share ($) (restated)
September 30, 2018	nil	2,307	432	(0.00)
June 30, 2018	nil	472	(4,786)	(0.02)
March 31, 2018	nil	707	(3,908)	(0.01)
December 31, 2017	nil	1,287	302	0.00
September 30, 2017	nil	1,700	(193)	(0.00)
June 30, 2017	nil	1,875	(2,773)	(0.01)
March 31, 2017	nil	1,290	1,761	0.01
December 31, 2016	nil	940	(411)	(0.00)

The Company is an exploration stage mineral resources company, with an investment portfolio comprised of uranium-focused companies. Issues of seasonality have not had an impact on our results or operations, however, commodity market fluctuations, and fluctuations in the price of uranium, in particular, have impacted the value of our investments, our exploration activities and our ability to grow through acquisition, and may continue to do so in the future. Over the past eight quarters, variations in the quarterly net income (loss) were caused by fluctuations in financial revenue and gains/losses on disposal of marketable securities and long-term investment, income/(loss) from equity investment, exploration and evaluation expenditures and general and administrative expense. Financial income (loss) varies from quarter-to-quarter due primarily to changes in the fair value of the Company's investments in marketable securities, which gives rise to unrealized gains/losses. Stock-based compensation expense varies from quarter-to-quarter depending on the number of stock options granted in a quarter, their vesting periods, and the inputs, including assumptions used in the Black-Scholes Option Pricing Model, which is used to calculate the fair value of the stock options.

Results of operations

<u>For the three months ended September 30, 2018, compared with the three months ended September 30, 2017</u>

For the three months ended September 30, 2018, the Company's net income was $432 compared to net loss of $193 (restated) for the three months ended September 30, 2017. The increase in net income of $625 is a result of the following:

- Loss on equity investment for the three months ended September 30, 2018 was $261 compared to a gain of $587 for the three months ended September 30, 2017. The increase of $848 in loss on equity investments reflects the Company's proportionate share of Toro's increased operating loss for the three months ended September 30, 2018.

- The increase of $699 in unrealized gain on marketable securities resulted from the fluctuation in the fair values of the marketable securities during the three month ended September 30, 2018 compared to the decrease of $189 in the three months ended September 30, 2017.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

- Deferred tax recovery for the three months ended September 30, 2018 was $514 compared to an expense of $128 (restated) for the three months ended September 30, 2017.

- During the three months ended September 30, 2018, the Company spent $67 on exploration and evaluation compared to $289 for the three months ended September 30, 2017.

- For the three months ended September 30, 2018, general and administrative expenses decreased by $25 compared to the three months ended September 30, 2017.

Three Months Ended September 30,	2018 ($)	2017 ($)	Variance ($)
Professional fees	13	15	(2)
Consulting and directors' fees	163	163	nil
Research and development	nil	(1)	1
Shareholder relations and communications	3	nil	3
Transfer agent and filing fees	6	4	2
Travel and promotion	12	20	(8)
Salaries and office administration (a)	220	181	39
Stock-based compensation (b)	127	182	(55)
Amortization	6	11	(5)
	550	**575**	**(25)**

A breakdown of general and administrative expenses for the three months ended September 30, 2018 and 2017 is provided below.

(a) Salaries and office administration increased by $39 during the three months ended September 30, 2018 compared to the three months ended September 30, 2017 reflecting increased overhead and personnel costs.

(b) There was a decrease of $55 in stock-based compensation expense for the three months ended September 30, 2018 over the 2017 period. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

<u>For the year ended September 30, 2018, compared with the year ended September 30, 2017</u>

For the year ended September 30, 2018, the Company's net loss was $7,960 compared to net loss of $1,616 (restated) for the year ended September 30, 2017. The increase in net loss of $6,344 is a result of the following:

- Impairment of equity investment for the year ended September 30, 2018 was $4,496 compared to $nil for the year ended September 30, 2017. The impairment resulted from management's assessment that the carrying value of its investment in Toro exceeded its recoverable amount as at September 30, 2018.

- Loss on equity investment for the year ended September 30, 2018 was $1,013 compared to a loss of $1,068 for the year ended September 30, 2017. The decrease of $55 in loss on equity investments reflects the Company's proportionate share of Toro's decreased operating loss for the year ended September 30, 2018 in addition to the disposition of a portion of its Toro equity investment.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

- Deferred tax expense for the year ended September 30, 2018 was $385 compared to a recovery of $2,003 (restated) for the year ended September 30, 2017.

- The increase of $619 in unrealized gain on marketable securities resulted from the fluctuation in the fair values of the marketable securities during the year ended September 30, 2018 compared the year ended September 30, 2017.

- During the year ended September 30, 2018, the Company recorded a realized loss on sale of marketable securities and equity investment of $105 and $112, respectively compared to $11 and $nil, respectively for the year ended September 30, 2017.

- During the year ended September 30, 2018, the Company received royalty income of $363 compared to $796 for the year ended September 30, 2017. Royalty income is derived from the Company's royalty over the Langer Heinrich project and varies according to production at the project and the timing of payments to the Company. Subsequent to the year end, the Company granted an option on the Royalty. See "Subsequent Events" below.

- During the year ended September 30, 2018, the Company spent $484 on exploration and evaluation compared to $839 for the year ended September 30, 2017.

