MEGA URANIUM LTD.

NOTICE OF ANNUAL MEETING
AND
MANAGEMENT INFORMATION CIRCULAR

January 27, 2020

MEGA URANIUM LTD.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the "Meeting") of shareholders of Mega Uranium Ltd. (the "Corporation") will be held at 217 Queen Street West, Suite 401, Toronto, ON M5V 0R2, on Wednesday, March 25, 2020, at 11:00 a.m. (Toronto time), for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended September 30, 2019 and the report of the auditor thereon;

2. to elect directors;

3. to appoint Ernst & Young LLP, Chartered Accountants, as auditor of the Corporation, and to authorize the directors to fix their remuneration; and

5. to transact such further or other business as may properly come before the Meeting or any adjournment(s) thereof.

Registered shareholders entitled to vote who do not expect to be present at the Meeting are encouraged to date, sign and return the form of proxy that has been provided to them by the Corporation. The directors have fixed the hour of 11:00 a.m. (Toronto time) on March 23, 2020 or, if the Meeting is adjourned or postponed, on the day that is two business days preceding the adjournment or postponement, as the time before which the instrument of proxy to be used at the Meeting must be deposited with the Corporation, c/o TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1.

If you are a non-registered shareholder of the Corporation, either a proxy form or a voting instruction form has been sent to you. You must complete and return the form in accordance with the instructions provided on it in order to vote in respect of the matters indicated above either in person or by proxy at the Meeting. The section of the Circular entitled "*Non-Registered Holders*", which is included with this notice of meeting, provides additional information for non-registered shareholders.

DATED the 27th day of January, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

"Richard Patricio"

Richard Patricio
President & Chief Executive Officer

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF MEGA URANIUM LTD. (THE "CORPORATION") OF PROXIES TO BE USED AT THE ANNUAL MEETING (THE "MEETING") OF SHAREHOLDERS OF THE CORPORATION TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ENCLOSED NOTICE OF MEETING. While it is expected that the solicitation will be primarily by mail, proxies may also be solicited personally by our regular employees at nominal cost. The cost of solicitation by management will be borne directly by us. None of our directors have advised management in writing that they intend to oppose any action intended to be taken by management at the Meeting.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT THE SHAREHOLDER AT THE MEETING MAY DO SO** either by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of our transfer agent, TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, not later than 11:00 a.m. (Toronto time) on March 23, 2020 or, if the Meeting is adjourned, on the day that is two business days preceding the adjournment.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either:

1. by delivering another properly executed form of proxy bearing a later date and depositing it as described above;
2. by depositing an instrument in writing revoking the proxy executed by the shareholder:
    (a) with TSX Trust Company at any time up to and prior to the close of business on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
    (b) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, prior to the commencement of the Meeting or any adjournment thereof, as applicable; or
3. in any other manner permitted by law.

VOTING OF PROXIES

Shares represented by properly executed proxies **WILL BE VOTED OR WITHHELD FROM VOTING IN ACCORDANCE WITH THE INSTRUCTIONS OF THE SHAREHOLDER ON ANY BALLOT THAT MAY BE CALLED FOR AND IF THE SHAREHOLDER SPECIFIES A CHOICE WITH RESPECT TO ANY MATTERS TO BE ACTED UPON, THE SHARES WILL BE VOTED ACCORDINGLY**. Where there is no choice specified, shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **WILL BE VOTED FOR EACH OF THE MATTERS TO BE VOTED ON BY SHAREHOLDERS AS DESCRIBED IN THIS MANAGEMENT INFORMATION CIRCULAR.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of Meeting, or other matters which may properly come before the Meeting. At the time of printing this circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

If you are a non-registered holder of our common shares (i.e., you hold common shares that are not registered in your name), you should refer to the section below entitled "Non-Registered Holders" for information specific to you on how to vote your common shares at the Meeting.

NOTICE AND ACCESS

This circular and associated materials for the Meeting (collectively, the "**Meeting Materials**") are being sent to both registered and non-registered holders of our common shares using "notice-and-access", the delivery procedures that allow us to send shareholders paper copies of an information notice and form of proxy or voting information form, as applicable, while providing shareholders access to electronic copies of the Meeting Materials or to paper copies of the materials if they so request them within the applicable time periods.

Meeting materials are available electronically on SEDAR (sedar.com) under our issuer profile and at https://docs.tsxtrust.com/2151. Shareholders who want to receive a paper copy of the Meeting Materials or who have questions about notice-and-access may call toll free 1-866-600-5869 or email TMXEInvestorServices@tmx.com. In order to receive a paper copy in time to vote before the Meeting, requests should be received by March 16, 2020.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of common shares, of which 326,391,094 common shares were issued and outstanding as at January 27, 2020.

February10, 2020 is the record date for determining the registered holders of our common shares who are entitled to vote at the Meeting. Each shareholder is entitled to one vote for each common share registered in the shareholder's name on the record date.

To the knowledge of our directors and officers, as of January 27, 2020, no person or company beneficially owns, directly or indirectly or exercises control or direction over more than 10% of the outstanding common shares.

NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most of our shareholders are "non-registered" shareholders because the common shares that they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. A person is not a registered shareholder in respect of our common shares which are held either: (a) in the name of an intermediary that the non-registered shareholder deals with in respect of the common shares (an intermediary includes, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited), of which the intermediary is a participant.

A non-registered shareholder will receive Meeting Materials from either the intermediary who holds their common shares or directly from us (or our agent). If you are a non-registered shareholder and we or our agent have sent the Meeting Materials directly to you, your name and address and information about your holdings of our common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf. By choosing to send these materials to you directly, we (and not the intermediary holding on your behalf) have assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Included in your Meeting Materials is a voting instruction form. You must complete the form and return it containing your voting instructions as specified in the form in order for your common shares to be voted at the Meeting.

If you are a non-registered shareholder and object to us receiving access to your personal name and address, we have provided these documents to your broker, custodian, fiduciary or other intermediary to forward to you. Please follow the voting instructions that you receive from your intermediary. Your intermediary is responsible for properly executing your voting instructions.

The purpose of these procedures is to permit non-registered shareholders to direct the voting of the common shares which they beneficially own. If you receive a voting instruction form with your Meeting Materials and you want to vote at the Meeting in person, you must insert your name in the blank space provided or the name of someone else who will attend the Meeting on your behalf, instead of filling in the voting instructions in the form, and return the form in accordance with the instructions contained in it. When you arrive at the Meeting, you or the person that you have designated on your voting instruction form to attend on your behalf will then have to register with the scrutineers.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements

Our consolidated financial statements for the fiscal year ended September 30, 2019, together with the auditor's report thereon, will be placed before the shareholders at the Meeting.

Election of Directors

Majority Voting Policy

The board of directors has adopted a majority voting policy which requires that any nominee for election as a director in an uncontested election, who receives a greater number of votes "withheld" from his or her election than votes "for" such election, promptly tender his or her resignation to the board, to be effective upon the board's acceptance. The board will promptly, and in any event within 90 days of the final voting results, accept the tendered resignation unless it determines that there are extraordinary circumstances relating to the composition of the board or the voting results that should delay the acceptance of the resignation or justify rejecting it. Subject to any corporate law restrictions, the board may leave a resulting vacancy unfilled until the next annual meeting of shareholders, fill the resulting vacancy through the appointment of a new director, or call a special meeting of shareholders to consider another nominee for election to fill the vacancy.

Nominees for Election

At the Meeting, management proposes to nominate the persons listed below for election as directors (the "**Nominees**"). Each director will hold office until the election of his successor at our next annual meeting, or any adjournment thereof, or until his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario).

The following table provides the names of the Nominees and information concerning them. **The persons named in the enclosed form of proxy intend to vote FOR the election of each of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director, however, if a Nominee is so unavailable, the persons named in the enclosed form of proxy will vote FOR another nominee in management's discretion, unless the shareholder has specified in the shareholder's proxy that the shareholder's shares are to be withheld from voting in the election of the Nominee.**

Name and Province/State and Country of Residence	Principal Occupation	Director Since	Number of Common Shares Held, Controlled or Directed[(1)]
Albert Contardi[(2)] Ontario, Canada	Consultant	2016	450,000
Larry Goldberg[(3),(4)] Ontario, Canada	Chief Operating Officer, Qualified Financial Services Inc., a managing general agent	2016	207,800
Arni Johannson[(3),(5)] British Columbia, Canada	Founding Partner and President, Canadian Nexus Ventures Ltd., a venture capital firm focused on Canadian public and private equity	2005	980,000
Douglas Reeson[(5)] Ontario, Canada	Professional Director and Chairman and Chief Executive Officer of Gossan Resources Limited, a mineral exploration company	2002	801,000
Stewart Taylor Brisbane, Australia	Principal, Stewart Taylor & Associates, a geological consulting company	2006	2,965,000

(1) The information provided indicates the number of common shares beneficially owned, or controlled or directed, directly or indirectly, by each Nominee as at January 27, 2020 and has been furnished by each Nominee.
(2) Chairman of the Board and of the Nominating and Compensation Committee.
(3) Member of the Nominating and Compensation Committee.
(4) Chairman of the Audit Committee.
(5) Member of the Audit Committee.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director of the company is, or within the 10 years prior to the date of this circular, either:

(i) has been a director, chief executive officer or chief financial officer of any company that while that person was acting in that capacity (or in the case of (c) below, within a year of the person ceasing to act in that capacity):

(a) was the subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (any of such orders, an "Order");

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(ii) has individually, within the 10 years prior to the date of this circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets,

with the exception of the following:

(I) Douglas Reeson was a director of Colossus Minerals Inc. from January 2007 to December 29, 2013. On January 14, 2014, Colossus announced a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) to enable Colossus to pursue a sale and restructuring with the benefit of creditor protection. Colossus' common shares were suspended from trading by the TSX. On January 21, 2014, the TSX decided to delist Colossus' common shares and all other listed securities on February 21, 2014. On March 14, 2014, the Ontario Superior Court approved Colossus' Second Amended Proposal and Plan of Reorganization which provided for a share consolidation of the existing shareholders on a 200:1 ratio whereby the existing shareholders would retain a 1.7% equity interest in the recapitalized company. On April 29, 2014, the Ontario Securities Commission issued a temporary cease trade order and on May 12, 2014, a cease trade order against the company for failing to meet continuous disclosure requirements.

Appointment of Auditor

Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote **FOR** the appointment of Ernst & Young LLP ("**E&Y**"), as our auditor, to hold office until our next annual meeting of shareholders, and to authorize the directors to fix E&Y's remuneration.

E&Y was first appointed as auditor on March 27, 2019.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Discussion and Analysis

Our executive compensation structure is designed to encourage and motivate executives to achieve high levels of performance, both individually and for the company, particularly over the medium-to-long term. An executive's overall compensation package in any given year will reflect the functions being performed, and his or her overall contribution to the organization, capacity to improve our financial performance, enthusiasm and loyalty, and ability to create or help to create value for the benefit of our shareholders.

An executive's compensation may be comprised of three principal components: base salary, annual or periodic cash bonuses and stock options. Base salary and cash bonus components motivate executives in the short-to-medium term, while stock option grants align their interests with those of our shareholders and assist in keeping us competitive in the market for high quality executives.

Each component of an executive's compensation is typically determined with an overall view to the individual's total compensation package.

The process for determining executive compensation overall is relatively informal, in view of our size and operations. Executive officers are involved in the process and make recommendations to the Nominating and Compensation Committee, which considers and, depending upon the circumstances, either approves senior management compensation or recommends the compensation to the Board of Directors for approval.

Except for the annual bonus entitlement for our President and Chief Executive Officer (discussed below under "Bonus"), there are no specific performance goals used in determining the compensation of executive officers. Historically, as an exploration company without a reoccurring revenue or profit base, executive compensation has not been tied to quantitative measures of our performance. From time to time, compensation has been and going forward may be tied to certain qualitative measures of our performance. For example, an executive's contribution toward the achievement of certain strategic objectives (e.g., meeting exploration targets or completing acquisitions) may be considered for the purposes of determining an entitlement to (and quantum of) a cash bonus and/or option grant. The same may also be a factor in determining salary increases. Furthermore, as the composition of our assets has evolved in recent years, with a greater weighting in equity investments, quantitative measures may assume greater relevance for compensation purposes.

In assessing the adequacy and competitiveness of executive compensation packages, including for the purposes of considering increases in base salaries and bonus awards, reference may be made to the practices of a comparative group of uranium-focused public companies chosen based upon factors such as size (market capitalization), stage of operations (pre-production to production), and location of operations (North America and Australia, among others), with a view to providing a spectrum of compensation data. The most recent comparative group utilized by us for this purpose consisted of the following companies:

Bannerman Resources Limited	Fission Uranium Corp.
Forsys Metals Corp.	Laramide Resources Ltd.
NexGen Energy Ltd.	Toro Energy Limited
UEX Corporation	Ur-Energy Inc.
Uranium Energy Corp.	U3O8 Corp.

Additionally, in recognition of the evolving nature of the Company's asset mix, the Nominating and Compensation Committee most recently also referenced the compensation practices of a group of investment companies which included:

49 North Resources Inc.	Aberdeen International Inc.
Difference Capital Financial Inc.	Goodman Gold Trust
Sulliden Mining Capital Inc.	ThreeD Capital Inc.

Details concerning the compensation paid to our "Named Executive Officers" are disclosed elsewhere in this section of the circular. The Named Executive Officers are the Chief Executive Officer and Chief Financial Officer and each of our three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation for the 2019 financial year was greater than $150,000, as calculated in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"). The Named Executive Officers for our 2019 financial year are: Richard Patricio, President and Chief Executive Officer; Carmelo Marrelli, Chief Financial Officer; and Richard Homsany, Executive Vice President, Australia.

Salary

Amounts paid to an executive officer as base salary, including merit salary increases, are determined by reference to the individual's performance and salaries prevailing in the marketplace for comparable positions.

The base salary of each executive officer is reviewed as required. Salary adjustments take into consideration the general level of salaries in the marketplace for comparable positions, the performance of the executive and our performance.

No changes were made to any NEO's base compensation in respect of the 2019 fiscal year.

Bonus

Cash bonus awards are designed to reward an executive for the direct contribution which he or she can make to the company. Pursuant to the terms of his agreement with us, Mr. Patricio is entitled to an annual performance-based bonus (discussed below), the terms of which are established by either the Nominating and Compensation Committee or the Board of Directors, and the other Named Executive Officers are entitled to receive discretionary cash bonuses from time to time, as determined by the Chief Executive Officer, and approved by the Nominating and Compensation Committee. Except in respect of Mr. Patricio, there are no specific performance goals used in determining an officer's bonus entitlement.

Bonuses are generally awarded in respect of a calendar year, rather than our financial year ended September 30th. For the 2019 calendar year, our Chief Executive Officer was eligible to earn a bonus of up to 100% of his base compensation upon achieving the following corporate and individual performance objectives: (i) 25% for an increase of more than 100% in the company's share price; (ii) 25% for completion of an acquisition valued at more than $10 million; (iii) 25% for completion of a financing for gross proceeds in excess of $5 million; (iv) 25% for the identification and execution of new investment opportunities/deals; and (v) 25% at the discretion of the board.

Mr. Patricio could have been awarded a bonus of up to 50% of his base compensation for the 2019 calendar year under the criteria in (iv) and (v) of the bonus formula, however, he informed the directors that he would forego any bonus entitlement should the board have determined that payment was merited.

In addition to an annual bonus, the Chief Executive Officer has a special bonus entitlement, which is tied to the performance of our portfolio investment in NexGen Energy Ltd. As part of the Compensation Committee's (as the Nominating and Compensation Committee was then known) review of Mr. Patricio's compensation structure during the 2017 financial year, the Committee recognized the strategic changes that we have undergone over the last several years, which he spearheaded, involving the acquisition and sale of the property which now hosts the significant NexGen uranium discovery and the series of transactions that culminated in the NexGen investment which have had a transformational impact on our balance sheet and financial condition. The Committee determined that it would be appropriate to reward Mr. Patricio for his efforts to-date and continue to properly incentivize him with respect to managing the investment until and upon the occurrence of a liquidity event, the structure of which aligns both the company's (and shareholders') and his interests, and concluded that the disposition of the NexGen position would be an appropriate milestone.

The special bonus may be payable to Mr. Patricio at the board's discretion upon the full disposition of the NexGen position, based upon the cash proceeds of disposition of the position, net of original acquisition costs, and subject to a maximum bonus payable of 5% of the net proceeds. The board also has the discretion to determine that payment of up to 50% of the bonus will be satisfied by the issuance of common shares of the company, subject to applicable regulatory approval. The bonus entitlement is not tied to a particular year but remains in effect until disposition of the investment. No award was made in respect of the special bonus for the 2019 financial year.

Option-based awards

Stock option grants are an important component of the compensation packages of the Named Executive Officers. Options are granted pursuant to our stock option plan. Our stock option plan is administered by the board of directors, which has the authority to amend the plan and the terms of outstanding options, subject to applicable regulatory and shareholder approvals and provided that no amendment may materially impair the rights of existing option holders in respect of options outstanding prior to the amendment. In accordance with option granting procedures adopted by the board of directors, options may be awarded on four pre-established, regular grant dates during the year (provided no trading black-outs are in effect on such dates).

