Mega Uranium Ltd.

Management's Discussion and Analysis
(All amounts in thousands of Canadian dollars, except for securities and per share amounts)

For the Quarter Ended: **December 31, 2015**

Date of Report: **February 10, 2016**

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 unaudited interim condensed consolidated financial statements ("interim consolidated statements") and notes thereto as at for the three months ended December 31, 2015. The same accounting policies and methods of computation were followed in the preparation of the interim consolidated statements as were followed in the preparation and described in note 4 of the annual consolidated financial statements as at and for the year ended September 30, 2015, except for those described under the "Changes in Accounting Policies" section elsewhere in this MD&A.

Except as otherwise indicated, all financial data in this MD&A has 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 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 working capital requirements, including its ability to satisfy such requirements, 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 seismic, drilling and other equipment; uncertainties associated with the uranium industry, including 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, 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, 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:

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 incurred a loss for the quarter ended December 31, 2015 of $1,169 (2014 - $2,033) and has an accumulated deficit of $323,024 (2014 - $321,855). 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, equity investments it holds and issuing its own equity 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. 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 challenges of securing requisite funding beyond December 31, 2015 and the continued estimated operating losses cast significant doubt on the Company's ability to continue as a going concern.

The consolidated financial 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 at 211 Yonge Street, Suite 502, Toronto, Ontario, Canada, M5B 1M4.

Mega is an exploration and development mineral resources company with a focus on uranium properties in Australia and Canada. Mega is in the process of exploring its mineral properties and has not as yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown in this MD&A for mineral properties and related expenditures is dependent upon: the existence of economically recoverable reserves; the ability of the Company to obtain the necessary financing to complete exploration, development and production where possible; government policies, regulations and permits; future profitable production (which would be dependent upon, among other things, future costs of production and sale prices of uranium) or proceeds from disposition of such properties; and various other factors beyond the Company's control and of which it may not be aware.

Mega also holds securities of other issuers, including a significant long term investment in NexGen Energy Ltd. ("NexGen") (NXE:TSXV) and an equity investment in Toro Energy Limited ("Toro") (TOE:ASX), along with equity positions in other uranium-focused companies.

Outlook:

Given long term industry fundamentals remain positive, the development of uranium properties remains one of the more attractive areas in resource development globally. However, due to the existing poor macroeconomic environment, the Company continued to explore its properties at a much reduced rate and in a very focused manner, in order to preserve its cash resources. The sale of the Company's Lake Maitland properties to Toro Energy Limited completed during 2014 provided Mega the opportunity to evaluate its position in the market and consider how best to advance its portfolio of uranium assets and uranium investments, with reducing direct costs typically associated with the exploration and development of uranium projects. Mega will continue to focus on its key properties Ben Lomond and Maureen, located in Queensland Australia, with a view to advancing its most prospective projects and maintaining its ownership interests (which require the satisfaction of minimum expenditure requirements).

While there has been no fundamental change to uranium market conditions, there have been developments that suggest a more positive mid- and long-term outlook, including the approval of a new energy policy in Japan that includes nuclear power as an important energy source for the country. It is expected to take some time for a significant number of reactors to resume operations in Japan and for the inventory that has built up since 2011 to clear. The first of those reactors was restarted August 2015, a second reactor followed on October 16, 2015, a third reactor followed on January 29, 2016 and more are expected to follow in the next six months.

Overall, long-term fundamentals remain positive as nuclear growth continues to progress around the world, with approximately 65 new reactors under construction and a recent transaction between Cameco Corp. and the Government of India highlight the demand for uranium outside of known Chinese interests and other traditional markets. Demand for the metal combined with the timing, development and execution of new supply projects and the continued performance of existing supply will determine the pace of market recovery, and the timing of exploration of some of the Company projects.

Overall Performance:

During the three months December 31, 2015, the Company incurred exploration expenditures of $299, and a foreign currency translation gain of $534 resulting in a net increase of $833 in the carrying value of its mineral properties. As at December 31, 2015, the Company had a working capital surplus of $50 as compared to a working capital surplus of $628 as at September 30, 2015.