- For the year ended September 30, 2018, general and administrative expenses decreased by $129 compared to the year ended September 30, 2017.

Year Ended September 30,	**2018 ($)**	**2017 ($)**	**Variance ($)**
Professional fees	68	70	(2)
Consulting and directors' fees	789	789	nil
Research and development (a)	nil	61	(61)
Shareholder relations and communications	7	4	3
Transfer agent and filing fees	117	108	9
Travel and promotion	43	56	(13)
Salaries and office administration (b)	723	695	28
Stock-based compensation (c)	605	681	(76)
Amortization	31	48	(17)
	2,383	**2,512**	**(129)**

A breakdown of general and administrative expenses for the year ended September 30, 2018 and 2017 is provided below.

(a) Research and development decreased by $61 during the year ended September 30, 2018 compared to the year ended September 30, 2017 reflecting the Company's decision not incur research and development expenditures in the current year.
(b) Salaries and office administration increased by $28 during the year ended September 30, 2018 compared to the year ended September 30, 2017 reflecting increased overhead and personnel costs.
(c) There was a decrease of $76 in stock-based compensation expense for the year ended September 30, 2018 over the 2017 period. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

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 year ended September 30, 2018 and 2017 and as at September 30, 2018 and September 30, 2017:

Country/Region	Year Ended September 30, 2018 Net Income (Loss) ($)	Year Ended September 30, 2017 Net Income (Loss) ($) (restated)
Canada	(7,354)	(1,052)
Australia	(606)	(564)
	(7,960)	**(1,616)**

As at September 30, 2018

Country/Region	Capital assets $	Cash and cash equivalents $	Other assets $	Total assets $
Canada	nil	1,435	61,648	63,083
Australia	56	73	111	240
	56	**1,508**	**61,759**	**63,323**

As at September 30, 2017

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

The Company has no inter-segment revenues.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

Marketable Securities

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

	September 30, 2018 $	September 30, 2017 $
Investments at fair value	1,147	663
Cost	3,433	3,618

Liquidity and Capital Resources

The activities of the Company, principally the acquisition and exploration of properties prospective for uranium, are financed through the completion of private placements, the exercise of stock options and warrants and the disposition of investments. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all.

The Company has no operating revenues and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and stock options and other financing transactions to maintain its capacity to meet ongoing operating activities. As of September 30, 2018, the Company had 29,445,000 options and 21,197,009 warrants outstanding, which would raise $7,634, if exercised in full by the holders. The exercise of stock options and warrants by holders is outside of the Company's control and dependent upon various factors, including the future trading prices of the underlying common shares, which cannot be predicted. Accordingly, Mega cannot rely on the availability of this source of funds with any degree of certainty.

As at September 30, 2018, the Company had cash and cash equivalents of $1,508 to settle its amounts payable and other liabilities of $535. The Company's cash and cash equivalents as of September 30, 2018, is sufficient to pay these liabilities.

During the year ended September 30, 2018, the Company used $1,431 of cash on its operations. During the year ended September 30, 2018, receivables and prepaid expenses decreased by $69 and amounts payable and other liabilities increased by $304 due to fluctuations in the normal course of business.

For the year ended September 30, 2018, the Company received $1,437 of proceeds from the private placement and $134 from the exercise of stock options during the year.

For the year ended September 30, 2018, the Company received proceeds of $337 from sales of marketable securities and a portion of our equity investment, net of disposition costs and purchase costs of other marketable securities.

As at September 30, 2018, the Company's marketable securities and long-term investment in NexGen shares were valued at $1,147 and $50,378, respectively. The Company could sell investments to generate funds required to settle its obligations as they arise, however, management intends to hold the Company's marketable securities and long-term investments until it becomes advantageous to sell the investments or liquidity concerns necessitate such sale.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

The Company's use of cash is currently and is expected to continue to be focused on two principal areas, namely the funding of its general and administrative expenditures and the funding of its investment activities. Investing activities include the cash components of the cost of acquiring and exploring the Company's mineral properties. For the twelve-month period ending September 30, 2019, corporate head office costs are estimated to average $300 per quarter for salaries, office administration, consulting fees, travel and promotion, professional fees and reporting issuer costs.

The Company has material commitments and obligations for cash resources set out below (which exclude discretionary acquisition and exploration expenses pursuant to various agreements). Failure to meet exploration obligations could lead to termination/dilution of the Company's underlying interests.

Contractual Obligations	Total	Up to 1 year	1 - 3 years	4 - 5 years	After 5 years
	($)	($)	($)	($)	($)
Amounts payable and other liabilities	535	535	nil	nil	nil
Obligations on mineral properties (a)	3,040	608	1,216	1,216	nil
Office lease (b)	134	54	80	nil	nil
	3,709	**1,197**	**1,296**	**1,216**	**nil**

(a) Obligations on mineral properties pertain to minimum expenditures required to be incurred to maintain those claims/tenements in Canada and Australia.

(b) The Company has no long-term debt. 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 plus HST.

(c) The Company is subject to management contracts with certain executive officers that provide for payments under circumstances involving a change of control of Mega and/or termination of the officer's services. As at September 30, 2018, these contracts require that additional payments of approximately $2,163 be made upon the occurrence of a change of control. The minimum commitment upon termination of these contracts is approximately $999. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated statements.

