# CONSOLIDATED FINANCIAL STATEMENTS

## YEARS ENDED SEPTEMBER 30, 2023 AND 2022

## (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 "Company"], which comprise the consolidated statements of financial position as at September 30, 2023 and 2022, and the consolidated statements of income (loss) and of comprehensive income (loss), consolidated statements of cash flows and consolidated statements of equity for the years 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 Company as at September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years 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 Company 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.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| *Equity Accounted Investment in Toro Energy Ltd.* | |
| As detailed in note 8 of the consolidated financial statements, the Company has an equity investment in Toro Energy Ltd. [“Toro”] that has a nil carrying amount as at September 30, 2023. The Company accounts for its investment in associate using the equity method, and assesses the investment for indicators of impairment or impairment reversal each reporting period. 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 June 30 financial statements of Toro, adjusting for any significant transactions or events between June 30 and the Company’s year-end. The Company also makes adjustments to align the accounting policies of Toro, in order to be consistent with the Company’s accounting policies.<br><br>Auditing management’s investment in Toro was complex due to the judgement used by management when determining indicators of impairment or impairment reversal as well as with respect to determining the adjustments necessary for significant transactions or events subsequent to June 30 and to align accounting policies. As the reporting period of the two entities differs by three months, there is judgement required in determining the extent to which adjustments need to be made to the Company’s share of Toro’s comprehensive income or loss for any significant transactions or events between June 30 and the Company’s year-end. | Our audit procedures in relation to the equity accounted investment in Toro included, but were not limited to, the following:<br>• Analyzed management’s determination of any significant events or transactions subsequent to June 30, 2023 that would require adjustment by assessing the financial impact of the events to determine significance.<br>• Assessed the impact of policy differences between the Company’s accounting policies and those of Toro.<br>• Recalculated the Company’s proportionate share of the loss including obtaining external confirmation of the number of shares held by the Company to assess whether the appropriate portion of the loss was being applied to the investment.<br>• Evaluated management’s assessment of both indicators of impairment or reversal of impairment by assessing both internal and external sources of information.<br>• Evaluated the adequacy of disclosure under IFRS within the consolidated financial statements in relation to this matter. |

**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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Company 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 19, 2023

# MEGA URANIUM LTD.

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

| | As at September 30, 2023 | As at September 30, 2022 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents (note 4) | **$ 347** | $ 510 |
| Receivables and prepaid expenses (note 5) | **310** | 703 |
| Marketable securities (note 6) | **25,281** | 18,105 |
| **Total current assets** | **25,938** | 19,318 |
| **Non-current assets** | | |
| Restricted cash (note 7) | **305** | 311 |
| Equity investment (note 8) | **-** | 760 |
| Long-term investment (note 9) | **158,147** | 97,381 |
| Property, plant and equipment | **64** | 66 |
| Right-of-use asset (note 10) | **408** | 54 |
| **Total non-current assets** | **158,924** | 98,572 |
| **Total assets** | **$ 184,862** | $ 117,890 |
| **EQUITY AND LIABILITIES** | | |
| **Current liabilities** | | |
| Amounts payable and other liabilities (notes 11 and 14) | **$ 1,381** | $ 1,250 |
| Due to broker (note 12) | **8,624** | 1,139 |
| Lease liabilities (note 13) | **82** | 63 |
| **Total current liabilities** | **10,087** | 2,452 |
| **Non-current liabilities** | | |
| Lease liabilities (note 13) | **339** | - |
| Deferred tax liability (note 23) | **259** | - |
| **Total non-current liabilities** | **598** | - |
| **Total liabilities** | **10,685** | 2,452 |
| **Equity** | | |
| Share capital (note 15) | **283,623** | 282,620 |
| Share option reserve (note 16) | **67,795** | 67,204 |
| Accumulated other comprehensive income | **128,938** | 76,214 |
| Deficit | **(306,179)** | (310,600) |
| **Total equity** | **174,177** | 115,438 |
| **Total equity and liabilities** | **$ 184,862** | $ 117,890 |

Commitments and obligations (note 19)

On behalf of the Board:

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

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

## MEGA URANIUM LTD.

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

| | Year Ended September 30, 2023 | Year Ended September 30, 2022 |
|---|---|---|
| **Operating expenses** | | |
| General and administrative expenses (note 17) | **$ 3,109** | $ 4,040 |
| Exploration and evaluation expenditures (recovery) (note 18) | **496** | (138) |
| **Operating loss** | **(3,605)** | (3,902) |
| Loss from equity investment (note 8) | **(727)** | (950) |
| Loss on deemed disposition of equity investment (note 8) | **(50)** | - |
| Unrealized gain (loss) on marketable securities | **1,165** | (7,742) |
| Realized gain on marketable securities | **108** | 1,337 |
| Gain on sale of mineral properties (note 18) | **-** | 4,835 |
| Finance expenses | **(311)** | (57) |
| Other income | **55** | 578 |
| Foreign exchange loss | **(7)** | (10) |
| **Net loss before taxes** | **(3,372)** | (5,911) |
| Deferred tax recovery (expense) (note 23) | **7,793** | (2,477) |
| **Net income (loss) for the year** | **4,421** | (8,388) |
| **Other comprehensive income (loss)** | | |
| **Item that will be reclassified subsequently to the profit and loss:** | | |
| Exchange differences on translation of foreign operations | **9** | 15 |
| **Item that will not be reclassified subsequently to the profit and loss:** | | |
| Change in fair value of long-term investment, net of tax expense of $8,051 (2022 - tax recovery $2,477) (note 9) | **52,715** | (16,220) |
| **Other comprehensive income (loss)** | **52,724** | (16,205) |
| **Total comprehensive income (loss) for the year** | **$ 57,145** | $ (24,593) |
| **Income (loss) per common share - basic** | **$ 0.01** | $ (0.02) |
| **Income (loss) per common share - diluted** | **$ 0.01** | $ (0.02) |
| **Weighted average number of common shares outstanding - basic** | **360,258,170** | 354,975,610 |
| **Weighted average number of common shares outstanding - diluted** | **367,605,859** | 354,975,610 |

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, 2023 | Year Ended September 30, 2022 |
|---|---|---|
| **Operating activities** | | |
| Net income (loss) for the year | **$ 4,421** | $ (8,388) |
| Adjustment for: | | |
| Loss on equity investment (note 8) | **727** | 950 |
| Loss on deemed disposition of equity investment (note 8) | **50** | - |
| Unrealized loss on marketable securities | **(1,165)** | 7,742 |
| Realized gain on marketable securities | **(108)** | (1,337) |
| Proceeds from sale of marketable securities | **254** | 1,624 |
| Purchase of marketable securities | **(6,159)** | (2,778) |
| Amortization | **95** | 64 |
| Lease modification | **(6)** | - |
| Stock-based compensation | **999** | 1,693 |
| Interest expense | **32** | 10 |
| Gain on sale of mineral properties | **-** | (4,835) |
| Deferred tax (recovery) expense | **(7,793)** | 2,477 |
| Other income | **-** | (373) |
| Non-cash working capital items: | | |
| Receivables and prepaid expenses | **393** | (396) |
| Amounts payable and other liabilities | **131** | 200 |
| Due to broker | **7,485** | 1,139 |
| **Net cash used in operating activities** | **(644)** | (2,208) |
| **Financing activities** | | |
| Proceeds from exercise of options and warrants | **595** | 1,502 |
| Lease payments (note 13) | **(103)** | (66) |
| **Net cash provided by financing activities** | **492** | 1,436 |
| **Investing activities** | | |
| Additional investment in equity investment (note 8) | **(17)** | - |
| Purchase of property, plant and equipment | **(12)** | (54) |
| **Net cash used in investing activities** | **(29)** | (54) |
| Effect of exchange rate changes on cash and cash equivalents held in foreign currencies | **18** | 55 |
| **Net change in cash and cash equivalents** | **(163)** | (771) |
| **Cash and cash equivalents, beginning of year** | **510** | 1,281 |
| **Cash and cash equivalents, end of year** | **$ 347** | $ 510 |