Generally, the Chief Executive Officer proposes option grants for executive officers and the Nominating and Compensation Committee reviews the proposed grants prior to their submission to the board of directors for its consideration and approval. When considering an award of options to an executive officer, consideration of the number of options previously granted to the executive may be taken into account.

Our Chief Executive Officer's compensation package includes a reference target of 3% for the purposes of stock option grants to him (i.e., the total number of options held by him should be exercisable for 3% of the total number of our common shares outstanding from time to time).

Additional information concerning our option granting process and practices and grants made to the Named Executive Officers is provided elsewhere in this circular under the heading "Incentive Plan Awards" and in the Summary Compensation Table.

Compensation Risk

As discussed above, our compensation practices are relatively informal and involve a mix of salary, stock options and discretionary cash bonuses determined in view of an individual's and the company's overall performance, without specific performance goals. The mix of components represents a balanced approach, combining fixed and variable pay and short-to-long term incentives. Salary, bonuses and option grants for our executive officers are also reviewed and/or approved by the Nominating and Compensation Committee, which acts as a control on the quantum of these compensation components in view of their discretionary nature.

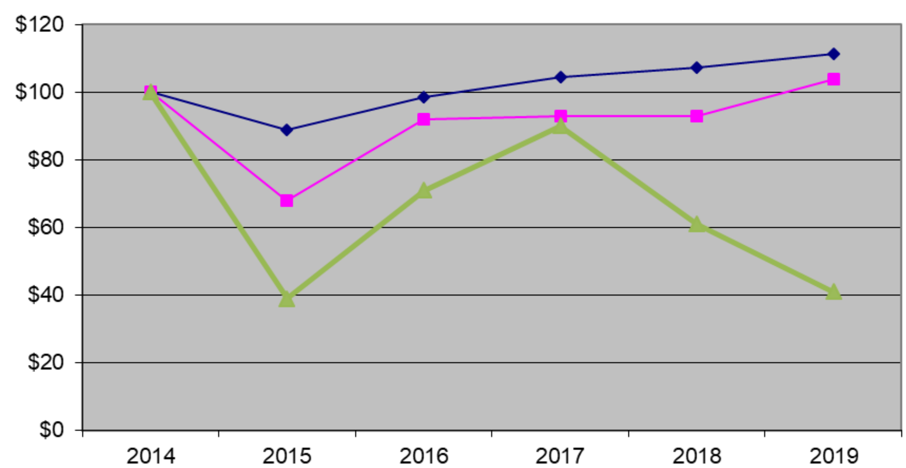
The Nominating and Compensation Committee has considered our compensation practices to determine whether they are likely to encourage executive officers to expose the company to inappropriate or excessive risks. The Committee concluded that there are no risks identified from our compensation policies and practices that are reasonably likely to have a material adverse effect on the company.

Restrictions on Hedging Mega Securities

Our directors and officers, including the Named Executive Officers, are subject to our Insider Trading Policy. The policy does not specifically prohibit them from purchasing financial instruments that could be used to hedge a decrease in the market value of equity securities granted to them as compensation or held, directly or indirectly, by them. It does prohibit short selling any of our securities (that is selling securities which are not owned at the time of sale), except for the purpose of facilitating the exercise or conversion of a security owned and corresponding sale of the underlying security.

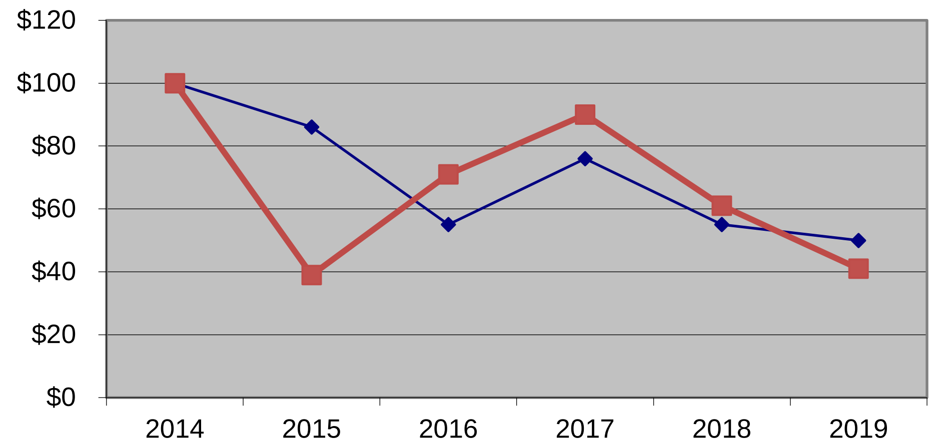
Performance Graph

The following graph compares the cumulative total shareholder return on our common shares (assuming the reinvestment of cash dividends of which there have been none) with the cumulative total return on the S&P/TSX Composite Index and the S&P/TSX Global Mining Index for the five most recently completed financial years. The graph and table illustrate what a $100 investment in our common shares made on September 30, 2014, as compared to a $100 investment in the S&P/TSX Composite Index and the S&P/TSX Global Mining Index made on the same date, would be worth on September 30th of each of the five subsequent years.



	Sep-14	Sep-15	Sep-16	Sep-17	Sep-18	Sep-19
S&P/TSX Composite Index	$100	$89	$98	$105	$107	$111
S&P/TSX Global Mining Index	$100	$68	$92	$93	$93	$104
MGA	$100	$39	$71	$90	$61	$41

The following graph compares the trend in compensation of the Named Executive Officers (referred to as "NEO Compensation" in the graph), as a group, to the trend in our share price. The annual aggregate compensation paid to the Named Executive Officers for each of the last five financial years, indexed to 2014, is shown with the cumulative total shareholder return on our common shares over the same period.



	Sep-14	Sep-15	Sep-16	Sep-17	Sep-18	Sep-19
NEO Compensation	$100	$86	$55	$76	$55	$50
MGA	$100	$39	$71	$90	$61	$41

Except for a component of our Chief Executive Officer's annual bonus entitlement (discussed earlier under "Compensation Discussion & Analysis – Bonus"), generally, no specific part of our executive compensation structure is directly tied to our share price, in the sense that share performance is not typically determinative of the quantum of base salaries, annual bonuses or stock option grants, though it may be a factor considered from time to time.

Option-based awards represent the form of compensation most directly tied to our stock price, insofar as the intrinsic value of options at any point in time (i.e., whether or not they are "in-the-money" and by how much) is directly correlated to the trading price of our shares and is thereby the compensation component most directly aligned with the interests of our shareholders. Additionally, in accordance with NI 51-102, for the purposes of calculating the NEO Compensation above and the total compensation of the Named Executive Officers under "Summary Compensation Table" elsewhere in this section of the circular, options granted to the Named Executive Officers are valued using the Black-Scholes valuation method. Because our stock price is an input used in the Black-Scholes valuation method, the Named Executive Officers' total annual compensation reflected in the graph is, at least, partially connected to the market value of our shares on the grants dates.

Trends in total compensation for the Named Executive Officers during the five year period reflected in the graph above are primarily attributable to option grants made in each of the financial years other than 2015 when no grants were made, reductions in base compensation for certain of the Named Executive Officers during our 2015 and 2016 financial years (including changes associated with the departures of our former Chief Executive Officer and Chief Financial Officer) and an annual bonus paid to our Chief Executive Officer in respect of 2016 and 2017. It should be noted that the individuals who qualified as the Named Executive Officers were not the same in each of the years reflected in the graph. Accordingly, changes in compensation from year to year will have also been at least partially attributable to changes in the composition of the Name Executive Officers, as a group (and to the number of individuals in the group, which was four for 2014 through to mid-way 2015 and three thereafter).

Compensation Governance

The Nominating and Compensation Committee assists our board of directors in respect of compensation for our directors and officers. As described earlier, our compensation practices are relatively informal and, except as otherwise indicated, the board of directors has not specifically adopted any formal policies or practices to determine director and officer compensation.

The members of the Nominating and Compensation Committee are Albert Contardi, Larry Goldberg and Arni Johannson, each of whom is independent from the company. Mr. Goldberg and Mr. Johannson also serve on our Audit Committee, Mr. Contardi is a prior member of the Audit Committee, and each has previously served and/or currently serves on the audit committees and compensation committees of other public companies, including those in the mining industry. Additionally, in his capacity as Chief Financial Officer for many public and private companies, Mr. Goldberg has been in involved in executive compensation research and the development of compensation packages for all levels of organizations. Accordingly, each member has an understanding of financial and risk management matters relating to Mega specifically, as well as those matters in the context of other issuers, which enables the committee, as a whole, to make decisions concerning our compensation policies and practices. The responsibilities of the Nominating and Compensation Committee are described in the section of this information circular entitled "Corporate Governance – Compensation" and their involvement in the determination of the Named Executive Officers' compensation is described earlier in this section.

Summary Compensation Table

The following table sets forth the total compensation paid or payable by us, for our fiscal years ended September 30, 2019, 2018 and 2017, to our Chief Executive Officer, Chief Financial Officer and our three most highly compensated executive officers (other than the Chief Executive Officer and Chief Financial Officer) whose total compensation exceeded $150,000 during the 2019 fiscal year (collectively, the "**Named Executive Officers**"). Only one executive officer (other than the Chief Executive Officer and the Chief Financial Officer) earned over $150,000 in total compensation for the 2019 financial year.

Summary Compensation Table

Name and principal position	Year	Salary/Fees ($)	Share-Based awards ($)	Option-based awards[1] ($)	Non-equity incentive plan compensation[2]	All other compensation ($)	Total compen-sation ($)
					Annual incentive plans		
Richard Patricio[3] President & Chief Executive Officer	2019 2018 2017	275,000 275,000 275,000	Nil Nil Nil	103,886 112,700 274,100	Nil 34,375 137,500	Nil Nil Nil	378,886 422,075 686,600
Carmelo Marrelli[4] Chief Financial Officer	2019 2018 2017	42,000 42,000 42,000	Nil Nil Nil	29,267 32,200 48,100	Nil Nil Nil	24,000 24,000 24,000	95,267 98,200 114,100
Richard Homsany[5] Executive Vice President, Australia	2019 2018 2017	224,184 234,240 240,120	Nil Nil Nil	58,5328 64,400 96,200	Nil Nil Nil	Nil Nil Nil	282,719 298,640 336,320

(1) Option-based awards are stock options granted to the Named Executive Officers under our stock option plan. Each option entitles the holder to acquire one common share of Mega. Options vest and become exercisable in equal amounts every three months, over

a period of eighteen months from the grant date, are granted at an exercise price per share equal to the closing price of our common shares on the Toronto Stock Exchange on the trading day immediately preceding the grant date, and expire five years from the grant date.

The dollar value of the option-based awards reflects the fair value of the options granted to the Named Executive Officers during the year, calculated as at the applicable grant date using the Black-Scholes valuation method. The values are calculated and provided for the purposes of the requirements of NI 51-102 and may not reflect the actual values that would be realized by the Named Executive Officers when they ultimately exercise the options, if at all, which realized values will depend upon the market price of our common shares at the time of exercise. Additionally, the values reported do not reflect the intrinsic value of the options (the difference between the market price of the shares and the exercise price) on the grant date or as at the end of the applicable financial year. Details of the Black-Scholes values used to calculate the fair value of the option grants indicated in the table are provided in the section entitled “Fair Value of Option-Based Awards which follows the table.

2019 options are exercisable at a price per share of $0.12, $0.105 and $0.10, until expiry on January 1, 2024, February 28, 2024 and June 2, 2024, respectively. During the 2019 financial year, 990,000 options were issued to Mr. Patricio, 270,000 options were issued to Mr. Marrelli and 540,000 options were issued to Mr. Homsany. 2018 options are exercisable at a price per share of $0.21, $0.14 and $0.125, until expiry on December 31, 2022, May 31, 2023 and September 4, 2023, respectively. During the 2018 financial year, 1,050,000 options were issued to Mr. Patricio, 300,000 options were issued to Mr. Marrelli and 600,000 options were issued to Mr. Homsany. 2017 options are exercisable at a price per share of $0.14, $0.175 and $0.20, until expiry on January 1, 2022, May 31, 2022 and August 31, 2022, respectively. During the 2017 financial year, 2,700,000 options were issued to Mr. Patricio, 450,000 options were issued to Mr. Marrelli and 900,000 options were issued to Mr. Homsany. The dollar values of all of the foregoing options on their respective grant dates (calculated as set forth in the section below entitled “Fair Value of Option-Based Awards”) are reported in the table.

(2) We do not have any long-term non-equity incentive plans. Non-equity incentive plan compensation reflects annual cash bonuses paid or payable to the Named Executive Officers in respect of the applicable financial year ended September 30th. However, bonuses are generally payable in respect of services rendered for a calendar year, rather than our September 30th financial year. Accordingly, an amount shown in the table for a financial year represents the portion(s) of the calendar-year bonus(es) awarded to the Named Executive Officer which is (are) attributable to services rendered in that financial year. Mr. Patricio was awarded a $137,500 bonus in respect of each of the 2016 and 2017 calendar years. He did not earn a bonus in respect of the 2018 calendar year. The 2018 bonus amount indicated in the table represents the portion of his 2017 calendar year bonus attributable to the period of October 1, 2017 to December 31, 2017. The 2017 bonus amount indicated in the table represents the portion of his 2016 calendar year bonus attributable to October 1, 2016 to December 31, 2016 and the portion of his 2017 calendar year bonus attributable to the period of January 1, 2017 to September 30, 2017.

(3) Compensation is paid to Totus Inc., a corporation controlled by Mr. Patricio.

(4) Compensation is paid to Marrelli Support Services Inc. (“Marrelli Co.”), the securities of which Mr. Marrelli has indirect control and direction over. Under the terms of our agreement with Mr. Marrelli and Marrelli Co., a monthly fee of $5,500 is paid to Marrelli Co., $3,500 of which is payable for Mr. Marrelli’s services as our Chief Financial Officer and $2,000 of which is payable for accounting services provided to us by Marrelli Co.

(5) Compensation is paid to Cardinals Corporate Pty Ltd, a corporation controlled by Mr. Homsany. Mr. Homsany is entitled to receive aggregate fees totaling AUD$240,000 per year, payable in Australian dollars by one of our Australian subsidiaries. Consistent with our accounting practices, amounts indicated in the table have been converted from Australian dollars to Canadian dollars at the average Bank of Canada exchange rate during the applicable financial quarter in which the amounts were paid. The average exchange rate utilized for conversation of the 2017, 2018 and 2019 amounts was $1.0005, $0.976 and $0.9341, respectively.

Fair Value of Option-Based Awards

The dollar value of the option-based awards indicated in the table above reflects the fair value of the options granted to the Named Executive Officers during the year, calculated as at the applicable grant date using the Black-Scholes valuation method.

Each option grant made to a Named Executive Officer is determined based upon the number of Common Shares underlying the grant, rather than by ascribing a particular value to the grant. The Black-Scholes valuation method used for the purposes of calculating the fair value of the grants is the same methodology used by us for accounting purposes.

The Black-Scholes value of each option granted to a Named Executive Officer in the applicable year and the assumptions and estimates used in calculating the value are provided in the table below:

		Option Fair Value, Assumptions and Estimates				
Grant Date	Exercise Price ($)	Fair Value ($)	Share Price Volatility (%)	Expected Life (years)	Expected Dividend Yield (%)	Risk-Free Interest Rate (%)
2019						
Jan 2	0.12	0.081	85%	5	0	1.85%
Mar 1	0.105	0.071	85%	5	0	1.81%
June 3	0.10	0.067	85%	5	0	1.29%

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table provides details of stock options held by the Named Executive Officers as at September 30, 2019. The Named Executive Officers do not hold any share-based awards.

Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options[(1)] ($)**
Richard Patricio	4,000,000	0.09	May 29, 2020	Nil
	500,000	0.07	December 31, 2021	10,000
	500,000	0.085	February 28, 2021	2,500
	500,000	0.14	May 31, 2021	Nil
	2,000,000	0.14	January 1, 2022	Nil
	350,000	0.175	May 31, 2022	Nil
	350,000	0.20	August 31, 2022	Nil
	350,000	0.21	December 31, 2022	Nil
	350,000	0.14	May 31, 2023	Nil
	350,000	0.125	September 4, 2023	Nil
	350,000	0.12	January 1, 2024	Nil
	350,000	0.105	February 28, 2024	Nil
	290,000	0.10	June 2, 2024	Nil
Carmelo Marrelli	200,000	0.07	December 31, 2021	4,000
	200,000	0.14	May 29, 2021	Nil
	250,000	0.14	January 1, 2022	Nil
	100,000	0.175	May 31, 2022	Nil
	100,000	0.20	August 31, 2022	Nil
	100,000	0.21	December 31, 2022	Nil
	100,000	0.14	May 31, 2023	Nil
	100,000	0.125	September 4, 2023	Nil
	100,000	0.12	January 1, 2024	Nil
	100,000	0.105	February 28, 2024	Nil
	70,000	0.10	June 2, 2024	Nil

Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[1] ($)
Richard Homsany	500,000	0.09	May 29, 2020	Nil
	200,000	0.07	December 31, 2021	1,000
	200,000	0.085	February 28, 2021	8,000
	200,000	0.14	May 31, 2021	Nil
	500,000	0.14	January 1, 2022	Nil
	200,000	0.175	May 31, 2022	Nil
	200,000	0.20	August 31, 2022	Nil
	200,000	0.21	December 31, 2022	Nil
	200,000	0.14	May 31, 2023	Nil
	200,000	0.125	September 4, 2023	Nil
	200,000	0.12	January 1, 2024	Nil
	200,000	0.105	February 28, 2024	Nil
	140,000	0.10	June 2, 2024	Nil

(1) The value of an in-the-money option is equal to the difference between the closing price of our common shares on the Toronto Stock Exchange on September 30, 2019 ($0.09), the last trading day of our 2019 financial year, and the exercise price of the option. A nil value indicates that none of the options were in-the-money as at September 30, 2019.