(d) As part of his compensation package, the Company's Chief Executive Officer is entitled to a special bonus that is dependent upon the cash proceeds of disposition of the NexGen investment net of acquisition and disposition costs. The entitlement is payable at the discretion of the board of directors and is subject to a maximum bonus equal to 5% of the net cash proceeds. Up to 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).

Equity investments

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

During the year ended September 30, 2018, Mega's holdings in Toro were diluted from 20.17% to 19.68% (September 30, 2017 - 20.20%) as a result of the Company's disposition of 10,000,000 shares of Toro for cash proceeds of $258 resulting in a loss of $112.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

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.

Under the equity method, the Company's investments are initially recognized at cost, and the carrying amounts are increased or decreased to recognize the Company's share of the profit or loss after the date of acquisition. Loss on the equity investment was $1,013 for the year ended September 30, 2018.

The carrying value of the equity investment in Toro was $9,720 as at September 30, 2018 (September 30, 2017 - $15,599).

The fair value of the equity investment in Toro was $10,350 as at September 30, 2018 (September 30, 2017 - $11,889) based on the applicable closing share price.

The Company has recorded an impairment on the equity investment in Toro of $4,496 as of Toro's year end, June 30, 2018. Indicators of impairment were identified by the Company as the carrying amount of the net assets of Toro were determined to be more than its market value as of June 30, 2018. Market value was determined based on Toro's market capitalization as of the date of assessment, prorated for the proportion of shares owned by the Company.

As at September 30, 2018, impairment was reassessed by the Company and significant changes with favorable effect on the market value of the Company's investment in Toro were not identified to result in a reversal of impairment as at period end. Therefore, the value of the Company's investment has been reflected as the impaired value as at June 30, 2018.

Long-term investment

Mega held 19,376,265 shares of NexGen as at September 30, 2018. Mega acquired the shares in December 2012 as consideration for the sale to NexGen of the majority of its Canadian projects.

During the year ended September 30, 2018, $2,907 was recorded as an unrealized loss in other comprehensive income as a result of the change in the fair value.

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

	September 30, 2018 ($)	September 30, 2017 ($)
Opening balance	53,285	38,171
Unrealized (loss) gain for the year ended recorded in other comprehensive (loss) income	(2,907)	15,114
Closing balance	**50,378**	**53,285**

The closing bid price of NexGen ranged from $2.75 on September 30, 2017 to $2.60 on September 30, 2018.

The fair value of the Company's NexGen investment can be vulnerable to market fluctuations during periods of significant broader market volatility or volatility experienced by the uranium sector, in addition to company-specific factors. The market and company-specific factors that affect the share price of NexGen are beyond the Company's control.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

Subsequent Events

(i) On November 23, 2018, the Company granted an option (the "Option") to purchase its royalty on the Langer Heinrich uranium project in Namibia (the "Royalty") to Uranium Royalty Corporation ("URC"). URC issued common shares to Mega in payment of the $375,000 purchase price of the Option.

URC may exercise the Option and acquire the Royalty for a price of $1,625,000, payable in cash and/or common shares of URC (at URC's discretion, but only if URC's shares are publicly-traded at the time of exercise). The Option is exercisable for a period of three years.

The Royalty is AUD$0.12 for each kilogram of yellowcake (U308) produced and sold from the Langer Heinrich property by certain subsidiaries of Paladin Energy Ltd.

(ii) On December 3, 2018, the Company announced a proposed non-brokered private placement to sell up to 15,909,091 units (the "Units") at a price of $0.11 per Unit, for aggregate gross proceeds of up to $1,750,000 (the "Proposed Financing").

Each Unit will consist of one common share and one common share purchase warrant of Mega (a "Warrant"). Each Warrant will entitle the holder to purchase one common share of Mega at a price of $0.15, for a period of 24 months following the closing date.

Mega may pay finders' fees with respect to certain subscribers under the Proposed Financing, which will not exceed a cash payment equal to 6% of the gross proceeds raised from the subscriber and common share purchase warrants equal to 6% of the number of Units purchased by the subscriber. The common share purchase warrants will have the same terms as the Warrants.

The Company closed the first tranche of the non-brokered private placement on December 17, 2018, pursuant to which it raised aggregate gross proceeds of $1,310,000 from the issuance and sale of 11,909,091 Units. Mega paid aggregate finders' fees of $35,700 in cash and 324,545 common share purchase warrants to third parties who assisted the Company in the transaction.

Outstanding Share Data

The number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of Mega as at December 18, 2018 are as follows:

Securities	As at December 18, 2018
Common shares outstanding	321,291,094
Issuable under options	29,445,000
Issuable under warrants	33,430,645
Total securities	**384,166,739**

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

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 year ended September 30, 2018 and 2017:

Type of service	Nature of relationship	Year Ended September 30, 2018 ($)	Year Ended September 30, 2017 ($)
Short-term compensation benefits[a]	Directors	158	158
Short-term compensation benefits[b]	Officers	689	695
Stock-based compensation benefits[c]	Directors and Officers	566	638
Administrative services[d]	Officers	24	24

[a] Represents the portion of annual retainers for board and committee service paid to all of the directors during the period.

[b] Represents fees paid as compensation to the Company's Chief Executive Officer, Executive Vice President-Australia and Chief Financial Officer for services rendered in their executive capacities.

