NOTICE TO READER

This Management's Discussion and Analysis for the three months ended December 31, 2017 has been revised (the "Revised MD&A") from the previously revised version that was filed on SEDAR on May 15, 2018 and is being refiled concurrently with the company's restated consolidated financial statements for the three months ended December 31, 2017. This Revised MD&A reflects the effects of the restated financial statements (which are detailed in the section entitled "Restatement" and derive from a deferred tax error made in respect of both the current and comparative periods) and includes the disclosure of material weaknesses in the company's internal control over financial reporting that existed at the end of the interim period.

MEGA URANIUM LTD.

REVISED

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED

DECEMBER 31, 2017

Introduction

This revised 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 restated unaudited condensed interim consolidated financial statements ("interim consolidated statements") and notes thereto as at and for the three months ended December 31, 2017. 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 restated annual consolidated financial statements as at and for the year ended September 30, 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 interim consolidated statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company has an accumulated deficit of $306,218 (restated) (September 30, 2017 - $306,520 (restated)). The Company is in the exploration and development stage and is subject to risks and challenges similar to other companies in a comparable stage of exploration.

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

The Company will have to raise additional funds to continue operations. Although the Company is able to raise 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 December 31, 2017 and the continued estimated operating losses cast significant doubt on the Company's ability to continue as a going concern.

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

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

Mega is in the process of exploring its mineral properties and has not 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 and development activities, Mega participates indirectly in the uranium sector through its securities holdings in other public companies, including its significant long-term investment in NexGen Energy Ltd. ("NexGen") (NXE:TSX), its equity 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 2016 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.

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

Operational Highlights

During the quarter ended December 31, 2017, 666,666 stock options were exercised for gross proceeds of $65,000.

Overall Performance

As at December 31, 2017, the Company had a working capital surplus of $1,287 as compared to a working capital surplus of $1,700 as at September 30, 2017. The decrease in working capital surplus is attributable to spending on exploration activities, general and administrative expenses and payment of payables during the three months ended December 31, 2017 offset by the proceeds from the exercise of stock options.

The fair value of the Company's NexGen investment increased by $8,525 as the NexGen closing bid price increased from $2.75 on September 30, 2017 to $3.19 on December 31, 2017.

Restatement

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

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

Statement of Financial Position	**As previously reported ($)**	**Adjustment ($)**	**Restated ($)**
Accumulated other comprehensive income	44,633	872	45,505
Deficit	(305,346)	(872)	(306,218)
Statement of Income (Loss) and Comprehensive Income	**As previously reported ($)**	**Adjustment ($)**	**Restated ($)**
Deferred tax recovery	nil	1,130	1,130
Net (loss) income for the period	(828)	1,130	302
Change in fair value of long-term investment, net of tax	8,525	(1,130)	7,395
Total comprehensive income for the period	7,697	nil	7,697
Basic and diluted (loss) income per share	(0.00)	0.00	0.00

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

Statement of Cash Flows	**As previously reported ($)**	**Adjustment ($)**	**Restated ($)**
Net (loss) income for the period	(828)	1,130	302
Deferred tax recovery	nil	(1,130)	(1,130)

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

Statement of Financial Position	**As previously reported ($)**	**Adjustment ($)**	**Restated ($)**
Accumulated other comprehensive income	31,392	(847)	30,545
Deficit	(306,162)	847	(305,315)
Statement of Income (Loss) and Comprehensive Income	**As previously reported ($)**	**Adjustment ($)**	**Restated ($)**
Deferred tax recovery	nil	847	847
Net (loss) income for the period	(1,258)	847	(411)
Change in fair value of long-term investment, net of tax	6,394	(847)	5,547
Total comprehensive income for the period	5,112	nil	5,112
Basic and diluted (loss) income per share	(0.00)	0.00	(0.00)
Statement of Cash Flows	**As previously reported ($)**	**Adjustment ($)**	**Restated ($)**
Net (loss) income for the period	(1,258)	847	(411)
Deferred tax recovery	nil	(847)	(847)