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 | Share option reserve | Accumulated other comprehensive income | Deficit | Total Shareholders' equity |
|---|---|---|---|---|---|---|
| **Balance, September 30, 2021** | **348,595,639** | **$ 280,117** | **$ 66,512** | **$ 92,419** | **$ (302,212)** | **$ 136,836** |
| Exercise of stock options | 10,339,997 | 2,503 | (1,001) | - | - | 1,502 |
| Stock-based compensation | - | - | 1,693 | - | - | 1,693 |
| Net loss for the year | - | - | - | - | (8,388) | (8,388) |
| Other comprehensive loss | - | - | - | (16,205) | - | (16,205) |
| **Balance, September 30, 2022** | **358,935,636** | **282,620** | **67,204** | **76,214** | **(310,600)** | **115,438** |
| Exercise of stock options | 4,050,000 | 1,003 | (408) | - | - | 595 |
| Stock-based compensation | - | - | 999 | - | - | 999 |
| Net income for the year | - | - | - | - | 4,421 | 4,421 |
| Other comprehensive income | - | - | - | 52,724 | - | 52,724 |
| **Balance, September 30, 2023** | **362,985,636** | **$ 283,623** | **$ 67,795** | **$ 128,938** | **$ (306,179)** | **$ 174,177** |

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 is located at 217 Queen Street West, Suite 401, Toronto, Ontario, Canada, M5V 0R2.

Mega has a uranium resource project and interests in exploration properties in Australia and equity investments in uranium-focused companies.

Mega has not yet determined whether its resource property contains 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 property disposition.

In addition to the Company's own exploration and development 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 accounted investment in Toro Energy Limited ("Toro") (TOE:ASX), and marketable securities of other uranium-focused issuers. NexGen is an exploration and development stage entity engaged in the acquisition, exploration and evaluation of uranium properties in Canada. Toro's principal activities include the development of the Wiluna Uranium Project and exploration and evaluation of its tenement holdings.

These consolidated financial statements ("consolidated statements") were approved by the Company's board of directors on December 19, 2023.

## 2. Basis of preparation

a) Statement of compliance:

These consolidated 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 3 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 statements are presented below.

b) Basis of presentation:

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

c) Basis of consolidation:

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

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue 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.

## 2. Basis of preparation (continued)

d) Critical accounting judgments, 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 income, 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. 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, managerial personnel in common, provision of essential technical information and operating involvement.

(iii) Impairment of equity investment:

At the end of each financial reporting period, the Company's management assesses whether there are indications of impairment or impairment reversal of the Company's equity investment in Toro. The evaluation of external and internal sources of information to determine whether there is an indicator of impairment or, in particular, an impairment reversal involves significant management judgment, including in the case of a potential impairment reversal an assessment of whether there has been a sustained improvement in the service potential of the investment. To the extent that there is such an indicator, the recoverable amount of the Company's equity investment in Toro is estimated based on the applicable publicly available closing share price. The amount of any impairment reversal is limited to the difference between the current carrying amount and the amount that would have been the carrying amount had the earlier impairment not been recognized.

**2. 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) 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 carryforwards 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.

**3. Significant accounting policies**

(a) Foreign currency translation

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

The functional currency of Mega, Maple Resources Inc., Monster, Nu Energy and Lorena is the Canadian dollar. The functional currency of UMVI, Mega Georgetown Pty Ltd., Hindmarsh, 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 income (loss) and comprehensive income (loss) under foreign exchange gain (loss).

**3. Significant accounting policies (continued)**

(a) Foreign currency translation (continued)

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;

(iii) Income and expenses for each consolidated statement of income (loss) and comprehensive income (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 income (loss) and comprehensive income (loss).

When a foreign operation is sold, such exchange differences are recognized in the consolidated statements of income (loss) and comprehensive income (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 considered when determining an exchange difference on translation of foreign operations in other comprehensive income (loss) in the consolidated statements of income (loss) and comprehensive income (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

The Company's 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.