For the year ended September 30, 2018, $454 of the costs relating to these agreements (year ended September 30, 2017 - $479) are included in general and administrative expenses and $234 (year ended September 30, 2017 - $240) are included in exploration and evaluation.

[c] Reflects costs associated with stock options granted as part of executive and director compensation.

[d] Represents accounting services provided to the Company by Marrelli Support Services Inc., a corporation controlled by Mega's Chief Financial Officer, pursuant to an ongoing contractual arrangement.

During the year ended September 30, 2018, the Company provided office space and other occupancy services to Toro and earned $178 (2017 - $nil) of income from Toro.

Included in amounts payable and other liabilities are fees owing to officers and directors of $413 as at September 30, 2018 (September 30, 2017 - $56).

During the year ended September 30, 2018, officers and directors of Mega purchased an aggregate of 3,290,000 units in the private placement that closed on August 31, 2018.

During the year ended September 30, 2017, officers and directors of Mega exercised 2,525,000 warrants. In addition, during the year ended September 30, 2017, officers and directors of Mega purchased an aggregate of 1,550,000 units in the private placement that closed on June 2, 2017.

Contractual Obligations

Refer to the commitment table under the section "Liquidity and Capital Resources" above for details regarding the Company's contractual obligations as at September 30, 2018.

Critical accounting judgements, estimates and assumptions

The preparation of the consolidated 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 consolidated 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. Significant judgments are used in the Company's assessment of its ability to continue as a going concern which is described in note 2 of the consolidated statements. 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.

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 "Going Concern" above.

(vi) Impairment of equity investment

At the end of each financial reporting period, the Company's management assesses whether there are indications of impairment of the Company's equity investment in Toro. The recoverable amount of the Company's equity investment in Toro is estimated based on the applicable closing share price. In addition to the recoverable amount, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period.

Risks

Mega's financial condition, results of operation and business are subject to certain risks, which may negatively affect them. Certain of these risks are described below (and elsewhere in this MD&A):

Exploration and Development Risks

The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Furthermore, resources and reserves are estimates based upon drilling results, past experience with mining properties, experience of the person making the resource/reserve estimates and many other factors. Resource/reserve estimation is an interpretative process based upon available data. The actual quality and characteristics of ore deposits and metallurgical recovery rates cannot be known until mining takes place, and will almost certainly differ from the assumptions used to develop reserves. Further, reserves are valued based on current costs and current prices and consequently may be reduced with declines in, or sustained low, metal prices.

Financing Risks

The Company has limited financial resources, no operating cash flow and no assurance that sufficient funding will be available to it for further exploration and development of its projects or to fulfill its contractual obligations. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. This risk is heightened by global economic and political uncertainty and significant declines in both the Company's stock price (along with those of other junior exploration companies) and overall commodity prices. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Company will require additional financing if ongoing exploration of its properties is warranted.

Investment Risks

Mega holds and, from time to time, acquires securities of public companies, which are primarily junior or small-cap mining exploration companies in the uranium sector. The market values of these securities can experience significant fluctuations in the short and long term due to factors beyond the Company's control. Market value can be reflective of the actual or anticipated operating results of the companies and/or the general market conditions that affect the mining sector as a whole, such as fluctuations in uranium prices and global political and economic conditions. The Company's investments are carried at fair value, and unrealized gains/losses on the securities we hold and realized losses on the securities we sell could have a material adverse impact on our operating results. The declines in the stock prices of the types of companies in which Mega invests have been very significant, have continued over a prolonged period of time, and may not return to prior levels, including the levels at which they were acquired by Mega, resulting in realized losses upon disposition.

In the case of Mega's equity accounted investment, we are required to record our share of income or loss from this investment and related dilutions and accordingly, our earnings are affected by these amounts. Further, the investment is subject to market forces which may fluctuate beyond our control. We may realize lower proceeds of disposition in the event that we are required to dispose of the investment at a point in time when market prices are low.

Currency Risks

The Company is exposed to currency fluctuations as it presently holds funds in Australian Dollars and a significant amount of its costs and liabilities will be incurred in Australian Dollars. The Company has not entered into any foreign currency contracts.

Environmental Matters

All phases of the Company's operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner, which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests which are presently unknown to the Company and which have been caused by previous or existing owners or operators of the properties or by illegal mining activities.

The Company has adopted Environmental Policies, Management Systems, Plans and Governance processes to guide the implementation of environmental practice in all of its operations. Mega requires all of its subsidiaries to apply these policies and procedures in strict compliance with the regulatory requirements of the countries and provinces within which it operates and consistent with the accepted practices. Our goal is to maintain a high level of environmental performance and a high level of creditability both inside and outside of the Company in all of our areas of operation.

An Environmental Authority has been received from the Queensland Department of Environment and Heritage Protection (the "EHP") to allow all the proposed pre-feasibility work to proceed on the property. Those studies are ongoing. In October 2016, the EHP issued UMVI with an environmental protection order (the "EPO") in respect of the Ben Lomond Project. The EPO requires UMVI to undertake investigations on the Ben Lomond Project site and to consider, and where appropriate to implement, certain environmental rehabilitation measures by November 1, 2017. UMVI considers, and has submitted to the EHP, that the EPO is unjustified and inappropriate in the circumstances. An internal review of the EPO was sought, resulting in a revised EPO being issued by the EHP. As UMVI considers the revised EPO to also be unjustified and inappropriate in the circumstances, UMVI commenced but subsequently withdrew legal proceedings against the EHP appealing its decision to issue the EPO. Having been unsuccessful in its attempt to have the EPO withdrawn, UMVI has taken the steps it considers are necessary to comply with the EPO notwithstanding the fact that UMVI still considers the EPO to be unjustified and inappropriate in the circumstances. As at the date of this MD&A, UMVI is awaiting advice from the EHP as to whether the EHP accepts the works and studies undertaken by UMVI in response to the EPO and whether EHP considers the requirements of the EPO have been satisfied.