(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 three months ended December 31, 2017 and 2016:

Three months ended December 31, 2017	Ben Lomond Property (Queensland Australia)	Redport Properties (Western Australia)	Total
Consulting - geology and environmental	24	nil	24
Consulting fees	nil	87	87
Land licenses	9	20	29
Travel expenses	3	2	5
Administration	1	10	11
Miscellaneous	6	nil	6
Professional fees	1	nil	1
Stock-based compensation	nil	19	19
	44	**138**	**182**

Three months ended December 31, 2016	Georgetown Properties (Queensland Australia)	Ben Lomond Property (Queensland Australia)	Redport Properties (Western Australia)	Total
Assaying	nil	7	nil	7
Consulting - geology and environmental	nil	12	30	42
Consulting fees	nil	nil	60	60
Land licenses	1	4	1	6
Travel expenses	nil	3	3	6
Administration	nil	2	6	8
Miscellaneous	nil	7	nil	7
Professional fees	nil	nil	nil	nil
Stock-based compensation	nil	nil	7	7
	1	**35**	**107**	**143**

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.

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

Project/Property Name	Brief Description	Plans for Project	Planned Expenditure for Fiscal 2018	Expenditures Incurred to December 31, 2017
Ben Lomond	2 mining leases totaling 21.6 km^2 in Queensland, Australia.	Environmental and geological prefeasibility studies	$425	$43
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	$25	$nil
Redport	Gold properties in Western Australia	Geological studies	$200	$139

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.

(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)
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)
September 30, 2016	nil	1,405	(448)	(0.00)
June 30, 2016	nil	1,512	(25)	(0.00)
March 31, 2016	nil	1,814	2,365	0.01

The Company is an exploration and development 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.

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

Results of operations

For the three months ended December 31, 2017, compared with the three months ended December 31, 2016

For the three months ended December 31, 2017, the Company's net income was $302 (restated) compared to a net loss of $411 (restated) for the three months ended December 31, 2016. The increase in net income of $713 is a result of the following:

- Loss on equity investment for the three months ended December 31, 2017 was $156 compared to a loss of $331 for the three months ended December 31, 2016. The decrease of $175 in loss on equity investments reflects the decrease in the Company's proportionate share of Toro's operating loss for the three months ended December 31, 2017.

- The increase of $262 in unrealized gain on marketable securities resulted from the fluctuation in the fair values of the marketable securities during the quarter.

- During the three months ended December 31, 2016, the Company recorded a loss on deemed disposition of equity investment of $22 compared to $nil for the three months ended December 31, 2017. This is the result of the dilutive effect of Toro's issuance of additional common shares during the quarter ended December 31, 2016 on Mega's percentage equity interest in Toro.

- For the three months ended December 31, 2017, general and administrative expenses increased by $81.

Three Months Ended December 31,	**2017 ($)**	**2016 ($)**	**Variance ($)**
Professional fees	17	9	8
Consulting and directors' fees	300	300	nil
Transfer agent and filing fees	30	22	8
Travel and promotion	10	6	4
Salaries and office administration (a)	143	167	(24)
Stock-based compensation (b)	167	79	88
Amortization	9	12	(3)
	676	**595**	**81**

A breakdown of general and administrative expenses for the three months ended December 31, 2017 and 2016 is provided below.

(a) Salaries and office administration decreased by $24 during the three months ended December 31, 2017 compared to the three months ended December 31, 2016 reflecting decreased costs for head office premises and personnel.

(b) There was an increase of $88 in stock-based compensation expense for the three months ended December 31, 2017 over the 2016 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, Australia.

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

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

As at December 31, 2017

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

As at September 30, 2017

Country/Region	Capital assets $	Cash and cash equivalents $	Other assets $	Total assets $
Canada	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 consisted of investments in junior small cap mining companies for the following periods indicated:

	December 31, 2017 $	September 30, 2017 $
Investments at fair value	781	663
Cost	3,630	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 December 31, 2017, the Company had 25,145,000 options and 7,104,645 warrants outstanding, which would raise $4,781, 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 December 31, 2017, the Company had cash and cash equivalents of $653 to settle its amounts payable and other liabilities of $374. The Company's cash and cash equivalents as of December 31, 2017, is sufficient to pay these liabilities.