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. Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

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; and
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

**3. Significant accounting policies (continued)**

(c) Financial instruments (continued)

All financial instruments are initially recognized at fair value on the consolidated statements 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 statements of income (loss) and comprehensive income (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 for each category of financial instrument:

| Financial Instrument | Classification |
|---|---|
| Financial assets | |
| Cash and cash equivalents | FVTPL |
| Receivables | Amortized cost |
| Marketable securities | FVTPL |
| Restricted cash | FVTPL |
| Long-term investment | FVTOCI [1] |
| Financial liabilities | |
| Amounts payable and other liabilities | Amortized cost |
| Due to broker | Amortized cost |

[1] Subsequently measured at fair value with changes recognized in other comprehensive income (loss). 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 income (loss) and comprehensive income (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) Property, plant and equipment

Property, plant and equipment are recorded at cost, less accumulated amortization. Amortization is provided at rates designed to amortize the cost of property, plant 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 to 12 years | Straight-line |
| Software | 20% | Straight-line |

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

**3. Significant accounting policies (continued)**

(f) 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, employees 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").

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.

(g) Earnings (loss) per common share

Basic earnings (loss) per common share have been determined by dividing net income (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.

(h) 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 statements.

1) Securities, including shares, options, and warrants that 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 statement dates or the closing bid price on the last day the security traded if there were no trades on the consolidated statement dates.

2) Securities that 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. Significant accounting policies (continued)**

(h) Marketable securities (continued)

3) For securities that are not traded on a recognized securities exchange and for which 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 securities are valued using alternate methods representing fair value. Changes in estimates and assumptions about these inputs could materially affect the reported fair value.

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

(j) 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 is 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.

As at September 30, 2023, the Company holds an 9.65% (2022 - 11.81%) interest in Toro and two of its officers are directors of Toro, one of whom is also an officer of Toro. 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.

**3. Significant accounting policies (continued)**

(k) 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.

(l) Leases and right-of-use assets

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonable certain to assess that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

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

**3. Significant accounting policies (continued)**

(l) Leases and right-of-use assets (continued)

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

**4. Cash and cash equivalents**

| | As at September 30, 2023 | As at September 30, 2022 |
|---|---|---|
| Cash | **$ 337** | $ 500 |
| Short-term deposits in bank | **10** | 10 |
| Cash and cash equivalents | **$ 347** | $ 510 |

**5. Receivables and prepaid expenses**

| | As at September 30, 2023 | As at September 30, 2022 |
|---|---|---|
| Amount receivable (note 18) | **$ -** | $ 424 |
| Sundry receivables | **256** | 192 |
| Sales tax receivables | **49** | 76 |
| Prepaid expenses | **5** | 11 |
| | **$ 310** | $ 703 |

As at September 30, 2023, no receivables are past due.

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

## 6. Marketable securities

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

| | As at September 30, 2023 | As at September 30, 2022 |
|---|---|---|
| Investments at fair value | **$ 25,281** | $ 18,105 |
| Cost | **$ 23,378** | $ 17,365 |

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

## 7. Restricted cash

As at September 30, 2023, AUD$350 (CAD$305) (September 30, 2022 – CAD$311) of pledged cash remained held in a guaranteed investment certificate as collateral for a letter of guarantee issued to the State of Queensland, Australia, related to the mining leases for the Ben Lomond property, which the Company sold to Consolidated Uranium Inc. ("CUR") during 2022 fiscal year. Upon closing of the sale of the property, CUR became obligated to assume the guarantee obligation and reimburse Mega for the underlying amount (see note 18). As at September 30, 2023, CUR had not yet assumed the obligation or reimbursed the Company.

## 8. 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 is recognized in comprehensive income (loss) during the period. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

During the year ended September 30, 2023, Mega acquired an additional 1,000,000 shares of Toro, resulting in aggregate holdings of 461,312,778 shares, and Toro completed private placements of a total of 883,955,455 shares, which diluted Mega's ownership from 11.81% to 9.65% and resulted in a dilution loss of $50.

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

| | Toro |
|---|---|
| Investment as at September 30, 2021 | $ 1,710 |
| Mega's share of loss | (950) |
| **Investment as at September 30, 2022** | **760** |
| Additional investment | 17 |
| Mega's share of the loss | (727) |
| Loss on deemed disposition of equity investment in Toro | (50) |
| **Investment as at September 30, 2023** | **$ -** |

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

## 8. Equity investment (continued)

The fair value of the equity investment in Toro is $5,231 as at September 30, 2023 (September 30, 2022 - $6,950) based on the applicable closing share price. Such fair value is categorized as level 1 within the fair value hierarchy.