Incentive plan awards – value vested or earned during the year

The following table indicates the value of the incentive plan awards held by the Named Executive Officers which vested during the year ended September 30, 2019.

Name	Option-based awards – Value vested during the year[1] ($)	Share-based awards – Value vested during the year[2] ($)	Non-equity incentive plan compensation – Value earned during the year[3] ($)
Richard Patricio	Nil	Nil	Nil
Carmelo Marrelli	Nil	Nil	Nil
Richard Homsany	Nil	Nil	Nil

(1) Amounts indicated reflect the aggregate dollar value that would have been realized by the Named Executive Officer if the options under his option-based awards which vested during fiscal 2019 were exercised by him on the vesting date. Aggregate dollar value is calculated by subtracting the exercise price of the option from the closing price of our common shares on the Toronto Stock Exchange on the vesting date. Options which are out-of-the-money on the vesting date (i.e., the exercise price is greater than the closing price of the underlying common shares) will have a nil value.
(2) We do not make any share-based awards and none were held by the Named Executive Officers during the year ended September 30, 2019.
(3) Non-equity incentive plan compensation generally reflects cash bonuses paid to the Named Executive Officers. Further information regarding the bonuses is provided in footnote 2 of the Summary Compensation Table and under "Compensation Discussion and Analysis – Bonus" elsewhere in this section of the circular.

Discussion of Incentive Plan Awards

Stock options are granted to the Named Executive Officers under our stock option plan. Except for the 3% reference target in respect of grants made to our Chief Executive Officer discussed earlier under "Compensation Discussion and Analysis – Option-Based Awards", no specific formula or criteria is used to determine the quantum of a particular grant (whether in terms of the number of options or fair value of options) but prior grants, if any, during the financial year, may be taken into account. An option grant is intended to recognize, on a reasonable basis, the individual's specific contribution to the company in the context of his role. Option grants for the Named Executive Officers are proposed for consideration to the Compensation Committee by the Chief Executive Officer and recommended by the committee to the Board of Directors for its approval.

In accordance with the terms of our stock option plan, each option is exercisable for one of our common shares. The exercise price of an option is determined by the Board of Directors but may not be less than the closing price of our common shares on the Toronto Stock Exchange on the day preceding the grant date. As a matter of course, options have exercise prices equal to this closing price. Under the terms of the stock option plan, the Board of Directors also has the discretion to determine whether option grants will be subject to any vesting requirements. As a matter of course, options granted vest in equal installments every three months over an aggregate period of 18 months from the grant date.

Termination and Change in Control Benefits

Change in Control

In the event of a change in control involving the company and regardless of whether there is a corresponding termination of his service, Mr. Patricio is entitled to receive a one-time lump sum cash payment equal to 36 months' fees and the average bonus paid to him in the 36 preceding months (excluding the special bonus discussed under "Compensation Discussion & Analysis – Bonus"), and immediate vesting of all stock options (subject to receipt of any necessary regulatory or other approvals).

Mr. Homsany is entitled to receive a one-time lump sum cash payment of $950,000 and immediate vesting of all stock options (subject to receipt of any necessary regulatory or other approvals) in the event of a change in control involving the company and regardless of whether there is a corresponding termination of his service. He is also entitled to receive 24 months' fees (and other benefits), together with any bonus owed to him in the year of termination and for the following 24 months, if he terminates his agreement within 6 months of a change in control.

For the purposes of Mr. Patricio's and Mr. Homsany's entitlements, a change in control means: (a) the acquisition by any person or company (as such terms are defined in Section 1(1) of the *Securities Act* (Ontario), or by any combination of persons or companies, of beneficial ownership of more than 50% of our outstanding voting securities or of the voting power of such voting securities, by means of a take-over bid or otherwise; (b) if individuals who, as of the date of the particular agreement, constitute our board of directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Incumbent Board; provided, however, that any individual becoming a director subsequent to the date of the agreement whose election, or nomination for election by our shareholders, is approved by a vote of at least two-thirds of the directors then constituting the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose election or nomination is in connection with an actual or threatened solicitation of proxies by or on behalf of any party other than management; (c) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of our assets; (d) any consolidation, merger, amalgamation, arrangement, reorganization or transaction of similar form or nature involving the company (a "Business Combination'), whereby our shareholders immediately prior to the Business Combination do not, immediately following the Business Combination, beneficially own, directly or indirectly, more than 50% of the outstanding voting securities of the entity resulting from the Business Combination or of the voting power of such voting securities, in substantially the same proportions as their ownership immediately prior to the Business Combination; and (e) the approval by our shareholders of any liquidation or dissolution of the company.

Estimated Incremental Payments Upon Change in Control

The following table indicates the estimated incremental payments and benefits that would have been received by the Named Executive Officers under the change in control entitlements described above, assuming a change in control had occurred on September 30, 2019.

	Richard Patricio	Richard Homsany
Payment ($)	870,833	1,379,168[1]
Acceleration of unvested options ($)[2]	Nil	Nil
Total	870,833	1,379,168

[1] Includes 24 months' fees payable to Mr. Homsany, assuming that he terminated his agreement within 6 months of the change in control (at an AUD$/CDN$ exchange rate of 0.8941).

[2] The value to each Named Executive Officer of the acceleration of their unvested options upon a change in control is calculated by multiplying the difference between the closing price of our common shares on the Toronto Stock Exchange on September 30, 2019 ($0.09), the last trading day of our 2019 financial year, and the exercise price of the options by the number of unvested options held by the executive on that date.

Other members of management would have received $350,000 in estimated incremental payments under change in control entitlements assuming a change in control had occurred on September 30, 2019.

Termination

Richard Patricio is entitled to receive payment of 24 months' fees if his services are terminated by us, for any reason (absent cause), in accordance with the terms of his agreement. He is also entitled to 24 months' fees if he terminates his services due to an adverse change in his position, duties, authority, responsibilities or title, including, without limitation, any such change in the person(s) to whom he reports or who report to him, or any assignment to him of any significant ongoing duties inconsistent in any respect with his position, duties, authority, responsibilities or title.

Richard Homsany is entitled to receive 24 months' fees (and other benefits), together with any bonus owed to him in the year of termination and for the following 24 months, if his agreement is terminated: (a) by us for any reason, other than for cause determined in accordance with the agreement or (b) by Mr. Homsany upon 6 months' prior notice and within 6 months of the occurrence of (i) a change in his title or duties resulting in a material diminution of his status or position with us, (ii) a change in control or material changes to the policies, strategies or future plans of our board of directors, as a result of which he is not able to implement his strategy or plans for the development of the company or its projects, or (iii) the relocation of the our principal place of business in Australia to a location other than Perth, Australia. Mr. Homsany is also entitled to receive payment of six months' fees if his services are terminated by us for any reason, other than for cause determined in accordance with the agreement, and without 6 months' notice.

Mr. Marrelli is not entitled to any payment upon termination of his services in accordance with his agreement with us.

Estimated Incremental Payments Upon Termination

If their respective agreements had been terminated by us on September 30, 2019, Mr. Patricio would have received a lump sum payment of $550,000 and Mr. Homsany would have received an aggregate of AUS$120,000 (approximately $107,292 in Canadian dollars, based on the then exchange rate) payable over six months thereafter, and an aggregate of AUS$480,000 (approximately $429,168 in Canadian dollars, based on the then exchange rate) payable upon termination.

If Mr. Patricio had terminated his agreement on September 30, 2019 in any of the circumstances outlined above, he would have received $550,000 upon termination. If Mr. Homsany had terminated his agreement on September 30, 2019 in any of the circumstances outlined above, he would have received an aggregate of AUS$480,000 payable upon termination.

Director Compensation

Director Compensation Table

The following table sets forth the total compensation paid or payable by us to our non-executive directors for the fiscal year ended September 30, 2019.

Name	Fees earned[(1)] ($)	Share-based awards ($)	Option-based awards[(2)] ($)[(3)]	Non-equity incentive plan compensation ($)	Pension Value ($)	All other compensation ($)	Total ($)
Albert Contardi	42,500	N/A	44,385	Nil	Nil	Nil	86,885
Larry Goldberg	40,000	N/A	44,385	Nil	Nil	Nil	84,385
Arni Johannson	30,000	N/A	44,385	Nil	Nil	Nil	74,385
Douglas Reeson	25,000	N/A	44,385	Nil	Nil	Nil	69,385
Stewart Taylor	20,000	N/A	44,385	Nil	Nil	Nil	64,385

(1) Fees earned are comprised of annual retainers for board and committee service, as more fully described below under "Discussion of Director Compensation".

(2) Option-based awards are stock options granted to the non-executive directors under our stock option plan. Each option entitles the holder to acquire one of our common shares. Options vest and become exercisable in equal amounts every three months, over a period of eighteen months from the grant date, are granted at an exercise price per share equal to the closing price of our common shares on the Toronto Stock Exchange on the trading day immediately preceding the grant date, and expire five years from the grant date.

The dollar values of the options granted to the directors on the grant dates (calculated as set forth in note 3) are reported in the table. Options are exercisable at a price per share of $0.12, $0.105 and $0.10, until expiry on January 1, 2024, February 28, 2024 and June 2, 2024, respectively. During the 2019 financial year, 420,000 options were issued to each director.

(3) The dollar value of the option-based awards indicated in the table reflects the fair value of the options granted to the directors during the year, calculated as at the applicable grant date using the Black-Scholes valuation method. The values are calculated and provided for the purposes of the requirements of NI 51-102 and may not reflect the actual values that would be realized by the directors when they ultimately exercise the options, if at all, which realized values will depend upon the market price of our shares at the time of exercise. Additionally, the values reported do not reflect the intrinsic value of the options (the difference between the market price of the shares and the exercise price) on the grant date or as at September 30, 2019.

The Black-Scholes value of each option and the assumptions and estimates used in calculating the value are provided in the table below:

	Option Fair Value, Assumptions and Estimates					
Grant Date	Exercise Price ($)	Fair Value ($)	Share Price Volatility (%)	Expected Life (years)	Expected Dividend Yield (%)	Risk-Free Interest Rate (%)
2019						
Jan 2	0.12	0.081	85	5	0	1.85
Mar 1	0.105	0.071	85	5	0	1.81
June 3	0.10	0.067	85	5	0	1.29

Discussion of Director Compensation

Each of our directors (all of whom are non-executive) receives an annual retainer of $20,000, with the chairman of the board receiving an additional retainer of $12,500. Each member of our audit and nominating and compensation committees receives an annual retainer of $5,000, with the chairman of the committee receiving an additional annual retainer of $10,000 and $5,000, respectively.

Directors are also eligible to participate in our stock option plan, details of which are provided elsewhere in this circular under the sub-heading "Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan".

Details of the fees earned and options granted to our directors during the 2019 financial year are provided in the Director Compensation Table above.

Outstanding share-based awards and option-based awards

The following table provides details of stock options held by our directors as at September 30, 2019. The non-executive directors do not hold any share-based awards.

Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options(1) ($)**
Albert Contardi	250,000	0.09	May 31, 2020	Nil
	400,000	0.14	May 31, 2021	Nil
	500,000	0.14	January 1, 2022	Nil
	150,000	0.175	May 31, 2022	Nil
	150,000	0.20	August 31, 2022	Nil
	150,000	0.21	December 31, 2022	Nil
	150,000	0.14	May 31, 2023	Nil
	150,000	0.125	September 4, 2023	Nil
	150,000	0.12	January 1, 2024	Nil
	150,000	0.105	February 28, 2024	Nil
	120,000	0.10	June 2, 2024	Nil
Larry Goldberg	400,000	0.14	May 31, 2021	Nil
	500,000	0.14	January 1, 2022	Nil
	150,000	0.175	May 31, 2022	Nil
	150,000	0.20	August 31, 2022	Nil
	150,000	0.21	December 31, 2022	Nil
	150,000	0.14	May 31, 2023	Nil

Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[(1)] ($)
	150,000 150,000 150,000 120,000	0.125 0.12 0.105 0.10	September 4, 2023 January 1, 2024 February 28, 2024 June 2, 2024	Nil Nil Nil Nil
Arni Johannson	500,000 200,000 200,000 200,000 500,000 150,000 150,000 150,000 150,000 150,000 150,000 150,000 120,000	0.09 0.07 0.085 0.14 0.14 0.175 0.20 0.21 0.14 0.125 0.12 0.105 0.10	May 31, 2020 December 31, 2021 February 28, 2021 May 31, 2021 January 1, 2022 May 31, 2022 August 31, 2022 December 31, 2022 May 31, 2023 September 4, 2023 January 1, 2024 February 28, 2024 June 2, 2024	Nil 4,000 1,000 Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil
Douglas Reeson	500,000 200,000 200,000 200,000 500,000 150,000 150,000 150,000 150,000 150,000 150,000 150,000 120,000	0.09 0.07 0.085 0.14 0.14 0.175 0.20 0.21 0.14 0.125 0.12 0.105 0.10	May 31, 2020 December 31, 2021 February 28, 2021 May 31, 2021 January 1, 2022 May 31, 2022 August 31, 2022 December 31, 2022 May 31, 2023 September 4, 2023 January 1, 2024 February 28, 2024 June 2, 2024	Nil 4,000 1,000 Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil
Stewart Taylor	500,000 200,000 200,000 200,000 500,000 150,000 150,000 150,000 150,000 150,000 150,000 150,000 120,000	0.09 0.07 0.085 0.14 0.14 0.175 0.20 0.21 0.14 0.125 0.12 0.105 0.10	May 31, 2020 December 31, 2021 February 28, 2021 May 31, 2021 January 1, 2022 May 31, 2022 August 31, 2022 December 31, 2022 May 31, 2023 September 4, 2023 January 1, 2024 February 28, 2024 June 2, 2024	Nil 4,000 1,000 Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil

[(1)] The value of an in-the-money option is equal to the difference between the closing price of our common shares on the Toronto Stock Exchange on September 30, 2019 ($0.09), the last trading day of our 2019 financial year, and the exercise price of the option. A nil value indicates that none of the options were in-the-money as at September 30, 2019.

Incentive plan awards – value vested or earned during the year

The following table indicates the value of the incentive plan awards held by our non-executive directors which vested during the year ended September 30, 2019.

	Option-based awards – Value vested during the year[(1)] ($)	**Share-based awards – Value vested during the year[(2)] ($)**	**Non-equity incentive plan compensation – Value earned during the year[(3)] ($)**
Albert Contardi	Nil	N/A	Nil
Larry Goldberg	Nil	N/A	Nil
Arni Johannson	Nil	N/A	Nil
Douglas Reeson	Nil	N/A	Nil
Stewart Taylor	Nil	N/A	Nil

(1) Amounts indicated in the column reflect the aggregate dollar value that would have been realized by the director if the options under his option-based awards which vested during fiscal 2019 were exercised by him on the vesting date. Aggregate dollar value is calculated by subtracting the exercise price of the option from the closing price of our common shares on the Toronto Stock Exchange on the vesting date.

(2) We do not make any share-based awards and none were held by our directors during the year end September 30, 2019.

(3) We do not pay any non-equity incentive plan compensation to our directors and no such compensation was earned by them during the year.

CORPORATE GOVERNANCE

The Canadian securities regulatory authorities have issued corporate governance guidelines (the "Corporate Governance Guidelines") for all reporting issuers in Canada (other than investment funds), together with certain related disclosure requirements. The Corporate Governance Guidelines are recommended as "best practices" for issuers to follow. We recognize that good corporate governance plays an important role in our overall success and in enhancing shareholder value and, accordingly, we have adopted certain corporate governance practices which are reflective of the recommended guidelines. A summary of certain aspects of our approach to corporate governance is provided below.

Board of Directors

Independence

National Instrument 52-110 – *Audit Committees* of certain of the Canadian securities regulatory authorities ("**NI 52-110**") sets out the standard for determining whether a director is "independent" for the purposes of the Corporate Governance Guidelines and disclosure requirements of the Canadian securities regulatory authorities. In accordance with NI 52-110, a director is "independent" if he or she has no direct or indirect material relationship with us. A "material relationship" is a relationship which could, in the view of our board of directors, be reasonably expected to interfere with the exercise of the director's independent judgement. NI 52-110 also sets out certain circumstances where a director will automatically be considered to have a material relationship with us.