The Company has no other financial liabilities for environmental damage or remediation work and is not aware of any other potential or contingent liabilities.

Operating and capital costs for environmental programs are included in project plans for each subsidiary. These costs are based on the Company's assessment of the best practices applicable to the activities approved by the relevant authorities. These programs are reviewed annually.

Governmental Matters

Government approvals and permits are generally required in connection with the Company's operations. If such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of mineral properties. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in development of new mining properties. The Company is currently involved in exploration activities in Australia and Canada.

The tenements that comprise the Ben Lomond project in Queensland expired on November 30, 2014. During the second quarter of 2014 the Company made an application for the renewal of the tenements that comprise the Ben Lomond project for a further period of twenty (20) years each. The applications are currently pending however the tenements will remain valid and on foot until the applications are determined. The Company is not presently aware of the existence of any circumstances which may result in those tenements not being renewed, however the Company cannot guarantee that those tenements, or any other tenements in which the Company has an interest in Australia, will be renewed beyond their current expiry date and there is a material risk that, in the event the Company is unable to renew any of its tenements beyond their current expiry date, all of part or the Company's interests in the corresponding projects may be relinquished.

Australian Governmental Risks

In late November 2007, the Labor Party was elected as the Commonwealth (Federal) Government of Australia. Its policy is to allow uranium to be mined and processed in Australia. However, there are restrictions on the export of uranium from Australia. The Commonwealth government's nuclear safeguards policy has been developed to implement Australia's obligations under the Nuclear Non Proliferation Treaty of 1970 (the "NNPT") which was ratified by Australia in 1973. Parties to the NNPT agree to accept technical safeguards applied by the International Atomic Energy Agency. This safeguard system tracks uranium within the nuclear fuel cycle from production, through to use and storage and ultimately disposal, to ensure that Australian uranium is sold strictly for electrical power generation and cannot benefit the development of nuclear weapons or other military programs. The Commonwealth government only allows the sale of Australian uranium to countries that are signatories to the NNPT and have a bilateral nuclear safeguards agreement with Australia.

The Company's Ben Lomond Project and Georgetown (Maureen) Project are located in Queensland, where there has historically been an anti-uranium mining policy in effect despite the current Federal Government's support of uranium mining. In October 2012, the then newly elected Liberal – National State Government overturned the anti-uranium mining policy in effect under the previous Labor Government and appointed a three-member implementation committee to oversee the recommencement of uranium mining in Queensland. A state election was held in Queensland on January 31, 2015, following which the Queensland Labor Party formed government with the support of certain independent members. The Queensland Labor Party has expressed its intention to reinstitute the ban on uranium mining which was overturned by the Liberal Party – National Party coalition government in October 2012, however as at the date hereof such a ban has yet to be instituted and so it remains uncertain as to whether this ban will be enacted and if so on what terms.

Risks Relating to Foreign Operations

The Company is exposed to risks of political instability and changes in government policies, laws and regulations in every country in which the Company operates. The Company holds mineral interests in Australia that may be affected in varying degrees by political stability, government regulations relating to the mining industry and foreign investment therein, and the policies of other nations in respect of these countries. Any changes in regulations or shifts in political conditions are beyond the Company's control and may adversely affect the Company's business. The Company's operations may be affected in varying degrees by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, employment, land use, water use, environmental legislation and mine safety. There is no assurance that permits can be obtained, or that delays will not occur in obtaining all necessary permits or renewals of such permits for existing properties or additional permits required in connection with future exploration and development programs.

In the event of a dispute arising at the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company may also be hindered or prevented from enforcing its rights with respect to a government entity or instrumentality because of the doctrine of sovereign immunity.

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 $1,508. The cash equivalents consist of highly liquid short-term deposits with the bank. The Company has working capital surplus as at September 30, 2018 of $2,307. 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 "Going Concern" section above. 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.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

(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 be vulnerable to market fluctuations.

The following table shows the estimated sensitivity of the Company's after-tax net income (loss) for the year ended September 30, 2018 from a change in the closing bid price of the Company's investments in marketable securities with all other variables held constant as at September 30, 2018:

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%	7	(7)
4%	14	(14)
6%	21	(21)
8%	28	(28)
10%	35	(35)

(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 net loss and comprehensive loss by approximately $5.