The Company had cash and cash equivalents and marketable securities of $1,315 as at December 31, 2015 as compared to $613 as at September 30, 2015. The increase in cash and cash equivalents and marketable securities is primarily due to receipt of receivables of a research and development rebate for work related to the Company's former Lake Maitland project, offset by spending on exploration activities general and administrative expenses and payment of payables.

Mineral Properties:

In addition to the mineral properties that it owns, the Company enters into exploration (joint operation) agreements with other companies whereby Mega may earn an interest in other mineral properties by issuing common shares and/or making cash payments and/or incurring expenditures in varying amounts by varying dates, all of which are at Mega's discretion. Failure by Mega to issue any such shares or make any such payments or incur any such expenditure when due will result in a reduction or loss of the Company's ability to earn or maintain an ownership interest.

The following table shows the Company's mineral properties and related expenditures as at December 31, 2015.

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

	September 30, 2015	December 31, 2015			
	Net book value	Net expenditures	Impairment	Foreign currency translation	Net book value
AUSTRALIA - Western Australia					
Redport Properties					
Acquisition and exploration expenditures	$ 1,440	$ 159	$ -	$ 109	$ 1,708
Kintyre Rocks					
Joint operations with Cameco Australia Pty ltd. (Cameco Australia pty ltd holding 51% and Mega holding 49%)					
Acquisition and exploration expenditures	1,664	-	-	116	1,780
Total Western Australian properties	3,104	159	-	225	3,488
AUSTRALIA - Northern Territory					
Hindmarsh properties					
Neutral junction property (Joint operations with Mithril Resources Ltd. and Bowgan Minerals Ltd. each holding 33.33% of the property)					
Bowgan property (Joint operations with Bowgan Minerals Ltd. and Marengo Mining Ltd., each holding 33.33% of the property)					
Acquisition and exploration expenditures	55	-	-	4	59
Total South Australia and Northern Territory properties	55	-	-	4	59
AUSTRALIA - Queensland					
Ben Lomond Property					
Acquisition and exploration expenditures	2,568	139	-	186	2,893
Georgetown Properties					
Acquisition and exploration expenditures	1,512	1	-	119	1,632
Total Queensland properties	4,080	140	-	305	4,525
Total Australian properties	7,239	299	-	534	8,072

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

	September 30, 2015	December 31, 2015			
	Net book value	Net expenditures	Impairment	Foreign currency translation	Net book value
CANADA					
Ontario Properties					
Greenwich Properties (Optioned to Panoramic Resources Ltd.)					
Acquisition and exploration expenditures	256	-	-	-	256
Monster Labrador Properties					
Mustang lake properties (Joint operations with Anthem Resources Ltd. 74% Mega and 26% Anthem Resources Ltd.)					
Acquisition and exploration expenditures	39	-	-	-	39
Other Properties					
Acquisition and exploration expenditures	18	-	-	-	18
Total Canadian properties	313	-	-	-	313
Total mineral properties and related expenditures	$ 7,552	$ 299	$ -	$ 534	$ 8,385

The Company's assessment of the carrying values of mineral properties and related expenditures is based on management's assessment of potential indicators of impairment and best estimates of likely courses of action by the Company. See "Critical Accounting Estimates" elsewhere in this MD&A.

Results of Operations:

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

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

	Quarter ended			
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Working capital surplus (deficit)	$ 50	$ 628	$ (340)	$ (551)
Net loss	(1,169)	(1,167)	(807)	(4,875)
Loss per share–basic and diluted	(0.00)	(0.00)	(0.00)	(0.02)
	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Working capital surplus (deficit)	$ 535	$ 2,005	$ 527	$ (138)
Net loss	(2,033)	(7,672)	(2,909)	(818)
Loss per share–basic and diluted	(0.01)	(0.03)	(0.01)	(0.00)