Based upon the standard articulated in NI 52-110, all of our directors are independent.

In accordance with the mandate of the board, our directors, all of whom are independent, may meet regularly, or from time to time as the circumstances warrant, without the presence of members of management. The full board has had the opportunity for candid discussion outside the presence of management on several occasions during the year, as has our Audit Committee, which is comprised entirely of independent directors.

Albert Contardi is Chairman of the board of directors and is an independent director.

Attendance

During our financial year ended September 30, 2019, there were 4 meetings of the board of directors, 5 meetings of the Audit Committee and 1 meeting of the Nominating and Compensation Committee. The attendance record of each of our directors for these meetings (as applicable) is set out below:

	Meetings of the		
Director	Board	Audit Committee	Nominating and Compensation Committee
Albert Contardi	4/4	--	1/1
Larry Goldberg	3/4	4/5	1/1
Arni Johannson	4/4	5/5	1/1
Douglas Reeson	4/4	5/5	--
Stewart Taylor	4/4	--	--

Directorships

The following nominees for election as directors at the Meeting are presently also directors of one or more other reporting issuers:

Director	Reporting Issuers
Albert Contardi	Argentum Silver Corp. Veta Resources Inc.
Arni Johannson	Block X Capital Corp. TransCanna Holdings Inc.
Douglas Reeson	Gossan Resources Limited

Board Mandate

Our board of directors is responsible for the stewardship of the company and for supervising the management of our business and affairs. The board reviews, discusses and approves various matters relating to our strategic direction, business and operations and its organizational structure, with a view to the Corporation's best interests.

While management is responsible for the day to day conduct of our business, in carrying out its supervisory responsibilities, the board (or committees of the board, as the case may be) has numerous responsibilities, including: (a) adopting a strategic planning process and approving a strategic plan; (b) identifying our principal business risks and ensuring the implementation of appropriate systems to manage these risks; (c) ensuring appropriate succession planning in place, including appointing, training and monitoring senior management; (d) developing a communications policy for the company; (e) developing policies and procedures to ensure the integrity of our internal control and management information systems; (f) ensuring appropriate standards of corporate conduct, including adopting a code of business conduct and ethics, and monitoring compliance with and waivers from the code; (g) ensuring implementation of appropriate environmental stewardship and health and safety management systems; (h) reviewing and approving compensation of senior management; (i) adopting corporate governance guidelines or principles applicable to us; (j) reviewing annually the contribution of the board as a whole, the committees of the board and each of the directors; and (k) adopting a process for shareholders and other interested parties to communicate directly with the board or its independent directors.

Position Descriptions

The board of directors has not developed written position descriptions for its chairman or the chair of each committee of the board. Generally, the chairman's responsibilities include setting agendas for board meetings in collaboration with our chief executive officer and presiding over the meetings, acting as a liaison between senior management and the board and providing advice to senior management on various matters. The chairman stays up-to-date about the organization and determines when an issue needs to be brought to the attention of the full board or a committee.

The chair of each committee of the board of directors is responsible for determining the frequency of committee meetings (subject to any requirements set forth in the committee's charter), developing the committee's annual schedule and agendas and reporting to the board on the significant matters considered at the committee's meetings.

The board of directors has not developed a written position description for our chief executive officer. In light of the current stage of our operations, the board is of the view that it is not necessary to formalize in writing the role and responsibilities of the chief executive officer. The chief executive officer is accountable to the board for the effective overall management of the company. He is responsible for, among other things: fostering a corporate culture that promotes ethical practices; developing our strategic plan; developing and maintaining an effective organizational structure; acting as our principal spokesperson; advising the board on operational and financial matters and keeping it apprised of significant events, developments and opportunities that affect our business.

Orientation and Continuing Education

Each new director brings a different skill set and professional background to the board of directors. Accordingly, the board determines, on an individual basis, what measures are appropriate to orient a new director to the nature and operations of our business. We provide continuing education for directors as the need arises and encourage open discussion at all meetings, which format encourages learning by the directors.

Ethical Business Conduct

We have a Code of Business Conduct and Ethics (the "**Code**") in place which is to be followed by our employees, officers and directors and those of our subsidiaries. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoidance of conflicts of interest and compliance with applicable governmental laws, rules and regulations. A copy of the Code is available at www.sedar.com and a summary of certain of its provisions is provided below.

We are committed to sound environmental management. The Code confirms our intention to conduct our self in partnership with the environment and community at large as a responsible and caring business entity, and our commitment to managing all phases of our business in a manner that minimizes any adverse effects of our operations on the environment.

The Code provides that our employees, officers and directors are required to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and our interests. Such individuals (and their immediate family members) are prohibited from using their positions with the company to solicit gifts or other benefits from our suppliers and contractors, and the Code contains guidelines to be followed when accepting gifts or entertainment from these parties.

We are committed to providing a healthy and safe workplace in compliance with applicable laws, rules and regulations. The Code affirms our commitment to foster a work environment in which all individuals are treated with respect and dignity. We are an equal opportunity employer and do not discriminate against employees, officers, directors or potential employees, officers or directors on the basis of race, color, religion, sex, national origin, age, sexual orientation or disability or any other category protected by Canadian federal or provincial laws and regulations, or any laws or regulations applicable in the jurisdiction where such employees, officers or directors are located.

All of our employees, officers and directors are expected to comply with the Code and any waiver from any part of the Code requires the approval of our President, in the case of an employee, or of our Board of Directors, in the case of an officer or director, and if required under applicable securities legislation, public disclosure of the waiver in the case of an officer or director.

The Code also provides a process by which actual or potential violations of its provisions are to be reported (on a confidential basis) to the chairman of the Audit Committee and confirms that there will not be any reprisals against an individual who does so in good faith.

Nomination of Directors

The Nominating and Compensation Committee of the board of directors is responsible for assisting the board in respect of the nomination of directors and is required to identify new candidates for appointment to the board. The current members of the committee are Albert Contardi (Chairman), Larry Goldberg, and Arni Johannson, each of whom is an "independent" director for the purposes of the Corporate Governance Guidelines

When a vacancy on the board arises, the directors will analyze our needs and identify individuals who can meet the needs and who, by virtue of their skills, areas of expertise, industry knowledge, geographic location and geographic and industry contacts, are best able to contribute to the direction of our business and affairs. The identification of candidates is made in the context of the existing competencies and skills which the board of directors, as a whole, does possess and, to the extent different, should possess.

Compensation

The Nominating and Compensation Committee is also responsible for assisting the board of directors in respect of director and officer compensation matters. In accordance with its charter, the Committee establishes and reviews our overall compensation philosophy and, at least annually, its general compensation policies with respect to the chief executive officer (and other officers), including the corporate goals and objectives and the annual performance objectives relevant to him. The Committee evaluates the chief executive officer's performance in light these goals and objectives and, based on its evaluation, determines and approves the annual salary, bonus, options and other benefits of the chief executive officer. In determining his compensation, the Committee may consider a number of factors, including the Corporation's performance, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the chief executive officer in past years and other factors it considers relevant. In the case of the 2019 compensation of our chief executive officer, the committee made recommendations which were approved by the board.

The Nominating and Compensation Committee also reviews the adequacy and form of compensation of our directors, with a view to ensuring it realistically reflects the responsibilities and risks involved in being a director of the company. The Committee recommends to the board for approval the form of remuneration of directors and the amount to which each director will be entitled.

Other Board Committees

The Audit Committee and the Nominating and Compensation Committee are our only board committees.

Assessments

The board of directors annually reviews its own performance and effectiveness, as well as that of the Audit Committee. In accordance with its charter, the Audit Committee reviews the charter annually to assess whether any changes to it should be recommended to the board of directors. In accordance with its Charter, the Nominating and Compensation Committee reviews and evaluates, at least annually, its performance and the performance of its members, and reviews its charter to assess whether any changes to it should be recommended to the board of directors.

The board of directors has not instituted a formal process to regularly assess the effectiveness and contribution of the board of directors or that of individual directors. Effectiveness is subjectively measured by comparing actual corporate results with objectives. The contributions of each individual director is informally monitored by the other members of the board, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the board.

We feel that our corporate governance practices are appropriate and effective for us, given our size and operations. Our method of corporate governance allows for us to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

Term Limits and Other Mechanisms for Board Renewal

We have not adopted term limits for our directors or other formal mechanisms for board renewal. Our board is of the view that the company is best served where a balance exists between directors with the in-depth knowledge and institutional memory that comes from serving over longer periods of time and newer directors who bring different experiences and new perspectives. In their arbitrariness, term limits ignore this balance.

Representation of Women on the Board and in Executive Officer Positions

We adopted a formal written policy regarding board diversity in February 2019. We believe in diversity and value the benefits that diversity can bring to our board of directors. Diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures that we have the opportunity to benefit from all available talent. The promotion of a diverse board makes prudent business sense and makes for better corporate governance.

We seek to maintain a board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. The skills and backgrounds collectively represented on the board should reflect the diverse nature of the business environment in which we operate. For purposes of board composition, diversity includes, but is not limited to, business experience, geography, age, gender and ethnicity.

We are committed to a merit-based system for board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing board composition or identifying suitable candidates for appointment or re-election to the board, we will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the board.

We will periodically assess the expertise, experience, skills and backgrounds of our directors in light of the needs of the board, including the extent to which the current composition of the board reflects a diverse mix of knowledge, experience, skills and backgrounds, including an appropriate number of women directors.

Any search firm engaged to assist the board or a committee of the board in identifying candidates for appointment to the board will be specifically directed to include diverse candidates generally, and multiple women candidates in particular.

The board or the committee to which it has delegated responsibilities relating to the nomination of directors (currently, the Nominating and Compensation Committee) will annually review this policy and assess its effectiveness in promoting a diverse board which includes an appropriate number of women directors.

Historically, the level of representation of women on the board was not considered when identifying and nominating candidates for election or re-election.

Historically, there has been little to no turnover in our executive officer ranks, which have always been few in number (there are currently three executive officers), and no consideration was given to the level of representation of women in executive positions when making appointments, to the extent the opportunity arose.

We have not adopted a target regarding the number of women on our board or in executive officer positions. We recognize the importance and value of gender diversity but believe, at this time, it is best served by making thoughtful and informed executive and board recruitment decisions that further diversity principles rather than applying a mathematical approach to any selection criteria. There are currently no women on our board (0 of 5 directors) or holding executive officer positions (0 of 3 executive officer positions). One of the four management positions (which includes the three executive officer positions) is held by a woman.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all of our equity compensation plans as at September 30, 2019.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) – as at September 30, 2019[1]
Equity compensation plans approved by securityholders	32,490,000	$0.13	149,109[2]
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	32,490,000	$0.13	149,109[2]

[1] Our stock option plan permits a maximum number of common shares to be issued under the plan equal to 10% of the number of common shares outstanding from time to time. As at September 30, 2019, 326,391,094 common shares were issued and outstanding, resulting in a maximum of 32,639,109 common shares available for issuance under the stock option plan (including pursuant to the exercise of the outstanding options referenced in column (a)).

[2] This number does not include common shares that may become available for issuance under the plan pursuant to its "reload" provision (as discussed below under the heading "Stock Option Plan").

Stock Option Plan

We grant options under our stock option plan to eligible directors, officers and employees of, and consultants to, the company and our subsidiaries.

The number of common shares issuable pursuant to options granted under the stock option plan may not exceed 10% of the number of common shares outstanding from time to time. Notwithstanding such 10% limit, that number of common shares, if any, underlying options that have been cancelled or that have expired unexercised (whether in full or in part) will once again be issuable under the stock option plan. Furthermore, the stock option plan has a "reload" provision whereby the number of common shares that have been issued pursuant to the exercise of options granted under the plan will once again be available for issuance under the plan.

As at January 27, 2020, an aggregate of 32,639,109 common shares are issuable under the stock option plan (excluding shares available pursuant to the "reload" provision). As at that date, 7,499,626 common shares have been issued under the plan and 32,490,000 common shares are issuable pursuant to outstanding options granted thereunder, representing approximately 2.3% and 9.95%, respectively, of the 326,391,094 common shares outstanding. An additional 149,109 common shares remained issuable under future option grants under the stock option plan, representing approximately 0.05% of the common shares outstanding as at that date (assuming no "reload" of common shares issued under the plan).

The annual burn rate of our stock option plan for each of our last three financial years ended September 30, 2017, 2018 and 2019 is 3.29%, 1.72% and 1.47%, respectively. The burn rate is calculated in accordance with the rules of the TSX and reflects the number of stock options granted during the year expressed as a percentage of the weighted average number of our common shares outstanding during the year.

The number of common shares that may be issuable, at any time, to insiders of the company under the stock option plan, together with any other share-based compensation arrangements of ours, may not exceed 10% of the number of common shares outstanding on the date of grant. The number of common shares that may be issued, within any one-year period, to insiders of the company under the stock option plan, together with any other share-based compensation arrangements of ours, may not exceed 10% of the number of our common shares issued and outstanding.

The exercise price of an option granted under our stock option plan is determined by the Board of Directors but may not be less than the closing price of our common shares on the Toronto Stock Exchange on the trading day immediately prior to the date of the option grant or, if the common shares do not trade on such date, then the exercise price may not be less than the average of the daily high and low board lot trading prices of the common shares on the Toronto Stock Exchange for the five trading days immediately preceding the date the option is granted.

The board of directors has the discretion to determine the term and vesting provisions (if any) of options granted under the stock option plan, provided that the term of an option may not exceed ten (10) years. If an optionee's employment with or service to us is terminated for any reason (other than as a result of the optionee's death or for cause), all options which have vested as at the date of resignation or notice of termination of employment or service, as the case may be, may be exercised until the earlier of the expiry date of the options and the date that is ninety (90) days from the date of resignation or notice of termination of employment or service, as the case may be. In the event of an optionee's death, all options which have vested as at the date of death may be exercised under the earlier of the expiry date of the options and the date that is twelve (12) months from the date of death. The board of directors has the discretion to determine an alternative expiry date in the event of the termination of an optionee's employment or service or the optionee's death. All unvested options held by an optionee on the date of resignation, notice of termination or death (unless the optionee is terminated for cause), as the case may be, will continue to vest until expiry.

Subject to the receipt of any applicable regulatory, the board of directors may amend the terms of the stock option plan, without the approval of shareholders, except any amendment to (i) change the maximum number of common shares that may be issued under the stock option plan, whether as a fixed number of common shares or as a percentage of the number of common shares outstanding from time to time (other than to reflect an adjustment otherwise permitted under the stock option plan), (ii) reduce the exercise price or extend the expiry period of any option, (iii) increase the limits on the number of common shares issuable to participants under the stock option plan who are insiders of the company, or (iv) expand the class of participants eligible to participate in the stock option plan, any of which amendments shall be subject to the approval of shareholders.

Amendments that can be made to the stock option plan by the board of directors which will not require the approval of shareholders include changing the vesting provisions of any option and changing the effect of the termination of an optionee's employment with or service to us on the optionee's outstanding options.

Options granted under the stock option plan may not be assigned or transferred, other than to certain permitted assigns, including a registered retirement savings plan or registered retirement income fund of the optionee.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

None of our directors or executive officers, none of the persons who have been our directors or executive officers since the commencement of our last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS TO THE CORPORATION

No director, executive officer or employee, former executive officer, director or employee, or proposed nominee for election as a director, or associate of any such director, officer or proposed nominee has been indebted to us since the beginning of our most recently completed financial year.

DIRECTORS AND OFFICERS INDEMNIFICATION

We maintain liability insurance for our directors and officers. The policy provides coverage of up to $10,000,000, with a deductible of $50,000. The annual insurance premium is $17,500 (plus applicable taxes), no portion of which is payable by the individual directors and officers. No claims have been made or paid to date under this policy.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer, significant shareholder, proposed nominee for election as a director, other informed person, or any associate or affiliate of any such person is, has or has had at any time since the beginning of our most recently completed financial year, any material interest, direct or indirect, in any transaction or in any proposed transaction which had materially affected or would materially affect us.

ADDITIONAL INFORMATION

Additional information concerning us is available on SEDAR at www.sedar.com. Financial information concerning us is provided in our comparative financial statements and management's discussion and analysis for the financial year ended September 30, 2019. Certain information pertaining to our audit committee and our external auditor is also provided in the section entitled "Audit Committee Disclosure" of our annual information form for the financial year ended September 30, 2019, which is also available on SEDAR at www.sedar.com.

Shareholders wishing to obtain a copy of our financial statements and management's discussion and analysis may contact us at 217 Queen Street West, Suite 401, Toronto, Ontario, Canada M5V 0R2 (416) 643-7630.

DIRECTORS' APPROVAL

The contents and sending of this management information circular have been approved by our directors.

DATED at Toronto, Ontario on this 27th day of January, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

"Richard Patricio"

Richard Patricio
President & Chief Executive Officer

MEGA URANIUM LTD

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2019 AND 2018

(EXPRESSED IN CANADIAN DOLLARS)

Independent auditor's report

To the Shareholders of
Mega Uranium Ltd.