As at September 30, 2023 and September 30, 2022, the Company determined that there were no indicators of impairment or impairment reversal on the equity investment in Toro.

## 9. Long-term investment

Mega holds 19,476,265 shares of NexGen as at September 30, 2023 (September 30, 2022 - 19,476,265). The change in the investment in NexGen is detailed as follows:

| | Year Ended September 30, 2023 | Year Ended September 30, 2022 |
|---|---|---|
| Opening balance | **$ 97,381** | $ 116,079 |
| Unrealized gain (loss) for the period recorded in other comprehensive income | **60,766** | (18,698) |
| Closing balance | **$ 158,147** | $ 97,381 |

## 10. Right-of-use asset

| | Year Ended September 30, 2023 | Year Ended September 30, 2022 |
|---|---|---|
| Balance, beginning of period | **$ 54** | $ 108 |
| Lease modification | **435** | - |
| Amortization | **(81)** | (54) |
| Balance, end of period | **$ 408** | $ 54 |

The rights-of-use asset is amortized over a five-year term. Refer to note 13 for further details.

## 11. Amounts payable and other liabilities

| | As at September 30, 2023 | As at September 30, 2022 |
|---|---|---|
| Trade payables | **$ 116** | $ 80 |
| Due to related parties (note 14) | **1,177** | 1,143 |
| Accrued liabilities | **88** | 27 |
| | **$ 1,381** | $ 1,250 |

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

## 12. Due to broker

Due to broker consists of margin borrowings collateralized by the Company's investments held at the broker, plus accrued interest. In the normal course of business, the Company utilizes margin borrowings primarily to finance its investment activities. Interest is calculated on the daily outstanding balance, compounded monthly, at the broker's applicable designated rate in effect from time to time, depending on the amount of margin borrowing outstanding at that time. Interest rates ranging from 6.95% to 8.45% were applied to the Company's margin borrowing during the reporting period.

## 13. Lease liabilities

The Company has recorded the current office lease as a right-of-use asset (note 10) and lease liability in the consolidated statements of financial position as at September 30, 2023. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10%, which is the lease specific incremental borrowing rate.

The continuity of the lease liabilities is presented in the table below:

| | Year Ended September 30, 2023 | Year Ended September 30, 2022 |
|---|---|---|
| Balance, beginning of period | **$ 63** | $ 119 |
| Lease modification | **429** | - |
| Interest expense | **32** | 10 |
| Lease payments | **(103)** | (66) |
| **Balance, end of period** | **$ 421** | $ 63 |

The lease liabilities are classified as follows:

| | As at September 30, 2023 | As at September 30, 2022 |
|---|---|---|
| Current portion | **$ 82** | $ 63 |
| Non-current portion | **339** | - |
| **Total lease liabilities** | **$ 421** | $ 63 |

**Maturity analysis - contractual undiscounted cash flows**

| As at September 30, 2023 | |
|---|---|
| Less than one year | **$ 120** |
| One to five years | **400** |
| Total undiscounted lease obligations | **$ 520** |

**(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, 2023 and 2022.

| Type of service | Nature of relationship | Year Ended September 30, 2023 | 2022 |
|---|---|---|---|
| Short-term compensation benefits [a] | Directors | **$ 370** | $ 317 |
| Short-term compensation benefits [b] | Officers | **$ 783** | $ 904 |
| Stock-based compensation benefits [c] | Directors and officers | **$ 827** | $ 1,466 |
| 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.

[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 year ended September 30, 2023, the Company provided office space and other occupancy services to Toro and earned $55 (year ended September 30, 2022 - $203) of income from Toro, which is included in other income.

Included in amounts payable and other liabilities are fees owing to officers and directors of $1,177 as at September 30, 2023 (September 30, 2022 - $1,143).

During the year ended September 30, 2023, officers and directors of Mega exercised 3,550,000 stock options (September 30, 2022 - 9,090,000 stock options).