The Company is an exploration and development stage mineral resources company. At this time, any issues of seasonality or commodity market fluctuations have no direct impact on our results or operations but can impact upon our exploration activities and our ability to grow through acquisition. The Company currently defers its exploration and evaluation expenditures to mineral property costs. 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, general and administrative expense, write-downs of mineral properties (most significantly in the three month periods ended September 30, 2014 and March 31, 2015). 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 for the three months ended December 31, 2015:

For the three months ended December 31, 2015, the Company recorded a net loss of $1,169 as compared to a net loss of $2,033 for the three months period ended December 31, 2014. The net loss resulted primarily from general and administrative expenses of $451 (2014-$752), realized and unrealized loss on marketable securities of $21 (2014 - $501), loss on significant influenced equity investments of $712 (2014 - $789), and loss on deemed disposition of equity investment of $11 (2014 - $Nil) offset by interest income of $2 (2014 - $4), unrealized foreign exchange gain of $24 (2014- unrealized foreign exchange loss of $12) and gain on sale of capital assets of $Nil (2014 - $17). Unrealized gains or losses on marketable securities occur as a result of adjustments in the fair value of the marketable securities.

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

For the three months ended December 31, 2015, total operating, general and administrative expenses decreased to $451 from $752 for the three months ended December 31, 2014.

	Three months ended December 31,	
	2015	2014
Professional fees (a)	**$ 30**	$ 64
Consulting and directors' fees (b)	**142**	280
Shareholder relations and communications	**1**	2
Transfer agent and filing fees	**19**	33
Travel and promotion	**4**	2
Salaries and office administration (c)	**140**	316
Stock based compensation (d)	**101**	23
Amortization	**14**	32
	$ 451	$ 752

A breakdown of operating, general and administrative expenses for the three months ended December 31, 2015 and 2014 is provided below.

(a) Professional fees decreased during the quarter ended December 31, 2015 as compared to same period in previous year, primarily due to a reduction in advisory services used by the Canadian corporate office and Australian subsidiaries compared to the prior year period.

(b) Consulting and directors fees decreased during the quarter ended December 31, 2015 as compared to same period in the previous year. Aggregate consulting fees decreased primarily from the renegotiation of compensation with certain officers of the Company and the retirement of the previous Chief Executive Officer in the latter half of the prior year.

(c) The salaries and office administration expenses decrease is primarily attributable to cost containment measures throughout the Company.

(d) An increase in stock-based compensation expense for the three months ended December 31, 2015 also contributed to the increase in expenses. 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. Stock-based compensation expense increased primarily due to higher number of options vested during the quarter ended December 31 2015 as compared to quarter ended December 31, 2014.

Other comprehensive income is $2,922 for the three months period ended December 31, 2015 as compared to other comprehensive loss of $426 for the three months period ended December 31, 2014. Other comprehensive income (loss) items consisted of currency translation adjustment and change in value of long term investment.

The currency translation adjustment income is $614 as compared to currency translation adjustment loss of $426 for the same period in the prior year. This resulted from the translation of the operating results and financial condition of the subsidiaries having functional currencies other than the Canadian dollar, which is Mega's functional and presentation currency.

As at May 26, 2015, the Company did not have significant influence in NexGen, and therefore ceased accounting for its investment using the equity method. Mega now classifies its NexGen investment as available for sale assets at fair value. The fair value of its NexGen investment resulted in an increase of its value of $2,308 and is reflected in other comprehensive income.

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

Total comprehensive income for the three months period ended December 31, 2015 was $1,753 as compared to a net comprehensive loss of $2,459 in the three months period ended December 31, 2014.

None of Mega's properties are in production. Pre-feasibility studies are ongoing on the Ben Lomond Project in Queensland.