Opinion

We have audited the consolidated financial statements of **Mega Uranium Ltd.** and its subsidiaries [the "Group"], which comprise the consolidated statement of financial position as at September 30, 2019 and the consolidated statement of loss and comprehensive loss, consolidated statement of equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of the Group as at September 30, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ["IFRS"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Group has incurred a net loss for the year ended September 30, 2019 of $5,930,000 and has an accumulated deficit of $319,984,000 as at September 30, 2019. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter

The consolidated financial statements of the Group for the year ended September 30, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on December 18, 2018.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Blake Langill.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
December 18, 2019

MEGA URANIUM LTD.

Consolidated Statements of Financial Position
(In thousands of Canadian dollars, except for securities and per share amounts)

	As at September 30, 2019	As at September 30, 2018
ASSETS		
Current assets		
Cash and cash equivalents (note 6)	**$ 723**	$ 1,508
Receivables and prepaid expenses (note 7)	**186**	187
Marketable securities (note 8)	**4,771**	1,147
Total current assets	**5,680**	2,842
Non-current assets		
Restricted cash (note 9)	**313**	327
Equity investment (note 10)	**5,652**	9,720
Long-term investment (note 11)	**33,133**	50,378
Property and equipment, net (note 12)	**50**	56
Total non-current assets	**39,148**	60,481
Total assets	**$ 44,828**	$ 63,323
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (notes 13 and 14)	**$ 636**	$ 535
Total liabilities	**636**	535
Capital and reserves		
Share capital (note 15)	**276,192**	274,838
Warrant reserve (note 17)	**946**	887
Share option reserve	**66,394**	65,952
Accumulated other comprehensive income	**20,644**	35,591
Deficit	**(319,984)**	(314,480)
Total equity	**44,192**	62,788
Total equity and liabilities	**$ 44,828**	$ 63,323

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

Going concern (note 2)
Commitments and obligations (note 18)
Subsequent event (note 25)

On behalf of the Board:

"Douglas Reeson" Director *"Larry Goldberg"* Director

MEGA URANIUM LTD.

Consolidated Statements of Loss and Comprehensive Loss
(In thousands of Canadian dollars, except for securities and per share amounts)

	Year Ended September 30, 2019	Year Ended September 30, 2018
Operating expenses		
General and administrative expenses (note 20)	**$ 2,187**	$ 2,383
Exploration and evaluation expenditures (note 21)	**446**	484
Operating loss	**(2,633)**	(2,867)
Loss on equity investment (note 10)	**(795)**	(1,013)
Loss on deemed disposition of equity investment (note 10)	**(733)**	-
Realized loss on equity investment	**-**	(112)
Impairment of equity investment (note 10)	**(2,540)**	(4,496)
Unrealized gain on marketable securities	**826**	667
Realized loss on marketable securities	**-**	(105)
Interest income	**14**	6
Other income	**231**	363
Gain on sale of royalty interest (note 21)	**2,000**	-
Foreign exchange loss	**(15)**	(23)
Net loss before taxes	**(3,645)**	(7,580)
Deferred tax expense (note 24)	**(2,285)**	(385)
Income tax recovery	**-**	5
Net loss for the year	**(5,930)**	(7,960)
Other comprehensive (loss) income		
Items that will be reclassified subsequently to the profit and loss:		
Exchange differences on translation of foreign operations	**13**	3
Items that will not be reclassified subsequently to the profit and loss:		
Change in fair value of long-term investment (net of tax of $2,285 (2018 - $385) (note 11)	**(14,960)**	(2,522)
Other comprehensive loss	**(14,947)**	(2,519)
Total comprehensive loss for the year	**$ (20,877)**	$ (10,479)
Basic and diluted loss per common share	**$ (0.02)**	$ (0.03)
Weighted average number of common shares outstanding	**322,666,686**	296,370,728

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

MEGA URANIUM LTD.

Consolidated Statements of Cash Flows
(In thousands of Canadian dollars, except for securities and per share amounts)

	Year Ended September 30, 2019	Year Ended September 30, 2018
Operating activities		
Net loss for the year	**$ (5,930)**	$ (7,960)
Adjustment for:		
Loss on equity investment	**795**	1,013
Loss on deemed disposition of equity investment	**733**	-
Realized loss on equity investment	**-**	112
Impairment of equity investment	**2,540**	4,496
Unrealized gain on marketable securities	**(826)**	(667)
Realized loss on marketable securities	**-**	105
Amortization	**23**	31
Stock-based compensation	**502**	681
Gain on sale of royalty interest	**(2,000)**	-
Deferred tax expense	**2,285**	385
Non-cash working capital items:		
Receivables and prepaid expenses	**1**	69
Amounts payable and other liabilities	**101**	304
Net cash used in operating activities	**(1,776)**	(1,431)
Financing activities		
Proceeds from private placement, net of costs	**1,669**	1,437
Proceeds from exercise of stock options	**110**	134
Net cash provided by financing activities	**1,779**	1,571
Investing activities		
Proceeds from sale of marketable securities	**-**	91
Purchase of marketable securities	**(798)**	(12)
Proceeds from sale of equity investment	**-**	258
Purchase of property and equipment	**(19)**	-
Net cash (used in) provided by investing activities	**(817)**	337
Effect of exchange rate changes on cash held in foreign currencies	**29**	19
Net change in cash and cash equivalents	**(785)**	496
Cash and cash equivalents, beginning of year	**1,508**	1,012
Cash and cash equivalents, end of year	**$ 723**	$ 1,508
Supplemental information		
Warrants issued as finders' fees	**$ 16**	$ 15

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

MEGA URANIUM LTD.
Consolidated Statements of Equity
(In thousands of Canadian dollars, except for securities and per share amounts)

	Number of common shares	Share capital	Warrant reserve	Share option reserve	Accumulated other comprehensive income (loss)	Deficit	Total Shareholders' equity
Balance, September 30, 2017	**294,278,973**	**$ 273,644**	**$ 426**	**$ 65,355**	**$ 38,110**	**$ (306,520)**	**$ 71,015**
Private placement (note 15(b)(i))	13,636,364	1,500	-	-	-	-	1,500
Cost of issue (note 15(b)(i))	-	(63)	-	-	-	-	(63)
Warrants issued (note 15(b)(i))	-	(461)	461	-	-	-	-
Exercise of stock options	1,466,666	218	-	(84)	-	-	134
Stock-based compensation	-	-	-	681	-	-	681
Net loss for the year	-	-	-	-	-	(7,960)	(7,960)
Other comprehensive income, net of tax	-	-	-	-	(2,519)	-	(2,519)
Balance, September 30, 2018	**309,382,003**	**274,838**	**887**	**65,952**	**35,591**	**(314,480)**	**62,788**
Private placement (note 15(b)(ii))	15,909,091	1,750	-	-	-	-	1,750
Cost of issue (note 15(b)(ii))	-	(81)	-	-	-	-	(81)
Warrants issued (note 15(b)(ii))	-	(485)	485	-	-	-	-
Exercise of stock options	1,100,000	170	-	(60)	-	-	110
Expiry of warrants (note 17)	-	-	(426)	-	-	426	-
Stock-based compensation	-	-	-	502	-	-	502
Net loss for the year	-	-	-	-	-	(5,930)	(5,930)
Other comprehensive loss, net of tax	-	-	-	-	(14,947)	-	(14,947)
Balance, September 30, 2019	**326,391,094**	**$ 276,192**	**$ 946**	**$ 66,394**	**$ 20,644**	**$ (319,984)**	**$ 44,192**

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

1. Nature of business

Mega Uranium Ltd. ("Mega" or the "Company") was incorporated in 1990 under the laws of the Province of Ontario and its shares are publicly traded on the Toronto Stock Exchange (the "TSX") under the symbol "MGA". The Company is domiciled in the Province of Ontario, Canada and its registered office located at 217 Queen Street West, Suite 401, Toronto, Ontario, Canada, M5V 0R2.

Mega has exploration stage mineral resource properties in Australia and Canada as well as investments in uranium-focused public and private companies.

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

In addition to the Company's own exploration activities, Mega participates indirectly in the uranium sector through its securities holdings in other companies, including its significant long-term investment in NexGen Energy Ltd. ("NexGen") (NXE:TSX), its equity interest in Toro Energy Limited ("Toro") (TOE:ASX), and marketable securities in other uranium-focused issuers. NexGen is an exploration and development stage entity engaged in the acquisition, exploration and evaluation of uranium properties in Canada. NexGen is a public company incorporated pursuant to the provisions of the British Columbia Business Corporations Act and has its registered records office located on the 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3. Toro's principal activities include the development of the Wiluna Uranium Project and exploration and evaluation of its tenement holdings. Toro is a public company incorporated and domiciled in Australia. The address of its registered office and principal place of business is 60 Havelock Street West Perth WA 6005.

These consolidated financial statements were approved by the Company's board of directors on December 17, 2019.

2. Going concern

These consolidated financial 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 net loss for the year of $5,930 (2018 - $7,960) and has an accumulated deficit of $319,984 (2018 - $314,480). As a result of its activities and investments, the Company is subject to risks and challenges including, but 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 expects to incur further operating losses and that it will have to raise additional funds to continue operations. Although the Company is able to raise funds by selling equity investments and has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available on terms acceptable to the Company. The Company's ability to generate capital from external sources or dispositions of investments is dependent upon many factors outside of its control, including the market values of its investments which can fluctuate significantly at any time and have a material and unpredictable impact of the Company's capital resources.

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

2. Going concern (continued)

The challenges of securing requisite funding beyond September 30, 2019 and the continued estimated operating losses indicate a material uncertainty that may cast a 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.

3. Basis of preparation

a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS), as issued by the International Accounting Standards Board ('IASB") and interpretations of the International Financial Reporting Committee ("IFRIC"). The significant accounting policies are presented in note 4 and have been consistently applied in each of the years presented. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these consolidated financial statements are presented below.

b) Basis of presentation:

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

c) Basis of consolidation:

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

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

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

d) Critical accounting judgments, estimates and assumptions:

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

3. Basis of preparation (continued)

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

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

Judgments

(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) 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.

(iii) 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.

(iv) Going concern

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

3. Basis of preparation (continued)

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

Estimates

(i) 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 inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

(ii) Impairment of equity investment

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

4. Significant accounting policies

(a) Foreign currency translation

The presentation and functional currency of the Company is the Canadian dollar.

The functional currency of Mega Uranium Ltd., Maple Resources Inc., Monster Copper Corporation, Nu Energy Uranium Corporation and Northern Lorena Resources Ltd. is the Canadian dollar. The functional currency of Uranium Mineral Ventures Inc, Mega Georgetown Pty Ltd., Mega Hindmarsh Holdings Pty Ltd, and Mega Redport Holdings Pty Ltd. is the Australian dollar.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange in effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. All exchange differences are recorded in the foreign exchange gain or loss in the consolidated statements of comprehensive loss under foreign exchange gain or loss.

Translation of foreign operations

The results and financial position of Mega's subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) Share capital is translated using the exchange rate at the date of the transaction;

4. Significant accounting policies (continued)

(a) Foreign currency translation (continued)

(iii) Income and expenses for each consolidated statement of comprehensive loss are translated at average exchange rates for the year; and

(iv) All resulting exchange differences are recognized as a separate component of equity and as an exchange difference on translation of foreign operations in other comprehensive income (loss) in the consolidated statements of comprehensive loss.

When a foreign operation is sold, such exchange differences are recognized in the consolidated statements of comprehensive loss to the extent of the portion sold as part of the gain or loss on sale.

The Company treats specific intercompany loan balances, which are not intended to be repaid in the foreseeable future, as part of its net investment, which is recorded as an exchange difference on translation of foreign operations in other comprehensive income (loss) in the consolidated statements of comprehensive loss.

(b) Cash and cash equivalents

Cash and cash equivalents consist of deposits in banks and guaranteed investment certificates (“GICs”) that are readily convertible to cash with a remaining term at the date of acquisition of less than 90 days.

(c) Financial instruments

On July 24, 2014, the IASB issued the completed IFRS 9 - Financial Instruments ("IFRS 9") for annual periods beginning on or after January 1, 2018 with earlier application permitted.

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its consolidated financial statements on October 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on October 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

4. Significant accounting policies (continued)

(c) Financial instruments (continued)

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the period. Financial assets and liabilities classified at amortized cost are subsequently measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Financial Instrument	**IAS 39**	**IFRS 9**
Financial Assets		
Cash and cash equivalents	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost
Marketable securities	FVTPL	FVTPL
Long-term investment	Available-for-sale (1)	FVTOCI (2)
Financial Liabilities		
Amounts payable and other liabilities	Other financial liabilities	Amortized cost

(1) Subsequently measured at fair value with changes recognized in other comprehensive income. The net change subsequent to initial recognition, in the case of investments, is reclassified into net income upon disposal of the investment or when the investment becomes impaired.

(2) Subsequently measured at fair value with changes recognized in other comprehensive income. The net change subsequent to initial recognition, in the case of investments, is not reclassified into net income upon disposal of the investment or when the investment becomes impaired.

(d) Revenue recognition

Interest income and other income are recorded on an accrual basis. Realized and unrealized gains and losses on disposal of marketable securities are reflected in the consolidated statements of comprehensive loss. Upon disposal of a marketable security, previously recognized unrealized gains or losses are reversed so as to recognize the full realized gain or loss in the period of disposition. Dividend income is recorded on the ex- dividend date.

(e) Stock-based compensation plans

The Company has stock-based compensation plans which are described in note 16. The Company grants stock options to acquire common shares to directors, officers and consultants (“equity-settled transactions”). The Board of Directors determines the specific grant terms within the limits set by the Company’s stock option plan. The Company’s stock option plan does not provide for cash settlement of options. Any consideration received on the exercise of stock options is credited to share capital. The cost of equity-settled transactions is recognized, together with a corresponding increase in share option reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant option holder becomes fully entitled to the award (“the vesting date”).

4. Significant accounting policies (continued)

(e) Stock-based compensation plans (continued)

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Company records compensation expense and credits share option reserve for all stock options granted, which represent the movement in cumulative expense recognized as at the beginning and end of that period. Stock options granted during the year are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value for these options is estimated at the date of grant using the Black-Scholes option pricing model. Where the terms of equity-settled transactions are modified, the minimum expense recognized in compensation expense is the expense as if the terms had not been modified.

An additional expense is recognized for any modification that increases the total fair value of the equity-settled transactions, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Company or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award. The dilutive effect of outstanding options is reflected as an additional share dilution in the computation of diluted earnings per share.

(f) Property and equipment

Property and equipment are recorded at cost, less accumulated amortization. Amortization is provided at rates designed to amortize the cost of property and equipment over their estimated useful lives as follows:

	Rate/Term	Basis
Mining equipment	5 to 15 years	Straight line
Furniture and equipment	20%	Declining balance
Motor vehicles	10 to12 years	Straight line
Software	20%	Straight line

Property and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the property and equipment. Any gain or loss arising on disposal of property and equipment, determined as the difference between the net disposal proceeds and the carrying amount of property and equipment, is recognized in net income or loss. When property and equipment comprises major components with different useful lives, the components are accounted for as separate property and equipment.

(g) Earnings (loss) per common share

Basic earnings (loss) per common share have been determined by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the year, excluding shares securing employee share purchase loans and shares in escrow, if any. The Company follows the "treasury stock" method in the calculation of diluted earnings per share. Under this method, the calculation of diluted earnings per share assumes that outstanding options and warrants that are dilutive to earnings per share are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The treasury stock method is not used to calculate diluted loss per share because the result would be anti- dilutive. Loss per share (basic) and loss per share (diluted) are equivalent measures and calculated on a non-dilutive basis.

4. Significant accounting policies (continued)

(h) Income taxes

Income tax expense comprises current and deferred taxes. Current taxes and deferred taxes are recognized in net income or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Current taxes are the expected taxes payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred taxes are not recognized on the initial recognition of goodwill, on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting income nor taxable income or loss at the time of the transaction, and on temporary differences relating to investments in subsidiaries and jointly controlled entities where the reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that are expected to apply when the assets are recovered and the liabilities settled, based on tax rates that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the related tax benefit to be utilized. Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

(i) Marketable securities

At the end of each financial reporting period, the Company's management estimates the fair value of investments (which are classified as long-term investments and marketable securities) based on the criteria below and reflects such valuations in the consolidated financial statements.

1) Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply, are recorded at fair values based on quoted closing bid prices at the consolidated financial statement dates or the closing bid price on the last day the security traded if there were no trades on the consolidated financial statement dates.

2) Securities which are traded on a recognized securities exchange but that are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from the market value to a maximum of 10%. In determining the discount for such investments, the Company considers the nature and length of the restriction.

3) For securities that are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used.

4) If no such market inputs are available, the warrants are valued using alternate methods representing fair value. Changes in estimates and assumptions about these inputs could affect the reported fair value.