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

## 15. Share capital

a) Authorized share capital

At September 30, 2023, 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, 2023, the issued share capital amounted to $283,623. The changes in issued share capital for the periods were as follows:

| | Number of common shares | Amount |
|---|---|---|
| **Balance, September 30, 2021** | **348,595,639** | **$ 280,117** |
| Exercise of stock options | 10,339,997 | 2,503 |
| **Balance, September 30, 2022** | **358,935,636** | **282,620** |
| Exercise of stock options | 4,050,000 | 1,003 |
| **Balance, September 30, 2023** | **362,985,636** | **$ 283,623** |

## 16. Stock options

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.

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

The following table reflects the continuity of stock options for the periods ended September 30, 2023 and 2022:

| | Number of stock options | Weighted average exercise price ($) |
|---|---|---|
| **Balance, September 30, 2021** | **32,830,000** | **0.15** |
| Granted (i)(ii)(iii)(iv) | 12,650,000 | 0.27 |
| Exercised | (10,339,997) | 0.15 |
| **Balance, September 30, 2022** | **35,140,003** | **0.19** |
| **Exercisable, September 30, 2022** | **25,031,666** | **0.16** |
| **Balance, September 30, 2022** | **35,140,003** | **0.19** |
| Granted (v)(vi)(vii) | 5,275,000 | 0.22 |
| Exercised | (4,050,000) | 0.15 |
| Expired | (900,000) | 0.21 |
| **Balance, September 30, 2023** | **35,465,003** | **0.20** |
| **Exercisable, September 30, 2023** | **30,273,334** | **0.20** |

**16. Stock options (continued)**

(i) On January 2, 2022, the Company granted 7,625,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.255 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 $0.146 was estimated using the Black-Scholes valuation model with the following assumptions: a 3.7 year expected life; an 81% expected volatility based on historical trends; risk-free interest rate of 1.1%; share price at the date of grant of $0.255; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $1,113.

(ii) On March 1, 2022, the Company granted 1,675,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.35 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 $0.203 was estimated using the Black-Scholes valuation model with the following assumptions: a 3.7 year expected life; an 82% expected volatility based on historical trends; risk-free interest rate of 1.42%; share price at the date of grant of $0.35; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $340.

(iii) On June 1, 2022, the Company granted 1,675,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.255 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 $0.152 was estimated using the Black-Scholes valuation model with the following assumptions: a 3.7 year expected life; an 83% expected volatility based on historical trends; risk-free interest rate of 2.79%; share price at the date of grant of $0.255; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $255.

(iv) On September 1, 2022, the Company granted 1,675,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.28 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 $0.17 was estimated using the Black-Scholes valuation model with the following assumptions: a 3.7 year expected life; an 84% expected volatility based on historical trends; risk-free interest rate of 3.49%; share price at the date of grant of $0.28; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $285.

(v) On January 2, 2023, the Company granted 1,925,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.20 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 $0.12 was estimated using the Black-Scholes valuation model with the following assumptions: a 3.7 year expected life; an 84% expected volatility based on historical trends; risk-free interest rate of 3.59%; share price at the date of grant of $0.20; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $235.

(vi) On June 1, 2023, the Company granted 1,675,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.175 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 $0.105 was estimated using the Black-Scholes valuation model with the following assumptions: a 3.7 year expected life; an 82% expected volatility based on historical trends; risk-free interest rate of 3.63%; share price at the date of grant of $0.175; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $176.

(vii) On September 6, 2023, the Company granted 1,675,000 stock options to employees, directors, officers and consultants of the Company at an exercise price of $0.295 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 $0.176 was estimated using the Black-Scholes valuation model with the following assumptions: a 3.7 year expected life; an 80% expected volatility based on historical trends; risk-free interest rate of 4.22%; share price at the date of grant of $0.295; and an expected dividend yield of 0%. The grant date fair value assigned to these options was $295.