Following are the plans related to Mega's significant properties:

Project/Property Name	Brief Description	Plans for Project	Planned Expenditure for Calendar 2015	Expenditure incurred year to date for Calendar 2015	Planned Expenditure for Calendar 2016
Ben Lomond	2 mining leases totalling 21.6 km^2 in Queensland, Australia.	Environmental and geological prefeasibility studies	$0.35 million	$0.32 million	$0.3 million
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	$0.3 million	$0.1 million	$0.1million

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 as at and for the period ended December 31, 2015:

	Three months ended December 31, 2015	As at December 31, 2015				
Country/Region	**Net loss**	**Capital assets**	**Mineral Properties and related expenditures**	**Cash and cash equivalents**	**Other assets**	**Total assets**
Canada	**(1,070)**	**-**	**313**	**235**	**42,724**	**43,272**
Australia	**(99)**	**163**	**8,072**	**876**	**362**	**9,473**
Total	**(1,169)**	**163**	**8,385**	**1,111**	**43,086**	**52,745**

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

The following is segmented information of operations for the three months period ended December 31, 2014 and as at September 30, 2015:

	Three months ended December 31, 2014	As at September 30, 2015				
Country/Region	**Net loss**	**Capital assets**	**Mineral Properties and related expenditures**	**Cash and cash equivalents**	**Other assets**	**Total assets**
Canada	**(1,867)**	**-**	**313**	**240**	**41,098**	**41,651**
Australia	**(166)**	**166**	**7,239**	**157**	**1,742**	**9,304**
Total	**(2,033)**	**166**	**7,552**	**397**	**42,840**	**50,955**

The Company has no inter-segment revenues

Cash Flows:

Three months ended December 31, 2015 as compared to three months ended December 31, 2014

During the three months ended December 31, 2015, the Company generated $950 of cash in its operations as compared to cash generated of $834 in the prior year period. During the current period, prepaid expenses and receivables decreased by $1,350 due to a decrease in advances relating to mineral property and related expenditures and receipt of the receivables of a research and development rebate for the Lake Maitland project. Accounts payable and accrued liabilities decreased by $66 primarily from payment of accruals related to exploration and administrative expenses.

For the three months period ended December 31, 2015, cash used in investing activities was $299 as compared to cash generated of $307 in the prior year period. During the current period, the Company spent $299 on mineral properties and related expenditures as compared to $134 in the prior year period reflecting the Company's exploration activities in Australia, and Canada in accordance with Mega's exploration plans. The Company generated $Nil cash from the purchase and sale of marketable securities as compared to cash generated from sales of marketable securities of $410 in the prior year period. During the current period, the Company generated $Nil from the sale of a capital asset as compared to net cash generated of $31 from the sale of its capital assets in prior year period.

During the three months ended December 31, 2015, the Company had a net increase in cash and cash equivalents of $651 as compared to a net increase in cash and cash equivalents of $1,141 during the three months year period ended December 31, 2014. For the three months ended December 31, 2015, the Company also had a foreign exchange gain of $63 from the exchange rate difference, leaving cash and cash equivalents balance of $1,111 as at December 31, 2015 as compared to an foreign exchange loss of $53, leaving a cash and cash equivalents balance of $1,952 as at December 31, 2014.

Marketable Securities:

Marketable securities consisted of investments in junior small cap mining companies for the following period indicated:

	December 31, 2015	September 30, 2015
Investments at fair value	**$ 204**	$ 216
Cost	**$ 3,571**	$ 3,571

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

Liquidity and Capital Resources:

Balance Sheet Highlights	**December 31, 2015**	September 30, 2015
Mineral properties and related expenditures	**$ 8,385**	$ 7,552
Current assets	**1,711**	2,360
Equity investments	**27,038**	27,761
Long term investment	**15,095**	12,787
Other long term assets	**516**	495
Total assets	**52,745**	50,955
Current liabilities	**1,661**	1,732
Share capital, warrants and broker warrants and Share option reserve	**371,753**	371,645
Accumulated comprehensive loss	**2,355**	(567)
Deficit	**(323,024)**	(321,855)
Working Capital Surplus	**50**	628

As at December 31, 2015, the Company had cash and cash equivalents and marketable securities of $1,315 as compared to $613 as at September 30, 2015. The increase in cash and cash equivalents and marketable securities is primarily due to receipt of a research and development rebate for work related to the Company's former Lake Maitland project.