4. Significant accounting policies (continued)

(j) Mineral properties and exploration and evaluation expenditures

The Company expenses all acquisition costs of mineral properties and exploration and evaluation expenditures as incurred.

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 the capitalization of development costs that give rise to a future benefit.

(k) Equity investments

The Company holds equity investments in associates. An associate is an entity over which the Company has significant influence and is neither a controlled subsidiary nor a jointly controlled entity. The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policies.

The Company accounts for equity investments using the equity method. Under the equity method, the Company’s investment in an associate is initially recognized at cost and is subsequently increased or decreased to recognize the Company’s share of earnings or losses of the associate, and for impairment losses after the initial recognition date. The Company’s share of an associate’s losses that are in excess of its investment in the associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company’s share of earnings or losses of associates are recognized through net income or loss during the year. Cash distributions received from an associate are accounted for as a reduction in the carrying amount of the Company’s investment in the associate.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating that there is a measurable decrease in the estimated future cash flows of the associate’s operations. When there is objective evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount, being the greater of its fair value less costs of disposal and value in use (i.e. present value of its future cash flows). If the recoverable amount of an investment in an associate is less than its carrying amount, then an impairment loss is recognized in that period. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in an associate is increased to the revised estimate of the recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized through net income or loss in the period in which the reversal occurs.

The Company holds a 18.19% interest in Toro, board representation on Toro's Board and has shared management. Toro has a June 30 year end, which differs from the year end of the Company. For the purpose of applying the equity method of accounting, the Company uses the fiscal 12 months ended June 30 financial statements of Toro adjusting for any significant events between June 30 and the Company's year end. Adjustments are also made to align the accounting policies of Toro relating to accounting for acquisition costs of mineral properties and exploration and evaluation expenditures, in order to be consistent with the Company’s accounting policies.

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

5. Recent accounting pronouncements

New standards not yet adopted:

(a) 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 fiscal periods beginning on or after January 1, 2019. The Company is currently assessing the impact of adopting IFRS 16.

6. Cash and cash equivalents

As at September 30,	2019	2018
Cash	**$ 713**	$ 1,498
Short-term deposits in bank	**10**	10
Cash and cash equivalents	**$ 723**	$ 1,508

7. Receivables and prepaid expenses

As at September 30,	2019	2018
Sundry receivables	**$ 82**	$ 87
Sales tax receivables	**67**	62
Prepaid expenses	**37**	38
	$ 186	$ 187

As at September 30, 2019, no receivables are past due.

8. Marketable securities

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

As at September 30,	2019	2018
Investments at fair value (notes 21 and 25)	**$ 4,771**	$ 1,147
Cost	**$ 6,225**	$ 3,433

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

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

9. Restricted cash

As at September 30, 2019, the Company pledged AUD$350 (CAD$313) (September 30, 2018 – CAD$327) of cash held in a Guaranteed Investment Certificate (“GIC”) as collateral for a letter of guarantee issued to the State of Queensland, Australia, related to the mining leases for the Ben Lomond Property. The letter of guarantee is automatically renewable annually for an indefinite period of time and, accordingly, the pledged GIC is expected to continue to be renewed annually.

10. Equity investment

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

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

In November 2013, Mega acquired 415 million ordinary shares of Toro, representing approximately 28% of Toro’s outstanding shares at the date of acquisition. The shares were received as consideration for the sale of the Lake Maitland properties and certain associated rights and assets valued at $34,337.

During the year ended September 30, 2019, Mega’s holdings in Toro were diluted from 19.68% as at September 30, 2018 to 18.19% as a result of the issuance of additional ordinary shares by Toro, resulting in a dilution loss of $733. During the year ended September 30, 2018, the Company sold 10,000,000 shares of Toro for cash proceeds of $258 resulting in a loss of $112.

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

		Toro
Investment as at September 30, 2017	$	15,599
Mega's share of loss		(1,013)
Disposition of equity investment in Toro		(370)
Impairment of equity investment in Toro		(4,496)
Investment as at September 30, 2018		**9,720**
Mega's share of the loss		(795)
Loss on deemed disposition of equity investment in Toro		(733)
Impairment of equity investment in Toro		(2,540)
Investment as at September 30, 2019	**$**	**5,652**

The fair value of the equity investment in Toro is $5,652 as at September 30, 2019 (September 30, 2018 - $10,350) based on the applicable closing share price. Such fair value is categorized as level 1 within the fair value hierarchy.

The Company has recorded an impairment on the equity investment in Toro of $2,540 during the year ended September 30, 2019 (2018 - $4,496). Indicators of impairment were identified by the Company as the carrying amount of the net assets of Toro were determined to be more than its market value. Market value was determined based on Toro’s market capitalization as of the date of assessment, prorated for the proportion of shares owned by the Company.

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

11. Long-term investment

Mega holds 19,376,265 shares of NexGen as at September 30, 2019 (September 30, 2018 - 19,376,265). The change in the investment in NexGen is detailed as follows:

As at September 30,	2019	2018
Opening balance	**$ 50,378**	$ 53,285
Unrealized loss for the period end recorded in other comprehensive income	**(17,245)**	(2,907)
Closing balance	**$ 33,133**	$ 50,378

12. Property and equipment

	Mining equipment	Furniture and equipment	Motor vehicles	Software	Total
Cost					
Balance - September 30, 2017	$ 1,651	$ 1,029	$ 940	$ 435	$ 4,055
Foreign currency translation	(23)	(39)	(6)	(15)	(83)
Balance - September 30, 2018	**1,628**	**990**	**934**	**420**	**3,972**
Additions	-	19	-	-	19
Foreign currency translation	(15)	(34)	(6)	(12)	(67)
Balance - September 30, 2019	**$ 1,613**	**$ 975**	**$ 928**	**$ 408**	**$ 3,924**
Accumulated depreciation					
Balance - September 30, 2017	$ (1,606)	$ (1,003)	$ (923)	$ (434)	$ (3,966)
Depreciation	(13)	(9)	(8)	(1)	(31)
Foreign currency translation	22	38	6	15	81
Balance - September 30, 2018	**(1,597)**	**(974)**	**(925)**	**(420)**	**(3,916)**
Depreciation	(10)	(6)	(7)	-	(23)
Foreign currency translation	14	33	6	12	65
Balance - September 30, 2019	**$ (1,593)**	**$ (947)**	**$ (926)**	**$ (408)**	**$ (3,874)**
Net carrying value					
As at September 30, 2018	$ 31	$ 16	$ 9	$ -	$ 56
As at September 30, 2019	**$ 20**	**$ 28**	**$ 2**	**$ -**	**$ 50**

13. Amounts payable and other liabilities

As at September 30,	2019	2018
Trade payables	**$ 86**	$ 42
Due to related parties (note 14)	**479**	413
Accrued liabilities	**71**	80
	$ 636	$ 535

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

14. 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 years ended September 30, 2019 and 2018.

		Year Ended September 30,	
Type of service	**Nature of relationship**	**2019**	**2018**
Short-term compensation benefits[a]	Directors	**$ 158**	$ 158
Short-term compensation benefits[b]	Officers	**$ 541**	$ 689
Stock-based compensation benefits[c]	Directors and officers	**$ 414**	$ 566
Administrative services[d]	Officers	**$ 24**	$ 24

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

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

For the year ended September 30, 2019, $317 of the costs relating to these agreements (September 30, 2018 - $454) are included in general and administrative expenses and $224 (September 30, 2018 - $234) are included in exploration and evaluation.

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

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

During the year ended September 30, 2019, the Company provided office space and other occupancy services to Toro and earned $215 (2018 - $178) of income from Toro.

Included in amounts payable and other liabilities are fees owing to officers and directors of $479 as at September 30, 2019 (September 30, 2018 - $413).

During the year ended September 30, 2019, officers and directors of Mega exercised 1,100,000 stock options.

During the year ended September 30, 2018, officers and directors of Mega purchased an aggregate of 3,290,000 units sold in the 2018 Financing (Note 15(b)(i)).

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

15. Share capital

a) Authorized share capital

At September 30, 2019, the authorized share capital consisted of an unlimited number of common shares.

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

b) Common shares issued

At September 30, 2019, the issued share capital amounted to $276,192. The changes in issued share capital for the years were as follows:

	Number of common shares		Amount
Balance, September 30, 2017	**294,278,973**	**$**	**273,644**
Private placement (i)	13,636,364		1,500
Cost of issue - cash (i)	-		(63)
Warrants issued (i)	-		(461)
Exercise of stock options	1,466,666		218
Balance, September 30, 2018	**309,382,003**		**274,838**
Private placement (ii)	15,909,091		1,750
Cost of issue - cash (ii)	-		(81)
Warrants issued (ii)	-		(485)
Exercise of stock options	1,100,000		170
Balance, September 30, 2019	**326,391,094**	**$**	**276,192**

(i) On August 31, 2018, the Company completed a non-brokered private placement (the “2018 Financing”), pursuant to which the Company raised aggregate gross proceeds of $1,500 from the issuance and sale of 13,636,364 units, at a price of $0.11 per unit. Each unit was comprised of one common share and one common share purchase warrant of Mega. Each warrant entitles the holder to purchase one common share of the Company, at a price of $0.15 per share, until expiry on August 31, 2020. The fair value assigned to these warrants at the date of issue was $446 using the Black-Scholes valuation model with the following assumptions: an expected life of 2 years; a 85% volatility based on historical trends; risk free interest rate of 2.06%; share price at the date of grant of $0.14; and an expected dividend yield of 0%.

Mega paid aggregate finders’ fees to third parties who assisted the Company in the 2018 Financing in the form of $50 in cash and 456,000 common share purchase warrants. The warrants have the same terms as the warrants forming part of the units sold in the 2018 Financing and were valued at $15. Officers and directors of Mega purchased an aggregate of 3,290,000 units sold in the 2018 Financing.

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

15. Share capital (continued)

b) Common shares issued (continued)

(ii) On December 17 and 24, 2018, the Company completed the first and final tranches of a non-brokered private placement (the "2019 Financing"), pursuant to which the Company raised aggregate gross proceeds of $1,750 from the issuance and sale of 11,909,091 and 4,000,000 units respectively, at a price of $0.11 per unit. Each unit was comprised of one common share and one common share purchase warrant of Mega. Each warrant entitles the holder to purchase one common share of the Company, at a price of $0.15 per share, until expiry on December 17 and 24, 2020 respectively. The fair value assigned to these warrants at the date of issue was $469 using the Black-Scholes valuation model with the following assumptions: an expected life of 2 years; a 85% volatility based on historical trends; risk free interest rate ranging from 1.91% and 1.96%; share prices at the date of grant of $0.115 and $0.105; and an expected dividend yield of 0%.

Mega paid aggregate finders' fees to third parties who assisted the Company in the 2019 Financing in the form of $62 in cash and 564,545 common share purchase warrants. The warrants have the same terms as the warrants forming part of the units sold in the 2019 Financing and were valued at $16.

16. Stock options

Stock option plans:

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

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

The following table reflects the continuity of stock options for the years ended September 30, 2019 and 2018:

	Number of stock options	Weighted average exercise price ($)
Balance, September 30, 2017	25,811,666	0.12
Granted (i)(ii)(iii)	5,100,000	0.16
Exercised	(1,466,666)	0.09
Balance, September 30, 2018	**29,445,000**	**0.13**
Exercisable, September 30, 2018	**24,344,997**	**0.12**

	Number of stock options	Weighted average exercise price ($)
Balance, September 30, 2018	**29,445,000**	**0.13**
Granted (iv)(v)(vi)	4,740,000	0.11
Exercised	(1,100,000)	0.10
Expired	(595,000)	0.10
Balance, September 30, 2019	**32,490,000**	**0.13**
Exercisable, September 30, 2019	**28,256,663**	**0.13**

16. Stock options (continued)

(i) On January 1, 2018, the Company granted 1,700,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.21 per share. These stock options vest in three-month intervals over an 18-month period from the date of grant and have a term of five years. The fair value of these options at the date of grant of $0.142 was estimated using the Black-Scholes valuation model with the following assumptions: a 5 year expected life; a 85% expected volatility based on historical trends; risk free interest rate of 1.86%; share price at the date of grant of $0.21; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $241.

(ii) On June 1, 2018, the Company granted 1,700,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.14 per share. These stock options vest in three-month intervals over an 18-month period from the date of grant and have a term of five years. The fair value of these options at the date of grant of $0.095 was estimated using the Black-Scholes valuation model with the following assumptions: a 5 year expected life; a 85% expected volatility based on historical trends; risk free interest rate of 2.11%; share price at the date of grant of $0.14; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $162.

(iii) On September 5, 2018, the Company granted 1,700,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.125 per share. These stock options vest in three-month intervals over an 18-month period from the date of grant and have a term of five years. The fair value of these options at the date of grant of $0.085 was estimated using the Black-Scholes valuation model with the following assumptions: a 5 year expected life; a 85% expected volatility based on historical trends; risk free interest rate of 2.16%; share price at the date of grant of $0.125; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $145.

(iv) On January 2, 2019, the Company granted 1,700,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.12 per share. These stock options vest in three-month intervals over an 18-month period from the date of grant and have a term of five years. The fair value of these options at the date of grant of $0.081 was estimated using the Black-Scholes valuation model with the following assumptions: a 5 year expected life; a 85% expected volatility based on historical trends; risk free interest rate of 1.85%; share price at the date of grant of $0.12; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $138.

(v) On March 1, 2019, the Company granted 1,700,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.105 per share. These stock options vest in three-month intervals over an 18-month period from the date of grant and have a term of five years. The fair value of these options at the date of grant of $0.071 was estimated using the Black-Scholes valuation model with the following assumptions: a 5 year expected life; a 85% expected volatility based on historical trends; risk free interest rate of 1.81%; share price at the date of grant of $0.105; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $121.

(vi) On June 3, 2019, the Company granted 1,340,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.10 per share. These stock options vest in three-month intervals over an 18-month period from the date of grant and have a term of five years. The fair value of these options at the date of grant of $0.067 was estimated using the Black-Scholes valuation model with the following assumptions: a 5 year expected life; a 85% expected volatility based on historical trends; risk free interest rate of 1.29%; share price at the date of grant of $0.10; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $90.

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

16. Stock options (continued)

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2019:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
May 29, 2020	0.090	0.66	7,150,000	7,150,000	-
February 28, 2021	0.085	1.42	1,525,000	1,525,000	-
May 31, 2021	0.140	1.67	2,750,000	2,750,000	-
December 31, 2021	0.070	2.25	1,775,000	1,775,000	-
January 1, 2022	0.140	2.26	6,050,000	6,050,000	-
May 31, 2022	0.175	2.67	1,700,000	1,700,000	-
August 31, 2022	0.200	2.92	1,700,000	1,700,000	-
December 31, 2022	0.210	3.25	1,700,000	1,700,000	-
May 31, 2023	0.140	3.67	1,700,000	1,416,666	283,334
September 4, 2023	0.125	3.93	1,700,000	1,133,332	566,668
January 1, 2024	0.120	4.26	1,700,000	566,666	1,133,334
February 28, 2024	0.105	4.42	1,700,000	566,666	1,133,334
June 2, 2024	0.100	4.68	1,340,000	223,333	1,116,667
		2.40	32,490,000	28,256,663	4,233,337

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

For the year ended September 30, 2019, included in the consolidated financial statements of loss and comprehensive loss was stock-based compensation expense of $444 (year ended September 30, 2018 - $605) relating to the fair value of stock options granted and $58 (year ended September 30, 2018 - $76) was expensed as exploration and evaluation.

17. Warrants

	Number of warrants	Grant date fair value
Balance, September 30, 2017	**7,104,645**	**$ 426**
Issued	14,092,364	461
Balance, September 30, 2018	**21,197,009**	**887**
Issued	16,473,636	485
Expired	(7,104,645)	(426)
Balance, September 30, 2019	**30,566,000**	**$ 946**

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

17. Warrants (continued)

The following table reflects the warrants issued and outstanding as of September 30, 2019:

Expiry date	Exercise price ($)	Warrants outstanding
August 31, 2020	0.15	14,092,364
December 17, 2020	0.15	12,233,636
December 24, 2020	0.15	4,240,000
	0.15	**30,566,000**

18. Commitments and obligations

The Company has the following commitments and obligations as at September 30, 2019:

(i) The Ben Lomond Properties located in Queensland, has a yearly commitment and obligation of $268 (AUD$300) towards the care and maintenance costs and environmental obligation of the project for the next five years. On the Georgetown properties located in Queensland, there is a yearly commitment of $9 (AUD$10), towards the care and maintenance costs of the properties for the next five years. On the Redport gold properties located in Western Australia there is a yearly commitment of $134 (AUD$150), towards the care and maintenance costs of the properties for the next five years.

(ii) The Company is subject to management contracts with certain executive officers that provide for payments under circumstances involving a change of control of Mega or termination of the officer's services. As at September 30, 2019, these contracts require that additional payments of approximately $2,104 be made upon the occurrence of a change of control. The minimum commitment upon termination of these contracts is approximately $979. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated statements.