(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, 2023:

| Expiry date | Exercise price ($) | Weighted average remaining contractual life (years) | Number of options outstanding | Number of options vested (exercisable) | Number of options unvested |
|---|---|---|---|---|---|
| January 1, 2024 | 0.120 | 0.25 | 1,650,000 | 1,650,000 | - |
| February 28, 2024 | 0.105 | 0.41 | 1,650,000 | 1,650,000 | - |
| June 2, 2024 | 0.100 | 0.67 | 1,170,000 | 1,170,000 | - |
| May 31, 2025 | 0.100 | 1.67 | 6,907,500 | 6,907,500 | - |
| August 31, 2025 | 0.140 | 1.92 | 1,175,000 | 1,175,000 | - |
| February 28, 2026 | 0.195 | 2.42 | 1,658,334 | 1,658,334 | - |
| May 31, 2026 | 0.265 | 2.67 | 1,662,501 | 1,662,501 | - |
| August 31, 2026 | 0.260 | 2.92 | 1,666,668 | 1,666,668 | - |
| January 1, 2027 | 0.255 | 3.26 | 7,625,000 | 7,625,000 | - |
| February 28, 2027 | 0.350 | 3.42 | 1,675,000 | 1,675,000 | - |
| May 31, 2027 | 0.255 | 3.67 | 1,675,000 | 1,395,833 | 279,167 |
| August 31, 2027 | 0.280 | 3.92 | 1,675,000 | 1,116,666 | 558,334 |
| January 1, 2028 | 0.200 | 4.26 | 1,925,000 | 641,666 | 1,283,334 |
| May 31, 2028 | 0.175 | 4.67 | 1,675,000 | 279,166 | 1,395,834 |
| September 5, 2028 | 0.295 | 4.94 | 1,675,000 | - | 1,675,000 |
| | | 2.72 | 35,465,003 | 30,273,334 | 5,191,669 |

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

For the year ended September 30, 2023, included in the consolidated statements of income (loss) and comprehensive income (loss) was stock-based compensation expense of $889 (year ended September 30, 2022 - $1,516) relating to the fair value of stock options granted and $110 (year ended September 30, 2022 - $177) was expensed as exploration and evaluation.

**17. General and administrative expenses**

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

| | Year Ended September 30, 2023 | 2022 |
|---|---|---|
| Professional fees | **$ 131** | $ 139 |
| Consulting and directors' fees | **1,215** | 1,305 |
| Shareholder relations and communications | **38** | 21 |
| Transfer agent and filing fees | **147** | 133 |
| Travel and promotion | **142** | 114 |
| Salaries and office administration | **452** | 748 |
| Stock-based compensation | **889** | 1,516 |
| Amortization | **95** | 64 |
| | **$ 3,109** | $ 4,040 |

## 18. Exploration and evaluation expenditures

The Company's key exploration properties are located in Western Australia and Queensland, Australia. The Company incurred $496 in exploration expenditures during the year ended September 30, 2023 (year ended September 30, 2022 - $286).

(i) On May 14, 2020, the Company entered into an agreement with CUR (formerly known as NxGold Ltd.) to grant to CUR a two-year option to purchase Mega's Ben Lomond uranium property ("Ben Lomond Option") located in Queensland, Australia. As consideration for the option grant, Mega received $180 in cash, 900,000 CUR common shares and 900,000 common share purchase warrants exercisable for an equal number of common shares of CUR and an option to sell to CUR Mega's Georgetown uranium property, also located in Queensland, Australia (the "Georgetown Option"). The aggregate value of consideration received was recorded as a gain on sale of mineral properties as the mineral properties had no carrying value.

CUR could exercise the option and acquire the Ben Lomond property for a price of $2,500, payable in cash or common shares of CUR (under certain circumstances), and reimbursement to Mega of expenses incurred in respect of the property since the execution of the option agreement. The purchase of the Ben Lomond property was also subject to contingent payments to Mega of up to $2,385, if the monthly average spot price of uranium reaches US$50, US$75 and US$100, prior to or after closing of Ben Lomond sale (note 24(ii)).

CUR exercised the Ben Lomond Option in June 2022 and the Company closed the sale of the Ben Lomond property to CUR on September 30, 2022. Mega received an aggregate of 1,104,240 common shares of CUR in payment of the $2,500 purchase price for the property and an additional 236,308 common shares in satisfaction of the $535 payment that was contingent upon the monthly average spot price of uranium reaching US$50 subsequent to May 2020. During the year ended September 30, 2023, CUR reimbursed the Company $424 (AUD$466) for expenditures incurred by Mega on the property, in accordance with the terms of the sale.