(d) Currency risk:

Currency risk is the risk that the fair value of or 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 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.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

The following table shows the estimated sensitivity of the Company's net after-tax income (loss) for the year ended September 30, 2018 from a change in all foreign currencies (Australian dollars, and U.S. dollars) with all other variables held constant as at September 30, 2018:

Percentage of change in closing exchange rate	Change in net after-tax income (loss) from % increase in closing exchange rate $	Change in net after-tax income (loss) from % decrease in closing exchange rate $
2%	(2)	2
4%	(3)	3
6%	(5)	5
8%	(7)	7
10%	(8)	8

(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, together, have a total asset value of $60,098 as at September 30, 2018 and $68,884 as at September 30, 2017 and pose the risk of producing losses large enough 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 year ended September 30, 2018 from a change in the closing bid price of the Company's investment in NexGen with all other variables held constant as at September 30, 2018:

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%	741	(741)
4%	1,481	(1,481)
6%	2,222	(2,222)
8%	2,962	(2,962)
10%	3,703	(3,703)

(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.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

The carrying values of cash and cash equivalents, restricted cash, receivables and amounts payable and other liabilities, approximate their fair values due to the short-term nature of these instruments. Marketable securities and long term investments 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.

Management of Capital

The Company includes the following items in its managed capital as at September 30, 2018 and September 30, 2017:

	September 30, 2018 ($)	September 30, 2017 ($) (restated)
Shareholders' equity comprises of:		
Share capital	**274,838**	**273,644**
Warrants	**887**	**426**
Share option reserve	**65,952**	**65,355**
Accumulated other comprehensive income	**35,591**	**38,110**
Deficit	**(314,480)**	**(306,520)**
	62,788	**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.

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 year ended September 30, 2018 and the Company is not subject to any externally imposed capital requirements.

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 adoption of this standard will not have a material impact on the consolidated financial statements.

(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 adoption of this standard will have no impact on the consolidated financial statements.

(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 if any entity also adopts IFRS 15.

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

Additional Information

Additional information relating to Mega, including its annual information form, is available under the Company's profile on SEDAR at www.sedar.com.

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

Restatement

During the course of the audit for the Company's consolidated financial statements for the year ended September 30, 2018, the Company identified a prior period error relating to deferred tax. The unrealized gain on the NexGen investment was recorded net of tax at the corporate rate of 26.5% instead of the capital gains rate of 13.25%. The effect was an overstatement of deferred tax recovery of $2,002 and an understatement of change in fair value of long-term investment, net of tax of $2,002. The error has been corrected by the restatement of the consolidated financial statements for the year ended September 30, 2017.

The error had no impact on the consolidated statement of financial position as at October 1, 2016.

The impact of the error on the consolidated financial statements as at and for the year ended September 30, 2017 is as follows:

Statement of Financial Position	As previously reported ($)	Adjustment ($)	As restated ($)
Accumulated other comprehensive income	36,108	2,002	38,110
Deficit	(304,518)	(2,002)	(306,520)

Statement of (Loss) Income and Comprehensive (Loss) Income	As previously reported ($)	Adjustment ($)	As restated ($)
Deferred tax recovery (expense)	4,005	(2,002)	2,003
Net income (loss) for the year	386	(2,002)	(1,616)
Change in fair value of long-term investment, net of tax	11,109	2,002	13,111
Other comprehensive income	11,086	2002	13,088
Total comprehensive income for the year	11,472	nil	11,472
Basic and diluted income (loss) per share	0.00	(0.01)	(0.01)

Statement of Cash Flows	As previously reported ($)	Adjustment ($)	As restated ($)
Net income (loss) for the year	386	(2,002)	(1,616)
Deferred income tax (recovery) expense	(4,005)	2,002	(2,003)

Disclosure Controls and Procedures

Management has designed and evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that, based on its evaluation, they are sufficiently effective as of September 30, 2018, to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is made known to management and disclosed in accordance with applicable securities regulations.

Internal Controls over Financial Reporting ("ICFR")

Mega's management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR"). ICFR is a process designed by, or under the supervision of, the CEO and CFO and effected by management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management used the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate the effectiveness of the Company's ICFR for the year ended September 30, 2018.

In the course of their evaluation, management identified a material weakness in Mega's ICFR due to its lack of expertise in deferred tax accounting, which is described below, and concluded that the Company's ICFR was not effective as at September 30, 2018. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected on a timely basis.

During the audit for the Company's consolidated financial statements for the year ended September 30, 2018, a prior period error was identified relating to deferred tax - the corporate income tax rate was applied when recording an unrealized gain on an investment, net of tax, instead of the capital gains rate, the overall effect of which required a restatement of the Company's consolidated financial statements for the year ended September 30, 2017, due to the magnitude of the adjustments. The full impact of the error on the financial statements is described earlier in this MD&A under the heading "Restatement" and is reflected in the restated financial statements which form part of the Company's audited annual consolidated financial statements for the years ended September 30, 2018 and September 30, 2017 to which this MD&A relates.

A review of certain of the Company's historical financial statements was undertaken as a result of the tax rate error to identify other potential tax-related issues. The process revealed that the Company had not properly recorded deferred tax recovery on a quarterly basis in its financial statements for each of the first three quarters of the 2016, 2017 and 2018 financial years. The impact of the error on these financial statements was quantitatively material and required restatement. The Company is in the process of preparing restated interim financial statements. Estimates of the adjustments to be reflected in the statements are provided below (and are subject to change).