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

(iv) The following are the minimum rental payments for the Company's office space:

Fiscal year	Amount
2020	$ 119
2021	93
2022	66
2023	66
Total	**$ 344**

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

19. Segmented information

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

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

The following is segmented information of operations for the years ended September 30, 2019 and 2018 and as at September 30, 2019 and 2018:

	Year Ended September 30, 2019	2018
Country/Region	**Net loss**	**Net loss**
Canada	$ (5,328)	$ (7,354)
Australia	(602)	(606)
	$ (5,930)	**$ (7,960)**

As at September 30, 2019

Country/Region	**Property and equipment**	**Cash and cash equivalents**	**Other assets**	**Total assets**
Canada	$ 19	$ 576	$ 43,900	$ 44,495
Australia	31	147	155	333
	$ 50	**$ 723**	**$ 44,055**	**$ 44,828**

As at September 30, 2018

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

The Company has no inter-segment revenues.

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

20. General and administrative expenses

The following table summarizes the general and administrative expenses incurred by the Company:

	Year Ended September 30, 2019	2018
Professional fees	**$ 149**	$ 68
Consulting and directors' fees	**651**	789
Shareholder relations and communications	**12**	7
Transfer agent and filing fees	**101**	117
Travel and promotion	**66**	43
Salaries and office administration	**741**	723
Stock-based compensation	**444**	605
Amortization	**23**	31
	$ 2,187	$ 2,383

21. Exploration and evaluation expenditures

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

The Company's key exploration properties are located in Western Australia, Queensland Australia and Ontario, Canada. The Company incurred $446 in exploration expenditures during the year ended September 30, 2019 (September 30, 2018 - $484).

On November 23, 2018, the Company granted an option (the "Option") to purchase its royalty on the Langer Heinrich uranium project in Namibia (the "Royalty") to Uranium Royalty Corporation ("URC"). URC issued 750,000 common shares to Mega in payment of the $375 purchase price of the Option.

On June 26, 2019, URC exercised the Option and acquired the Royalty for a price of $1,625, satisfied by the issue of 1,354,167 special warrants of URC. In addition, the Company purchased 500,000 special warrants of URC for $765. Each special warrant was automatically exercisable for one common share of URC no later than October 27, 2019. These special warrants were exercised for common shares subsequent to September 30, 2019.

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

22. Management of capital

The Company includes the following items in its managed capital:

As at September 30,	2019	2018
Shareholders' equity comprises of:		
Share capital	**$ 276,192**	$ 274,838
Warrants	**946**	887
Share option reserve	**66,394**	65,952
Accumulated other comprehensive income	**20,644**	35,591
Deficit	**(319,984)**	(314,480)
	$ 44,192	$ 62,788

The Company's objectives when managing capital are:

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

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

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

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

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

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

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

There were no changes in the Company's approach to capital management during the year ended September 30, 2019 and the Company is not subject to any externally imposed capital requirements.

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

23. Financial instruments

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

(a) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investment declines, resulting in lower 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 $723. The cash equivalents consist of highly liquid short-term deposits with the bank (see note 6). The Company has working capital surplus as at September 30, 2019 of $5,044. The funds are available as needed to fund the Company's ongoing expenditures. The Company regularly evaluates these holdings to ensure preservation and security of capital as well as maintenance of liquidity. Refer to note 2 for the Company's going concern assessment. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised through the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. All of the Company's liabilities are due within the next 12 months.

(b) Market risk

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

The following table shows the estimated sensitivity of the Company's after-tax net income (loss) for the year ended September 30, 2019 from a change in the closing bid price of the Company's investments in marketable securities with all other variables held constant as at September 30, 2019:

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%	$ 70	$ (70)
4%	140	(140)
6%	210	(210)
8%	281	(281)
10%	351	(351)

23. Financial instruments (continued)

(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 net loss and comprehensive loss by approximately $4.

(d) Currency risk:

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

The following table shows the estimated sensitivity of the Company's net after-tax income (loss) for the year ended September 30, 2019 from a change in all foreign currencies (Australian dollars, and U.S. dollars) with all other variables held constant as at September 30, 2019:

Percentage of change in closing exchange rate	Change in net after-tax income (loss) from % increase in exchange rate	Change in net after-tax income (loss) from % decrease in exchange rate
2%	$ (1)	$ 1
4%	(1)	1
6%	(2)	2
8%	(3)	3
10%	(3)	3

(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.

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

23. Financial instruments (continued)

(f) Concentration risks:

The Company is exposed to concentration risks as its investment portfolio is concentrated primarily in NexGen and Toro, two uranium companies which have total asset carrying values in aggregate of $38,785 as at September 30, 2019 and $60,098 as at September 30, 2018 and possess the risk that the fair value can decrease significantly enough so as to threaten the ability of the Company to continue operating as a going concern.

The following table shows the estimated sensitivity of the Company's after-tax net income (loss) for the period ended September 30, 2019 from a change in the closing bid price of the Company's investment in NexGen with all other variables held constant as at September 30, 2019:

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%	$ 487	$ (487)
4%	974	(974)
6%	1,461	(1,461)
8%	1,948	(1,948)
10%	2,435	(2,435)

(g) Fair value:

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

The consolidated statement of financial position carrying amounts for cash and cash equivalents, receivables and amounts payable and other liabilities approximate to fair value due to their short-term nature. Marketable securities and long term investments in public companies are fair valued using the bid price on the closing date for the underlying investment. The fair value of marketable securities in private companies is determined from recently completed equity financings.

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

Fair Value Analysis

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

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

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

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

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

23. Financial instruments (continued)

Fair Value Analysis (continued)

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

The Company's financial assets measured at fair value through profit or loss have used Level 1 and Level 2 valuation techniques during the year ended September 30, 2019. The carrying values of the Company's financial assets and liabilities approximate their fair values as at September 30, 2019. During the year ended September 30, 2019, the Company transferred $750 of marketable securities from Level 1 to Level 2 due to the absence of a quoted price in an active market.

As at September 30, 2019 and September 30, 2018, the fair values of cash and cash equivalents, restricted cash, receivables and amounts payable and other liabilities approximate their carrying values because of the short-term nature of these instruments. Financial assets and financial liabilities measured at fair value on a recurring basis include:

As at September 30, 2019

	Level 1	Level 2	Level 3	Total Fair Value
Marketable securities	$ 276	$ 4,495	$ -	$ 4,771
Long-term investments	33,133	-	-	33,133
	$ 33,409	$ 4,495	$ -	$ 37,904

As at September 30, 2018

	Level 1	Level 2	Level 3	Total Fair Value
Marketable securities	$ 1,147	$ -	$ -	$ 1,147
Long-term investments	50,378	-	-	50,378
	$ 51,525	$ -	$ -	$ 51,525

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

24. Income taxes and deferred taxes

(a) Income tax recovery attributable to loss before income taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 26.50% (2018 - 26.50%) to pre-tax loss as a result of the following:

	Year Ended September 30, 2019	2018
Loss before income taxes	**$ (3,645)**	$ (7,580)
Expected income tax recovery based at statutory rate	**(966)**	(2,008)
Non-deductible expenses	**118**	183
Non-deductible /(taxable) portion of capital losses	**433**	510
Other differences	**4**	22
Change in unrecognized portion of deferred tax	**2,696**	1,678
Deferred tax expense	**$ 2,285**	$ 385

b) The following deferred income tax assets are not recognized in the consolidated financial statements due to the unpredictability of future income.

As at September 30,	**2019**	**2018**
Non-capital losses carried-forward - Canada	**$ 10,148**	$ 8,845
Non-capital losses carried-forward - Australia	**190,063**	189,476
Exploration and evaluation expenditures	**47,466**	49,080
Investments	**21,614**	1,676
Share issue costs and other differences	**590**	541
	$ 269,881	$ 249,618

As at September 30, 2019, the Company had approximately $10,148 (2018 - $8,845) of Canadian non-capital losses which expire between 2024 and 2039. The Company has incurred tax losses in Australia of approximately $190,063. which may be carried forward indefinitely.

25. Subsequent event

On December 1, 2019, Mega and NxGold Ltd. ("NxGold") executed an arm's length binding term sheet (the "Term Sheet") which sets out the principal terms upon which it is proposed that NxGold will acquire a portfolio of securities (the "Investment Portfolio") from Mega for approximately $10,865 (the “Purchase Price”), payable in 217,304,369 shares of NxGold, and effect a change of business to a uranium-focused Investment Issuer (the "Transaction"). The Investment Portfolio will be comprised of: (a) 300,000,000 ordinary shares of Toro; (b) 2,854,167 common shares of URC; and (c) 30,000,000 common shares of Mega to be issued from treasury to NxGold, representing approximately 8.4% of the common shares of Mega currently outstanding. Both the Purchase Price and the composition of the Investment Portfolio are subject to adjustment under certain circumstances.

Upon completion of the Transaction, it is proposed that Mega would manage the day-to-day operations of NxGold under a management services agreement and have the right to appoint a nominee to its board of directors. Completion of the Transaction is subject to numerous conditions, including the execution of a definitive agreement by the parties, the requirement that Mega’s equity interest in NxGold be less than 50% upon completion, applicable stock exchange approvals and the approval of the shareholders of NxGold.

MEGA URANIUM LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Introduction

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Mega Uranium Ltd. ("Mega" or the "Company") should be read in conjunction with Mega's audited consolidated financial statements ("consolidated statements") and notes thereto as at and for the year ended September 30, 2019.

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

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

Caution Regarding Forward-Looking Information

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

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

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

Going Concern

The consolidated statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company has incurred a net loss for the year of $5,930 (2018 - $7,960) and has an accumulated deficit of $319,984 (2018 - $314,480). As a result of its activities and investments, the Company is subject to risks and challenges including, but 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 expects to incur further operating losses and that it will have to raise additional funds to continue operations. Although the Company is able to raise funds by selling equity investments and has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available on terms acceptable to the Company. The Company's ability to generate capital from external sources or dispositions of investments is dependent upon many factors outside of its control, including the market values of its investments which can fluctuate significantly at any time and have a material and unpredictable impact of the Company's capital resources.

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

The challenges of securing requisite funding beyond September 30, 2019 and the continued estimated operating losses indicate a material uncertainty that may cast a 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 located at 217 Queen Street West, Suite 401, Toronto, Ontario, Canada, M5V 0R2.

Mega has exploration-stage mineral resource properties in Australia and Canada, as well as investments in uranium-focused public and private companies.

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

In addition to the Company's own exploration activities, Mega participates indirectly in the uranium sector through its securities holdings in other 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 2019 consolidated financial statements.

Investment Strategies and Oversight

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

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

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

Operational Highlights

On December 17 and 24, 2018, the Company completed the first and final tranches of a non-brokered private placement (the "Financing"), pursuant to which the Company raised aggregate gross proceeds of $1,750 from the issuance and sale of 11,909,091 and 4,000,000 units, respectively at a price of $0.11 per unit. Each unit was comprised of one common share and one common share purchase warrant of Mega. Each warrant entitles the holder to purchase one common share of the Company, at a price of $0.15 per share, until expiry on December 17 and 24, 2020, respectively.

Mega paid aggregate finders' fees to third parties who assisted the Company in the Financing in the form of $62 in cash and 564,545 common share purchase warrants.

The Company increased its equity position in Uranium Royalty Corporation ("URC") during the year when it purchased 500,000 special warrants and acquired an additional 750,000 common shares and 1,354,167 special warrants as consideration for the option granted on and sale of its Langer Heinrich royalty to URC (discussed below under "Mineral Properties"). The Company realized a gain of $2,000 on the sale of the Langer Heinrich royalty to URC.

During the year ended March 21, 2019, 1,100,000 stock options were exercised for gross proceeds of $110 and 595,000 stock options expired.

On January 2, 2019, 1,700,000 stock options with an exercise price of $0.12 per share and term of 5 years were granted to employees, directors and consultants.

On March 1, 2019, 1,700,000 stock options with an exercise price of $0.105 per share and term of 5 years were granted to employees, directors and consultants.

On June 3, 2019, 1,340,000 stock options with an exercise price of $0.10 per share and term of 5 years were granted to employees, directors and consultants.

Overall Performance

As at September 30, 2019, the Company had a working capital surplus of $5,044 as compared to a working capital surplus of $2,307 as at September 30, 2018. The increase in working capital surplus is attributable to the proceeds from the Financing, the exercise of stock options and the increase in value of marketable securities offset by spending on exploration activities, general and administrative expenses and payment of payables during the year ended September 30, 2019.

The fair value of the Company's NexGen investment decreased by $17,245 as the NexGen closing bid price decreased from $2.60 on September 30, 2018 to $1.71 on September 30, 2019. The Company recorded an impairment on its equity investment in Toro as the carrying value exceeded the market value and the market value showed a declining trend over the fiscal year.

Off-Balance Sheet Arrangements

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

Proposed Transactions

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

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

Mineral Properties

The following details the exploration and evaluation expenditures of the Company's mineral properties for the year ended September 30, 2019 and 2018:

Year ended September 30, 2019	Ben Lomond Property (Queensland Australia)	Redport Properties (Western Australia)	Total
Consulting - geology and environmental	$29	$Nil	$29
Consulting fees	Nil	39	39
Land licenses	285	21	306
Administration	2	Nil	2
Miscellaneous	11	Nil	11
Stock-based compensation	Nil	59	59
	$327	**$119**	**$446**

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

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

On November 23, 2018, the Company granted an option (the "Option") to purchase its royalty on the Langer Heinrich uranium project in Namibia (the "Royalty") to URC. URC issued 750,000 common shares to Mega in payment of the $375 purchase price of the Option. The Royalty was AUD$0.12 for each kilogram of yellowcake (U308) produced and sold from the Langer Heinrich property by certain subsidiaries of Paladin Energy Ltd.

On June 26, 2019, URC exercised the Option and acquired the Royalty for a price of $1,625, satisfied by the issue of 1,354,167 special warrants of URC. Each special warrant was automatically exercisable for one common share of URC no later than October 27, 2019. These special warrants were exercised for common shares subsequent to September 30, 2019.

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

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

Following are the plans related to Mega's properties:

Project/Property Name	Brief Description	Plans for Project	Planned Expenditure for Fiscal 2020	Expenditures Incurred for the Year Ended September 30, 2019
Ben Lomond	2 mining leases totaling 21.6 km^2 in Queensland, Australia.	Environmental and geological prefeasibility studies	\$268	\$327
Georgetown (including the Maureen uranium resource)	Uranium rights in the Georgetown area of Queensland, Australia.	Ground checking airborne radiometric anomalies; drill testing of various prospects if warranted	\$10	\$nil
Redport	Gold properties in Western Australia	Geological studies	\$134	\$60

Selected Annual Financial Information

	Year ended September 30, 2019 (\$)	Year ended September 30, 2018 (\$)	Year ended September 30, 2017 (\$)
Revenue	nil	nil	nil
Net income (loss)	(5,930)	(7,960)	(1,616)
Net loss per share – basic and diluted	(0.02)	(0.03)	(0.01)
	As at September 30, 2019 (\$)	**As at September 30, 2018 (\$)**	**As at September 30, 2017 (\$)**
Total assets	44,828	63,323	71,246
Total long-term liabilities	nil	nil	nil

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

Quarterly information

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

Three Months Ended	Total Revenue ($)	Working capital surplus ($)	Net Income or (Loss)	
			Total ($)	Per Share ($)
September 30, 2019	nil	5,044	(4,861)	(0.01)
June 30, 2019	nil	6,163	1,783	0.01
March 31, 2019	nil	3,779	(1,359)	(0.00)
December 31, 2018	nil	4,244	(1,493)	(0.00)
September 30, 2018	nil	2,307	432	0.00
June 30, 2018	nil	472	(4,786)	(0.02)
March 31, 2018	nil	707	(3,908)	(0.01)
December 31, 2017	nil	1,287	302	0.00

The Company is an exploration-stage mineral resources company, with an investment portfolio comprised of uranium-focused companies. Issues of seasonality have not had an impact on our results or operations, however, commodity market fluctuations, and fluctuations in the price of uranium, in particular, have impacted the value of our investments, our exploration activities and our ability to grow through acquisition, and may continue to do so in the future. Over the past eight quarters, variations in the quarterly net income (loss) were caused by fluctuations in financial revenue and gains/losses on disposal of marketable securities and long-term investment, income/loss from equity investment, exploration and evaluation expenditures and general and administrative expense. Financial income or 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 September 30, 2019, compared with the three months ended September 30, 2018

For the three months ended September 30, 2019, the Company's net loss was $4,861 compared to net income of $432 for the three months ended September 30, 2018. The increase in net loss of $5,293 is a result of the following:

- Impairment of equity investment for the three months ended September 30, 2019 was $2,540 compared to $nil for the three months ended September 30, 2018. The impairment resulted from management's assessment that the carrying value of its investment in Toro exceeded its recoverable amount as at September 30, 2019.

- The increase of $1,252 in unrealized loss on marketable securities resulted from the fluctuation in the fair values of the marketable securities during the three months ended September 30, 2019 compared to the three months ended September 30, 2018.

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

- Deferred tax expense for the three months ended September 30, 2019 was $796 compared to a recovery of $514 for the three months ended September 30, 2018.