During the three months ended December 31, 2017, the Company used $411 of cash on its operations. During the three months ended December 31, 2017, receivables and prepaid expenses decreased by $29 and amounts payable and other liabilities increased by $143 due to fluctuations in the normal course of business.

For the three months ended December 31, 2017, the Company received $65 from the exercise of stock options during the period.

For the three months ended December 31, 2017, the Company spent $12 to purchase marketable securities.

As at December 31, 2017, the Company's marketable securities and long-term investment in NexGen shares were valued at $781 and $61,810, 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 December 31, 2018, corporate head office costs are estimated to average $300 per quarter. The $300 covers 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	374	374	nil	nil	nil
Obligations on mineral properties (a)	3,245	646	1,308	1,291	nil
Office lease (b)	174	40	107	27	nil
	3,793	**1,060**	**1,415**	**1,318**	**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 December 31, 2017, these contracts require that additional payments of approximately $2,250 be made upon the occurrence of a change of control. The minimum commitment upon termination of these contracts is approximately $1,028. As a triggering event has not taken place, the contingent payments have not been reflected in the interim 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).

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

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.

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

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 this equity investment was $156 for the three months period ended December 31, 2017.

The carrying value of the equity investment in Toro is $15,443 as at December 31, 2017 (September 30, 2017 - $15,599).

The fair value of the Company's equity investment in Toro is $15,881 based on the closing share price, as at December 31, 2017.

Long-term investment

Mega holds 19,376,265 shares of NexGen as at December 31, 2017. Mega acquired the shares in December 2012 as consideration for the sale to NexGen of the majority of its Canadian projects.

During the three months ended December 31, 2017, $8,525 was recorded as fair value unrealized gain in other comprehensive income.

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

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

The closing bid price of NexGen ranged from $2.75 on September 30, 2017 to $3.19 on December 31, 2017.

During periods of significant broader market volatility or volatility experienced by the uranium sector, the value of the Company's NexGen investment can be vulnerable to market fluctuations.

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

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 13, 2018 are as follows:

Securities	As at February 13, 2018
Common shares outstanding	294,945,639
Issuable under options	25,145,000
Issuable under warrants	7,104,645
Total securities	**327,195,284**

Related Party Transactions

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

Type of service	Nature of relationship	Three Months Ended December 31, 2017 ($)	Three Months Ended December 31, 2016 ($)
Short-term compensation benefits[a]	Directors	39	39
Short-term compensation benefits[b]	Officers	275	277
Stock-based compensation benefits[c]	Directors and Officers	156	71
Administrative services[d]	Officer	6	6

[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 three months ended December 31, 2017 $216 of the costs relating to these agreements (three months ended December 31, 2016 - $217) are included in general and administrative expenses and $59 (three months ended December 31, 2016 - $60) 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.

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

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 December 31, 2017.

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 interim 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 interim 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.

Risks

Mega's financial condition, results of operation and business are subject to certain risks, which may negatively affect them. A detailed discussion of these risks can be found on pages 16 to 23 of our current Annual Information Form, under "Risks" in our MD&A for the financial year ended September 30, 2017 (available on SEDAR at **www.sedar.com**) and elsewhere in this MD&A, including under "Financial Instruments", among other sections, where we discuss the concentration of our investments in NexGen and Toro, which represent the majority our assets (on a fair value basis), and the impact that material changes in their fair values could have on our financial condition and ability to carry on business.