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

Quarterly Restatements

As at and for the three months ended December 31, 2015

Statement of Financial Position – December 31, 2015	As previously reported ($)	Adjustment ($)	As restated ($)
Accumulated other comprehensive income	2,355	(306)	2,049
Deficit	(323,024)	306	(322,718)
Statement of (Loss) Income and Comprehensive (Loss) Income – three months ended December 31, 2015			
Deferred tax recovery	nil	306	306
Net (loss) income for the period	(1,468)	306	(1,162)
Change in fair value of long-term investment, net of tax	2,308	(306)	2,002
Total comprehensive income for the period	920	nil	920
Basic and diluted (loss) income per share	(0.01)	0.00	(0.00)
Statement of Cash Flows - three months ended December 31, 2015			
Net income (loss) for the period	(1,468)	306	(1,162)
Deferred income tax recovery	nil	(306)	(306)

As at and for the three and six months ended March 31, 2016

Statement of Financial Position – March 31, 2016	As previously reported ($)	Adjustment ($)	As restated ($)
Accumulated other comprehensive income	22,590	(3,002)	19,588
Deficit	(323,178)	3,002	(320,176)
Statement of (Loss) Income and Comprehensive (Loss) Income – three months ended March 31, 2016			
Deferred tax recovery	nil	2,696	2,696
Net income (loss) for the period	(331)	2,696	2,365
Change in fair value of long-term investment, net of tax	20,345	(2,696)	17,649
Total comprehensive income for the period	20,004	nil	20,004
Basic and diluted income (loss) per share	(0.00)	0.01	0.01

Statement of (Loss) Income and Comprehensive (Loss) Income - six months ended March 31, 2016			
Deferred tax recovery	nil	3,002	3,002
Net income (loss) for the period	(1,799)	3,002	1,203
Change in fair value of long-term investment, net of tax	22,653	(3,002)	19,651
Total comprehensive income for the period	20,924	nil	20,924
Basic and diluted income (loss) per share	(0.01)	0.01	0.00
Statement of Cash Flows - six months ended March 31, 2016			
Net income (loss) for the period	(1,799)	3,002	1,203
Deferred income tax recovery	nil	(3,002)	(3,002)

Three and Nine Months Ended June 30, 2016

Statement of Financial Position – June 30, 2016	As previously reported ($)	Adjustment ($)	As restated ($)
Accumulated other comprehensive income	38,745	(5,184)	33,561
Deficit	(325,229)	5,184	(320,045)
Statement of (Loss) Income and Comprehensive (Loss) Income – three months ended June 30, 2016			
Deferred tax recovery	nil	2,182	2,182
Net income (loss) for the period	(2,207)	2,182	(25)
Change in fair value of long-term investment, net of tax	16,469	(2,182)	14,287
Total comprehensive income for the period	14,183	nil	14,183
Basic and diluted income (loss) per share	(0.01)	0.01	(0.00)
Statement of (Loss) Income and Comprehensive (Loss) Income - nine months ended June 30, 2016			
Deferred tax recovery	nil	5,184	5,184
Net income (loss) for the period	(4,006)	5,184	1,178
Change in fair value of long-term investment, net of tax	39,122	(5,184)	33,938
Total comprehensive income for the period	35,107	nil	35,107
Basic and diluted income (loss) per share	(0.01)	0.02	0.00
Statement of Cash Flows - nine months ended June 30, 2016			
Net income (loss) for the period	(4,006)	5,184	1,178
Deferred income tax recovery	nil	(5,184)	(5,184)

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

As at and for the three months ended December 31, 2016

Statement of Financial Position – December 31, 2016	**As previously reported ($)**	**Adjustment ($)**	**As restated ($)**
Accumulated other comprehensive income	31,392	(847)	30,545
Deficit	(305,898)	847	(305,051)
Statement of (Loss) Income and Comprehensive (Loss) Income – three months ended December 31, 2016			
Deferred tax recovery	nil	847	847
Net income (loss) 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	nil	5,112
Basic and diluted income (loss) per share	(0.00)	0.00	(0.00)
Statement of Cash Flows – three months ended December 31, 2016			
Net income (loss) for the period	(1,258)	847	(411)
Deferred income tax recovery	nil	(847)	(847)

Three and Six Months Ended March 31, 2017

Statement of Financial Position – March 31, 2017	**As previously reported ($)**	**Adjustment ($)**	**As restated ($)**
Accumulated other comprehensive income	46,929	(2,901)	44,028
Deficit	(306,191)	2,901	(303,290)
Statement of (Loss) Income and Comprehensive (Loss) Income – three months ended March 31, 2017			
Deferred tax recovery	nil	2,054	2,054
Net income (loss) for the period	(293)	2,054	1,761
Change in fair value of long-term investment, net of tax	15,501	(2,054)	13,447
Total comprehensive income for the period	15,244	nil	15,244
Basic and diluted income (loss) per share	(0.00)	0.01	0.01

Statement of (Loss) Income and Comprehensive (Loss) Income – six months ended March 31, 2017			
Deferred tax recovery	nil	2,901	2,901
Net income (loss) for the period	(1,551)	2,901	1,350
Change in fair value of long-term investment, net of tax	21,895	(2,901)	18,994
Total comprehensive income for the period	20,356	nil	20,356
Basic and diluted income (loss) per share	(0.01)	0.01	0.00
Statement of Cash Flows – six months ended March 31, 2017			
Net income (loss) for the period	(1,551)	2,901	1,350
Deferred income tax recovery	nil	(2,901)	(2,901)