- For the three months ended September 30, 2019, general and administrative expenses increased by $1 compared to the three months ended September 30, 2018.

A breakdown of general and administrative expenses for the three months ended September 30, 2019 and 2018 is provided below.

Three Months Ended September 30,	2019 ($)	2018 ($)	Variance ($)
Professional fees (a)	67	13	54
Consulting and directors' fees	163	163	Nil
Shareholder relations and communications	3	3	Nil
Transfer agent and filing fees	2	6	(4)
Travel and promotion	25	12	13
Salaries and office administration (b)	195	220	(25)
Stock-based compensation (c)	91	127	(36)
Amortization	5	6	(1)
	551	**550**	**1**

(a) Professional fees increased by $54 during the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due to additional tax advisory services required during the current period.
(b) Salaries and office administration decreased by $25 during the three months ended September 30, 2019 compared to the three months ended September 30, 2018 reflecting decreased overhead costs in the current period.
(c) There was a decrease of $36 in stock-based compensation expense for the three months ended September 30, 2019 over the 2018 period. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

<u>For the year ended September 30, 2019, compared with the year ended September 30, 2018</u>

For the year ended September 30, 2019, the Company's net loss was $5,930 compared to net loss of $7,960 for the year ended September 30, 2018. The decrease in net loss of $2,030 is a result of the following:

- During the year ended September 30, 2019, the Company realized a gain of $2,000 on the sale of the Langer Heinrich royalty to URC.

- Impairment of equity investment for the year ended September 30, 2019 was $2,540 compared to $4,496 for the year ended September 30, 2018. The impairment resulted from management's assessment that the carrying value of its investment in Toro exceeded its recoverable amount as at September 30, 2019 and 2018.

- Loss on equity investment for the year ended September 30, 2019 was $795 compared to a loss of $1,013 for the year ended September 30, 2018. The decrease of $218 in loss on equity investments reflects the Company's proportionate share of Toro's decreased operating loss for the year ended September 30, 2019.

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

- The increase of $159 in unrealized gain on marketable securities resulted from the fluctuation in the fair values of the marketable securities during the year ended September 30, 2019 compared to the year ended September 30, 2018.
- Deferred tax expense for the year ended September 30, 2019 was $2,285 compared to $385 for the year ended September 30, 2018.
- For the year ended September 30, 2019, general and administrative expenses decreased by $196 compared to the year ended September 30, 2018.

A breakdown of general and administrative expenses for the year ended September 30, 2019 and 2018 is provided below.

Year Ended September 30,	2019 ($)	2018 ($)	Variance ($)
Professional fees (a)	149	68	81
Consulting and directors' fees (b)	651	789	(138)
Shareholder relations and communications	12	7	5
Transfer agent and filing fees	101	117	(16)
Travel and promotion	66	43	23
Salaries and office administration	741	723	18
Stock-based compensation (c)	444	605	(161)
Amortization	23	31	(8)
	2,187	**2,383**	**(196)**

(a) Professional fees increased by $81 during the year ended September 30, 2019 compared to the year ended September 30, 2018 due to additional tax advisory and audit services required during the current period.
(b) Consulting and directors' fees decreased by $138 during the year ended September 30, 2019 compared to the year ended September 30, 2018, the difference being primarily attributable to a bonus awarded to an executive officer in the 2018 period.
(c) There was a decrease of $161 in stock-based compensation expense for the year ended September 30, 2019 over the 2018 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.

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.

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

The following is segmented information of operations for the year ended September 30, 2019 and 2018 and as at September 30, 2019 and September 30, 2018:

Country/Region	Year Ended September 30, 2019 Net Loss ($)	Year Ended September 30, 2018 Net Loss ($)
Canada	(5,328)	(7,354)
Australia	(602)	(606)
	(5,930)	**(7,960)**

As at September 30, 2019

Country/Region	Capital assets $	Cash and cash equivalents $	Other assets $	Total assets $
Canada	19	576	43,900	44,495
Australia	31	147	155	333
	50	**723**	**44,055**	**44,828**

As at September 30, 2018

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

The Company has no inter-segment revenues.

Marketable Securities

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

	September 30, 2019 $	September 30, 2018 $
Investments at fair value	4,771	1,147
Cost	6,225	3,433

Liquidity and Capital Resources

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

The Company has no operating revenues and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and stock options and other financing transactions to maintain its capacity to meet ongoing operating activities. As of September 30, 2019, the Company had 32,490,000 options and 30,566,000 warrants outstanding, which would raise $8,676, if exercised in full by the holders. The exercise of stock options and warrants by holders is outside of the Company's control and dependent upon various factors, including the future trading prices of the underlying common shares, which cannot be predicted. Accordingly, Mega cannot rely on the availability of this source of funds with any degree of certainty.

As at September 30, 2019, the Company had cash and cash equivalents of $723 to settle its amounts payable and other liabilities of $636. The Company's cash and cash equivalents as of September 30, 2019, is sufficient to pay these liabilities.

During the year ended September 30, 2019, the Company used $1,776 of cash on its operations. During the year ended September 30, 2019, receivables and prepaid expenses decreased by $1 and amounts payable and other liabilities increased by $101 due to fluctuations in the normal course of business.

For the year ended September 30, 2019, the Company received $1,669 of net proceeds from the private placement and $110 from the exercise of stock options during the period.

For the year ended September 30, 2019, the Company purchased $798 of marketable securities and $19 of property and equipment.

As at September 30, 2019, the Company's marketable securities and long-term investment in NexGen shares were valued at $4,771 and $33,133, 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. See "Subsequent Event".

The Company's use of cash is currently and is expected to continue to be focused on two principal areas, namely the funding of its general and administrative expenditures and the funding of its investment activities. Investing activities include the cash components of the cost of acquiring and exploring the Company's mineral properties. For the twelve-month period ending September 30, 2020, corporate head office costs are estimated to average $300 per quarter for salaries, office administration, consulting fees, travel and promotion, professional fees and reporting issuer costs.

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

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

Contractual Obligations	Total	Up to 1 year	1 - 3 years	4 - 5 years	After 5 years
	($)	($)	($)	($)	($)
Amounts payable and other liabilities	636	636	nil	nil	nil
Obligations on mineral properties (a)	2,056	411	822	823	nil
Office lease (b)	344	119	159	66	nil
	3,036	**1,166**	**981**	**889**	**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 sublease and services agreement in respect of its new head office location for a four year period commencing September 15, 2019, which provides for a monthly cost of $5.5 plus HST. The Company remains a party to the lease agreement in respect of its previous head office location until its expiry on March 31, 2021. The lease provides for a monthly cost of $4.5 plus HST, however, the Company has sublet the premises to a subtenant at the same cost for the duration of the term.

(c) The Company is party 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 officers' services. As at September 30, 2019, these contracts require that additional payments of approximately $2,104 be made upon the occurrence of a change of control. The minimum commitment upon termination of these contracts is approximately $979. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated statements.

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

Equity investments

In November 2013, Mega acquired 415 million ordinary shares of Toro as consideration for the sale of its Lake Maitland properties and certain associated rights and assets. The shares were valued at $34,337 upon acquisition and represented approximately 28% of Toro's outstanding shares.

During the year ended September 30, 2019, Mega's holdings in Toro were diluted from 19.68% to 18.19% as a result of the issuance of additional ordinary shares by Toro, resulting in a dilution loss of $733.
The Company is considered to have significant influence over Toro due to the percentage of its equity interest in Toro and its representation on Toro's board of directors. Accordingly, Mega accounts for its investment in Toro using the equity method.

Under the equity method, the Company's investments are initially recognized at cost, and the carrying amounts are increased or decreased to recognize the Company's share of the profit or loss after the date of acquisition. Loss on the equity investment was $795 for the year ended September 30, 2019.

The fair value of the equity investment in Toro is $5,652 as at September 30, 2019 (September 30, 2018 - $10,350) based on the applicable closing share price. Such fair value is categorized as level 1 within the fair value hierarchy.

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

The Company has recorded an impairment on the equity investment in Toro of $2,540 during the year ended September 30, 2019 (2018 - $4,496). Indicators of impairment were identified by the Company as the carrying amount of the net assets of Toro were determined to be more than its market value. Market value was determined based on Toro's market capitalization as of the date of assessment, prorated for the proportion of shares owned by the Company.

Long-term investment

Mega held 19,376,265 shares of NexGen as at September 30, 2019. Mega acquired the shares in December 2012 as consideration for the sale to NexGen of the majority of its Canadian projects.

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

	September 30, 2019 ($)	September 30, 2018 ($)
Opening balance	50,378	53,285
Unrealized loss for the period ended recorded in other comprehensive loss	(17,245)	(2,907)
Closing balance	**33,133**	**50,378**

The closing bid price of NexGen was $2.60 on September 30, 2018 compared to $1.71 on September 30, 2019.

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

Outstanding Share Data

The number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of Mega as at December 18, 2019 are as follows:

Securities	As at December 18, 2019
Common shares outstanding	326,391,094
Issuable under options	32,490,000
Issuable under warrants	30,566,000
Total securities	**389,447,094**

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

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party transactions were as follows for the years ended September 30, 2019 and 2018:

Type of service	Nature of relationship	Year Ended September 30, 2019 ($)	Year Ended September 30, 2018 ($)
Short-term compensation benefits[a]	Directors	158	158
Short-term compensation benefits[b]	Officers	541	689
Stock-based compensation benefits[c]	Directors and Officers	414	566
Administrative services[d]	Officers	24	24

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

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

For the year ended September 30, 2019, $317 of the costs relating to these agreements (September 30, 2018 - $454) are included in general and administrative expenses and $224 (September 30, 2018 - $234) are included in exploration and evaluation.

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

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

During the year ended September 30, 2019, the Company provided office space and other occupancy services to Toro and earned $215 (year ended September 30, 2018 - $178) of income from Toro.

Included in amounts payable and other liabilities are fees owing to officers and directors of $479 as at September 30, 2019 (September 30, 2018 - $413).

During the year ended September 30, 2019, officers and directors of Mega exercised 1,100,000 stock options.

During the year ended September 30, 2018, officers and directors of Mega purchased an aggregate of 3,290,000 units sold in the Financing.

Contractual Obligations

Refer to the commitment table under the section "Liquidity and Capital Resources" above for details regarding the Company's contractual obligations as at September 30, 2019.

Critical accounting judgements, estimates and assumptions

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

However, actual outcomes may differ from these estimates. Significant judgments are used in the Company's assessment of its ability to continue as a going concern which is described in note 2 of the consolidated statements. The information about significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, revenue and expenses are discussed below:

Judgments

(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) 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.

(iii) 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.

(iv) 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.

Estimates

(i) 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.

(ii) Impairment of equity investment

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

Subsequent event

On December 1, 2019, Mega and NxGold Ltd. ("NxGold") executed an arm's length binding term sheet (the "Term Sheet") which sets out the principal terms upon which it is proposed that NxGold will acquire a portfolio of securities (the "Investment Portfolio") from Mega for approximately $10,865 (the "Purchase Price"), payable in 217,304,369 shares of NxGold, and effect a change of business to a uranium-focused Investment Issuer (the "Transaction"). The Investment Portfolio will be comprised of: (a) 300,000,000 ordinary shares of Toro; (b) 2,854,167 common shares of URC; and (c) 30,000,000 common shares of Mega to be issued from treasury to NxGold, representing approximately 8.4% of the common shares of Mega currently outstanding. Both the Purchase Price and the composition of the Investment Portfolio are subject to adjustment under certain circumstances.

Upon completion of the Transaction, it is proposed that Mega would manage the day-to-day operations of NxGold under a management services agreement and have the right to appoint a nominee to its board of directors. Completion of the Transaction is subject to numerous conditions, including the execution of a definitive agreement by the parties, the requirement that Mega's equity interest in NxGold be less than 50% upon completion, applicable stock exchange approvals and the approval of the shareholders of NxGold.

Risks

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

Exploration and Development Risks

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

Financing Risks

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

Investment Risks

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

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

Currency Risks

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

Environmental Matters

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

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

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

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

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

Governmental Matters

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

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

Australian Governmental Risks

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

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

Risks Relating to Foreign Operations

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

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

Financial Instruments

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

(a) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investment declines, resulting in lower 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 $723. The cash equivalents consist of highly liquid short-term deposits with the bank (see note 6). The Company has working capital surplus as at September 30, 2019 of $5,044. The funds are available as needed to fund the Company's ongoing expenditures. The Company regularly evaluates these holdings to ensure preservation and security of capital as well as maintenance of liquidity. Refer to note 2 for the Company's going concern assessment. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised through the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. All of the Company's liabilities are due within the next 12 months.

(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 benefit or be vulnerable to market fluctuations.

The following table shows the estimated sensitivity of the Company's after-tax net income (loss) for the year ended September 30, 2019 from a change in the closing bid price of the Company's investments in marketable securities with all other variables held constant as at September 30, 2019:

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%	70	(70)
4%	140	(140)
6%	210	(210)
8%	281	(281)
10%	351	(351)

(c) Interest rate risk:

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

The Company's sensitivity analysis suggests that a 1% change in interest rate would change the net loss and comprehensive loss by approximately $4.

(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 September 30, 2019 from a change in all foreign currencies (Australian dollars, and U.S. dollars) with all other variables held constant as at September 30, 2019:

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%	(1)	1
4%	(1)	1
6%	(2)	2
8%	(3)	3
10%	(3)	3

(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 $38,785 as at September 30, 2019 and $60,098 as at September 30, 2018 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 September 30, 2019 from a change in the closing bid price of the Company's investment in NexGen with all other variables held constant as at September 30, 2019:

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%	487	(487)
4%	974	(974)
6%	1,461	(1,461)
8%	1,948	(1,948)
10%	2,435	(2,435)

(g) Fair value:

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

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

The carrying values of cash and cash equivalents, restricted cash, receivables and amounts payable and other liabilities, approximate their fair values due to the short-term nature of these instruments. Marketable securities and long term investments in public companies are fair valued using the bid price on the closing date for the underlying investment. The fair value of marketable securities in private companies is determined from recently completed equity financings.

The Company does not fair value its investment in Toro as it is held as an equity investment.

Management of Capital

The Company includes the following items in its managed capital as at September 30, 2019 and September 30, 2018:

	September 30, 2019 ($)	September 30, 2018 ($)
Shareholders' equity comprises of:		
Share capital	**276,192**	**274,838**
Warrants	**946**	**887**
Share option reserve	**66,394**	**65,952**
Accumulated other comprehensive income	**20,644**	**35,591**
Deficit	**(319,984)**	**(314,480)**
	44,192	**62,788**

The Company's objectives when managing capital are:

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

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

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

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

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

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

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

Company is dependent on external financing to fund its activities. In order to carry out the planned exploration, the Company will be required to raise additional funding.

There were no changes in the Company's approach to capital management during the year ended September 30, 2019 and the Company is not subject to any externally imposed capital requirements.

New accounting standard adopted

On July 24, 2014, the IASB issued the completed IFRS 9 - Financial Instruments ("IFRS 9") for annual periods beginning on or after January 1, 2018 with earlier application permitted.

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its consolidated financial statements on October 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on October 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the period. Financial assets and liabilities classified at amortized cost are subsequently measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Financial Instrument	IAS 39	IFRS 9
Financial Assets		
Cash and cash equivalents	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost
Marketable securities	FVTPL	FVTPL
Long-term investment	Available-for-sale(1)	FVTOCI(2)
Financial Liabilities		
Amounts payable and other liabilities	Other financial liabilities	Amortized cost

(1) Subsequently measured at fair value with changes recognized in other comprehensive income. The net change subsequent to initial recognition, in the case of investments, is reclassified into net income upon disposal of the investment or when the investment becomes impaired.
(2) Subsequently measured at fair value with changes recognized in OCI. The net change subsequent to initial recognition, in the case of investments, is not reclassified into net income upon disposal of the investment or when the investment becomes impaired.

New standards not yet adopted:

(a) 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 fiscal periods beginning on or after January 1, 2019. The Company is currently assessing the impact of adopting IFRS 16.

Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, and evaluated the effectiveness of the Company's disclosure controls and procedures and have concluded that, based on their evaluation, they are effective as at September 30, 2019, to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is made known to management and disclosed in accordance with applicable securities regulations.

Internal Controls over Financial Reporting ("ICFR")

The Chief Executive Officer and Chief Financial Officer are responsible for certifying the design of the Company's ICFR as required by Multilateral Instrument 52-109 – "Certification of Disclosure in Issuers' Annual and Interim Filings" and CSA staff notice 52-316 – "Certification of Design of Internal Control over Financial Reporting". The Company's ICFR are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable accounting standards. ICFR should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail that accurately and fairly reflect the transactions and dispositions of the Company's assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with applicable accounting standards;
- receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors; and
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Because of their inherent limitations, ICFR may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Chief Executive Officer and Chief Financial Officer have evaluated the Company's ICFR and concluded that they are effective as at September 30, 2019. Management follows the Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company has designed appropriate ICFR for the nature and size of its business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with applicable accounting standards.

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.