Financial Instruments

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

(a) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investment declines, resulting in lesser proceeds on disposition and losses upon disposition. The Company generates cash flow primarily from its financing activities and proceeds from disposition of its marketable securities and long term investments in addition to interest income earned on its investment. The Company has cash and cash equivalents of approximately $653. The cash equivalents consist of highly liquid short-term deposits with the bank. The Company has working capital surplus as at December 31, 2017 of $1,287. The funds are available as needed to fund the Company's ongoing expenditures. The Company regularly evaluates these holdings to ensure preservation and security of capital as well as maintenance of liquidity. Refer to "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 period ended December 31, 2017 from a change in the closing bid price of the Company's investments in marketable securities with all other variables held constant as at December 31, 2017:

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

(c) Interest rate risk:

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

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

(d) Currency risk:

Currency risk is the risk that the fair value of 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 period ended December 31, 2017 from a change in all foreign currencies (Australian dollars, and U.S. dollars) with all other variables held constant as at December 31, 2017:

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

(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 $77,253 as at December 31, 2017 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 period ended December 31, 2017 from a change in the closing bid price of the Company's investment in NexGen with all other variables held constant as at December 31, 2017:

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

(g) Fair value:

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

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

The 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 December 31, 2017 and September 30, 2017:

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

The Company's objectives when managing capital are:

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

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

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

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

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

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

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

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

New standards not yet adopted:

(a) Financial Instruments ("IFRS 9")

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

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

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

(b) Revenue from Contracts with Customers ("IFRS 15")

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

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

(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.

Internal Controls over Financial Reporting ("ICFR") – Material Weaknesses

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. The Company is required to disclose the existence of any material weakness that exists in the design or operation of its ICFR in its MD&A for each reporting period. A material weakness is a deficiency, or combination of deficiencies, in ICFR, 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.

Subsequent to the original filing of Mega's financial statements and related MD&A for the three-month period ended December 31, 2017, management identified the existence of material weaknesses in the Company's ICFR that existed at December 31, 2017 but of which management was not aware at the time of filing. These weaknesses are described below.

(a) Equity Accounting Material Weakness

In the course of management's evaluation of the effectiveness of Mega's ICFR at September 30, 2017, management identified a material weakness in the design of its ICFR following a restatement of certain 2016 comparative information in the Company's financial statements for the year ended September 30, 2017. The material weakness related to the accounting for the Company's equity investments in associates.

Part of the procedures involved in calculating Mega's share of an associate's earnings or loss require adjustments to be made where necessary to align the accounting policies of the associate with those of Mega. The process includes an assessment of the differences, if any, of the entities' policies, and, where differences do exist, a determination of the necessary adjustments, if any, to the associate's financial information to reconcile the effect of the policy differences. The Company's ICFR to assess the accounting policy differences and effect appropriate reconciliations, which was previously audited by Mega's external auditor and approved by its board of directors, was reliant on the performance and judgment of one individual, without any compensating or mitigating controls, and thus vulnerable to human error.

In the course of preparing the Company's financial statements for the year ended September 30, 2017, management noted that its policy for accounting for mineral properties and deferred exploration expenditures differed from the policy of Toro Energy Limited, its associate, and that the difference arose initially at the end of its 2016 financial year but was not identified at the time due to human error. The error impacted Mega's financial statements for the year ended September 30, 2016, insofar as Mega failed to properly record its share of Toro's loss for the period and a restatement of certain financial information contained therein was required.

The material weakness continued to exist as at December 31, 2017 but had no impact on the Company's financial statements for the period.

Management formulated a remediation plan to address the weakness, which involved (A) implementing a second accounting policy review procedure to be performed by another financially literate individual, who will be external to Mega's management team, and (B) adding inquiries at the associate level, which management will rely upon if answered by the associate, all to provide for a more robust control. These actions were fully implemented during the interim period ended March 31, 2018.

(b) Deferred Tax Material Weakness

During the external audit of 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.

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 deferred tax error on the Company's consolidated financial statements for each of these quarters was quantitatively material and all have been restated accordingly. The "Restatement" section of this MD&A illustrates the impact of the error on the financial statements for interim period ended December 31, 2017.

In December 2018, management determined that all of the foregoing restatements collectively reflect the existence of a material weakness in the Company's ICFR involving tax accounting and that this material weakness also existed as at December 31, 2017. 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 of its financial statements for the next reporting period in 2019.

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.