Accounts payable and accrued liabilities decreased to $1,661 as at December 31, 2015 as compared to $1,732 as at September 30, 2015, primarily due to payments of past accruals of liabilities for administration and exploration expenditures.

On January 12, 2016 the Company sold 2,500,000 shares of NexGen for net proceeds of $1,937 to be used for working capital purposes including to pay a majority of all outstanding liabilities which were outstanding for more than 90 days.

In addition to reducing expenditures on the Company's properties, Mega has taken other measures to try to limit its funding requirements and reduce costs. The Chief Executive Officer and Executive Vice President-Australia agreed to reduce their aggregate annual management consulting fees by $315, effective as of March 1, 2015. Additionally a further reduction in management compensation was achieved upon the appointment of a new Chief Financial Officer at the end of the current quarter ended December 31, 2015.

The Company has a working capital surplus of $50 as compared to working capital surplus of $628 as at September 30, 2015. The reduction in working capital surplus is primarily due to spending on exploration activities, general and administrative expenses and payment of payables partially offset by receipt of receivables of a research and development rebate for work related to the Company's former Lake Maitland project.

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company's ongoing operations have been predominantly financed by the sale of its marketable securities, by proceeds from private placements and subsequent exercises of share purchase warrants and broker warrants issued under the private placements, and by stock option exercises. However, the exercise of warrants and options is dependent primarily on the market price and overall market liquidity of the

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Company's securities at the time of exercise of such securities (over which the Company has no control) and therefore there can be no certainty that any existing warrants or options will be exercised. In addition, the Company may be able to raise funds through the sale of long term investments, equity investments and interests in its mineral properties, although current market conditions have substantially reduced the number of potential buyers/acquirers of any such interest(s).

The Company expects that it will operate at a loss for the foreseeable future, and it requires additional financing to fund further exploration and development of current mineral properties, and to continue its operations (including general and administrative expenses), and to discharge its obligations as they come due. Although the Company can sell long term investment and equity investments to raise funds (subject to market conditions and contractual restrictions, among other factors), there is significant uncertainty that the Company will be able to continue to secure additional financing in the short term in the equity markets – see "Risk Factors". The quantity of funds to be raised and the terms of any proposed equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise.

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

	Obligations by period				
Liabilities and obligations	**Total**	**Less than 1 year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Accounts payable and accrued liabilities (a)	**$ 1,661**	$ 1,661	-	-	-
Obligations on mineral properties (b)	**2,152**	418	863	871	-
Services agreement (c)	**60**	60	-	-	-
	$ 3,873	$ 2,139	$ 863	$ 871	$ Nil

(a) Included in accounts payables are fees of $263 payable to Gerry Feldman, Mega's former Chief Financial Officer, by July 15, 2016 in accordance with an agreement between the Company and Mr. Feldman to settle the liabilities.

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

(c) The Company has no long-term debt. The Company has a services agreement with Pinetree Capital Ltd. ("Pinetree") (TSX: "PNP"), a Company with common officers, whereby the Company pays a monthly fee of $5 plus HST effective May 1, 2015, in exchange for the provision of certain administrative services and facilities by Pinetree.

Equity investments:

In November 2013, Mega acquired 415 million ordinary shares of Toro Energy Limited ("Toro") (TOE:ASX) 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 represent approximately 20.70% of Toro's outstanding shares as at December 31, 2015.

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

As the Company owns 20.70% of the outstanding ordinary shares of Toro and also has representation on Toro's board of directors, the Company is considered to have significant influence over Toro, and accordingly, accounts for its investment in Toro using the equity method as prescribed under IFRS.

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 these equity investments was $712 for the three months period ended December 31, 2015.

During the three months period ended December 31, 2015, Mega's holding in Toro was diluted from 20.74% to 20.70% as a result of the issuance of additional ordinary shares by Toro. This resulted in a deemed disposition on dilution of Mega's holding in Toro. A dilution loss was booked on deemed disposition for $11 (2014-$Nil).

The carrying value of the equity investment in Toro is $27,038 as at December 31, 2015.

The fair value of the Company's equity investment in Toro is $29,291 based on the closing share price, as at December 31, 2015.