Three and Nine Months Ended June 30, 2017

Statement of Financial Position – June 30, 2017	**As previously reported ($)**	**Adjustment ($)**	**As restated ($)**
Accumulated other comprehensive income	41,097	(2,131)	38,966
Deficit	(308,194)	2,131	(306,063)
Statement of (Loss) Income and Comprehensive (Loss) Income – three months ended June 30, 2017			
Deferred tax expense	nil	(770)	(770)
Net income (loss) for the period	(2,003)	(770)	(2,773)
Change in fair value of long-term investment, net of tax	(5,812)	770	(5,042)
Total comprehensive income for the period	(7,835)	nil	(7,835)
Basic and diluted income (loss) per share	(0.01)	(0.00)	(0.01)
Statement of (Loss) Income and Comprehensive (Loss) Income – nine months ended June 30, 2017			
Deferred tax recovery	nil	2,131	2,131
Net income (loss) for the period	(3,554)	2,131	(1,423)
Change in fair value of long-term investment, net of tax	16,083	(2,131)	13,952
Total comprehensive income for the period	12,521	nil	12,521
Basic and diluted income (loss) per share	(0.01)	0.01	(0.00)
Statement of Cash Flows – nine months ended June 30, 2017			
Net income (loss) for the period	(3,554)	2,131	(1,423)
Deferred income tax recovery	nil	(2,131)	(2,131)

(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

As at and for the three months ended December 31, 2017

Statement of Financial Position – December 31, 2017	As previously reported ($)	Adjustment ($)	As restated ($)
Accumulated other comprehensive income	44,633	(1,130)	43,503
Deficit	(305,346)	1,130	(304,216)
Statement of (Loss) Income and Comprehensive (Loss) Income – three months ended December 31, 2017			
Deferred tax recovery	nil	1,130	1,130
Net income (loss) 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	nil	7,697
Basic and diluted income (loss) per share	(0.00)	0.00	0.00
Statement of Cash Flows – three months ended December 31, 2017			
Net income (loss) for the period	(828)	1,130	302
Deferred income tax recovery	nil	(1,130)	(1,130)

Three and Six Months Ended March 31, 2018

Statement of Financial Position – March 31, 2018	As previously reported ($)	Adjustment ($)	As restated ($)
Accumulated other comprehensive income	25,458	1,412	26,870
Deficit	(306,712)	(1,412)	(308,124)
Statement of (Loss) Income and Comprehensive (Loss) Income – three months ended March 31, 2018			
Deferred tax expense	nil	(2,542)	(2,542)
Net income (loss) for the period	(1,366)	(2,542)	(3,908)
Change in fair value of long-term investment, net of tax	(19,182)	2,542	(16,640)
Total comprehensive income for the period	(20,541)	nil	(20,541)
Basic and diluted income (loss) per share	(0.00)	(0.01)	(0.01)

Statement of (Loss) Income and Comprehensive (Loss) Income – six months ended March 31, 2018			
Deferred tax expense	nil	(1,412)	(1,412)
Net income (loss) for the period	(2,194)	(1,412)	(3,606)
Change in fair value of long-term investment, net of tax	(10,657)	1,412	(9,245)
Total comprehensive income for the period	(12,844)	nil	(12,844)
Basic and diluted income (loss) per share	(0.01)	(0.00)	(0.01)
Statement of Cash Flows – six months ended March 31, 2018			
Net income (loss) for the period	(2,194)	(1,412)	(3,606)
Deferred income tax expense	nil	1,412	1,412

Three and Nine Months Ended June 30, 2018

Statement of Financial Position – June 30, 2018	**As previously reported ($)**	**Adjustment ($)**	**As restated ($)**
Accumulated other comprehensive income	29,331	899	30,230
Deficit	(312,011)	(899)	(312,910)
Statement of (Loss) Income and Comprehensive (Loss) Income – three months ended June 30, 2018			
Deferred tax recovery	nil	513	513
Net income (loss) for the period	(5,299)	513	(4,786)
Change in fair value of long-term investment, net of tax	3,875	(513)	3,362
Total comprehensive income for the period	(1,426)	nil	(1,426)
Basic and diluted income (loss) per share	(0.02)	0.00	(0.02)
Statement of (Loss) Income and Comprehensive (Loss) Income – nine months ended June 30, 2018			
Deferred tax expense	nil	(899)	(899)
Net income (loss) for the period	(7,493)	(899)	(8,392)
Change in fair value of long-term investment, net of tax	(6,782)	899	(5,883)
Total comprehensive income for the period	(14,270)	nil	(14,270)
Basic and diluted income (loss) per share	(0.03)	(0.00)	(0.03)
Statement of Cash Flows – nine months ended June 30, 2018			
Net income (loss) for the period	(7,493)	(899)	(8,392)
Deferred income tax expense	nil	899	899

Management has determined that all of the foregoing restatements collectively reflect the existence of a material weakness in the Company's ICFR involving deferred tax accounting. The Company relies upon a small staff for its accounting and financial reporting. The tax accounting function has been performed in-house by personnel who lack the necessary expertise to properly compute and verify deferred tax calculations. Mega is committed to improving its control environment. The Company intends to develop and implement procedures aimed at remediating this weakness prior to filing its financial statements for the next reporting period.

Limitations of Controls and Procedures

Mega's management, including the CEO and CFO, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the three-month period ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.