Long term investment:

Mega holds 21,876,265 shares of NexGen as at December 31, 2015. Mega acquired the shares in December 2012 as consideration for the sale to NexGen of the majority of its Canadian projects. The transaction also included the right of Mega to appoint two nominees to NexGen's board for so long as Mega's equity interest in NexGen is at least 10%.

During the quarter ended June 30, 2015, NexGen raised capital and issued approximately 55,654,359 common shares, which resulted in the dilution of Mega's ownership below 10%, thereby reducing its board nominee rights to one person. The Company determined that it no longer had significant influence in NexGen and ceased accounting for its investment using the equity method as of May 26, 2015. Mega classifies its investment in NexGen as a long-term investment effective May 26, 2015.

For the three month period ended December 31, 2015 $2,308 was also recorded as fair value unrealized gain in other comprehensive income.

The change in investment in NexGen is detailed as follows:

		December 31, 2015		September 30, 2015
Transfer on reclassification from equity investments during year ended September 30, 2015.	**$**	**12,787**	$	6,749
Fair value unrealized gain for the three month period ended December 31, 2015 recorded in other comprehensive income.		**2,308**		2,065
Balance as at December 31, 2015	**$**	**15,095**	$	12,787

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.

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

Related party transactions were as follows for the three months period ended December 31:

Type of service	**Nature of relationship**	**2015**	2014
Salaries	Directors	**$ 24**	$ 24
Consulting fees (a)	Director and Officers	**138**	334
Stock based compensation	Directors and officers	**86**	22

Consulting fees were paid/payable during the period to the Company's Chief Executive Officer, Executive Vice President-Australia and former Chief Financial Officer pursuant to agreements with them. The costs relating to these agreements are included in operating, general and administrative expenses of $80 and $58 is capitalized to mineral properties.

Effective December 31, 2015, Gerry Feldman, the Company's Chief Financial Officer, resigned and was replaced by Carmelo Marrelli and the Company entered into an agreement with Mr. Feldman which provides for payment of consulting fees owed to him by July 15, 2016.

Included in accounts payable and accrued liabilities are fees owing to officers and directors of $1,216 (2014- $1,653), as at December 31, 2015.

The Company's related parties along with their amount outstanding as at December 31, 2015 are as follows

Name	**Nature of transactions**	**Amount Payable**
Gerry Feldman	Consulting fees as former CFO	263
Richard Patricio	Consulting fees as CEO and President and former Vice President Corporate Affairs	565
Richard Homsany	Consulting fees as Vice President Operations	313
Anthony Grey	Director fees	20
Stewart Taylor	Director fees	14
Douglas Reeson	Director fees	26
Arni Johannson	Director fees	16
Total Payable		**1,216**

On January 1 2016, 1,700,000 options were granted to directors and officers of the company having an exercise price of $0.07.

The Company has entered into an agreement with Gerry Feldman, former Chief Financial Officer, to settle his payment in installments which will be settled in full by July 15, 2016.

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.

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

Contractual Obligations:

There were no material changes in the Company's contractual obligations during the three months period ended December 31, 2015.

Internal Controls Over Financial Reporting

There was no change in the Company's internal controls over financial reporting ("ICFR") that occurred during the three months ended December 31, 2015 and which materially affected, or is reasonably likely to materially affect, the Company's ICFR.

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 February 10, 2015 are as follows:

Common share	As at February 10, 2015
Outstanding	**281,852,813**
Issuable under options	**17,280,000**
Issuable under warrants	**5,130,000**
Total common shares	**304,262,813**

Critical accounting judgements, estimates and assumptions:

The preparation of the interim 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 financial statements disclosures. 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 can 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 financial statement. 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 currencies for the Company's subsidiaries in Australia and Cameroon are the Australian Dollar and Cameroon Franc, respectively.

(ii) Mineral properties and deferred exploration expenditures:

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalized is written off in the consolidated statements of comprehensive loss in the period when the new information becomes available.

(iii) Impairment of assets:

At each consolidated statement of financial position reporting date, the carrying amounts of the Company's assets or cash generating units are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is assessed in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company reviews the recoverable amount of the cash generating unit to which the asset belongs.

An asset's recoverable amount is the higher of the fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The Company's determination of impairment is based on: (i) whether the exploration programs on the mineral property interests have significantly changed, such that previously identified resource targets are no longer being pursued; (ii) whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; or (iii) whether remaining lease terms are sufficient to conduct necessary studies or exploration work. The Company's assessment of the carrying value of mineral properties and related exploration expenditures is based on management's assessment of potential indicators of impairment and best estimates of likely courses of action by the Company. The fair values were determined using a variety of valuation methods, the selection of which was based on which was considered most applicable to each property. These methods included unsolicited bids on the Company's properties, comparable transactions, value per unit of metal and value per unit of area. The assessment of the carrying values and the determination of these fair value less cost to sale are subject to significant measurement uncertainty and further material write-downs of these assets could occur if actual results differ from the estimates and assumptions used and/or if alternative valuation methods were applied.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the assessed recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in net income or loss.

(iv) 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.

(v) 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.

(vi) 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 substantially 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.

Changes in accounting policies:

New standards, amendments and interpretations to existing standards not yet effective:

(a) Financial instruments

IFRS 9 introduces the new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39, Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted.

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, 2017 and earlier application is permitted.

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

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, has no operating cash flow and has no assurance that sufficient funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. 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 the recent global economic slowdown and significant declines in both the Company's stock prices (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 acquires securities of public companies from time to time, which are primarily junior or small-cap mining exploration companies in 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 economical 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 recent decline in the stock prices of the types of companies in which the Company invests has been very significant and such prices could take a prolonged period of time, to recover and may not return to the prior levels, including the levels at which they were acquired by Mega, resulting in realized losses upon disposition.

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 and other currencies. 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. The Company has no financial liabilities for environmental damage or remediation work and is not aware of any 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 quarter ended December 31, 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

The policy of the Australian Federal Government is to allow uranium to be mined and processed in Australia. However, there are restrictions on the export of uranium from Australia. The Federal 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 Federal Government only allows the sale of Australian uranium to countries that have a bilateral nuclear safeguards agreement with Australia.

A state election was held in Queensland on January 31, 2015, following which the Queensland Labor Party has 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 of this MD&A 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 Other 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 Canada and 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 foreign jurisdictions where the Company holds properties. 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, in addition to interest income earned on its investment. The Company has cash and cash equivalents of approximately $1,111. The cash equivalents consist of highly liquid short-term deposits in bank (see note 5). The Company has working capital surplus as at December 31, 2015 of $50. 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. Also refer to note 2 on 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 by the issuance of shares from the treasury of the

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

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 and sell its equity investments.

(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 three months period ended December 31, 2015 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, 2015:

Percentage of Change in Closing Bid Prices	**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%	$ 3	$ (3)
4%	6	(6)
6%	10	(10)
8%	13	(13)
10%	16	(16)

(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 $1.

(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.

The following table shows the estimated sensitivity of the Company's net after-tax income (loss) for the period ended December 31, 2015 from a change in all foreign currencies (Australian dollars, and U.S. dollars) with all other variables held constant as at December 31, 2015:

Percentage of Change in Foreign Currencies	**Change in Net after-tax Income (Loss) From % Increase in Foreign Currencies**	**Change in Net After-tax Income (Loss) From % decrease in Foreign Currencies**
2%	$10	$ (10)
4%	20	(20)
6%	30	(30)
8%	40	(40)
10%	50	(50)

(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 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 significantly in NexGen and Toro, two uranium companies which have total asset value in aggregate of $42,133 as at December 31, 2015 and $40,548 as at September 30, 2015 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.

(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.

(i) The carrying values of cash and cash equivalents, other receivables, accounts payable and accrued liabilities, approximate their fair values due to the short-term nature of these instruments.

(ii) Marketable securities and long term investments are fair valued using the bid price on the closing date for the underlying investment.

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.