The Georgetown Option was exercisable by Mega if CUR exercised the Ben Lomond Option and it provided that Mega could sell the Georgetown property to CUR for a price of $500, payable in cash or common shares of CUR (under certain circumstances), reimbursement to Mega of expenditures in respect of the property since the execution of the option agreement and contingent payments of up to $1,425, if the monthly average spot price of uranium reached US$50, US$75 and US$100, prior to or after closing of the Georgetown sale. Mega chose not to sell the Georgetown property and allowed the underlying option to expire in October 2022.

(ii) On May 18, 2022, the Company completed the sale of its interest in the Mustang Lake uranium property, located in Labrador, Canada, to Labrador Uranium Inc. ("LUR"), receiving 3 million common shares of LUR (valued at $1,800) as consideration. Mega had a 66% interest in the property, which was the subject matter of its joint venture with Anthem Resources Inc.

## 19. Commitments and obligations

The Company has the following commitments and obligations as at September 30, 2023:

(i) The Georgetown property (Queensland) has a yearly commitment of $262 (AUD$300) for care and maintenance costs for the next five years. The Redport gold property (Western Australia) has a yearly commitment of $131 (AUD$150) for care and maintenance costs 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, 2023, these contracts require that additional payments of approximately $2,297 be made upon the occurrence of a change of control. The minimum commitment upon termination of these contracts is approximately $1,119. A bonus would also become payable to the Chief Executive Officer in these circumstances (see (iii) below). As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated statements.

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

## 19. Commitments and obligations (continued)

(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 original NexGen investment net of acquisition and disposition costs and taxes. 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, provided that if a change of control of the Company or termination of the Chief Executive Officer's services without cause occurs, a 5% bonus will be payable based upon the deemed net proceeds of the investment applicable at the time. 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).

## 20. 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 is Mega's Chief Executive Officer.

The Company's significant segments are divided into two distinct geographic areas. The Canadian operations 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, 2023 and 2022 and as at September 30, 2023 and September 30, 2022:

| | Year Ended September 30, 2023 | Year Ended September 30, 2022 |
|---|---|---|
| **Country/Region** | **Net income (loss)** | |
| Canada | $ 5,003 | $ (8,075) |
| Australia | (582) | (313) |
| | **$ 4,421** | **$ (8,388)** |

**As at September 30, 2023**

| Country/Region | Property, plant and equipment and right-of-use assets | Cash and cash equivalents | Other assets | Total assets |
|---|---|---|---|---|
| Canada | $ 472 | $ 202 | $ 183,587 | $ 184,261 |
| Australia | - | 145 | 456 | 601 |
| | **$ 472** | **$ 347** | **$ 184,043** | **$ 184,862** |

**As at September 30, 2022**

| Country/Region | Property, plant and equipment and right-of-use assets | Cash and cash equivalents | Other assets | Total assets |
|---|---|---|---|---|
| Canada | $ 120 | $ 370 | $ 116,793 | $ 117,283 |
| Australia | - | 140 | 467 | 607 |
| | **$ 120** | **$ 510** | **$ 117,260** | **$ 117,890** |

The Company has no inter-segment revenues.

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

## 21. Management of capital

The Company includes the following items in its managed capital:

| | As at September 30, 2023 | As at September 30, 2022 |
|---|---|---|
| Due to broker | **$ 8,624** | $ 1,139 |
| Shareholders' equity comprises: | | |
| Share capital | **283,623** | 282,620 |
| Share option reserve | **67,795** | 67,204 |
| Accumulated other comprehensive income | **128,938** | 76,214 |
| Deficit | **(306,179)** | (310,600) |
| | **$ 182,801** | $ 116,577 |

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;
- Utilizing or reducing leverage in the form of margin (due to broker);
- Raising capital through equity financings; and
- Reviewing and reducing capital spending on mineral properties when necessary.

The Company is not subject to any capital requirements imposed by a regulator. When using margin for its investing activities, however, the Company is subject to the margin requirements applicable thereto, which can require (at any time and from time to time) that the Company provide additional funds to its brokers depending on the then-value of its investments purchased on margin. 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 and development stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned activities, 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, 2023.

## 22. Financial instruments

Part of Mega's business includes the acquisition and management of securities of public and private issuers. These and other assets and certain liabilities constitute financial instruments. 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 markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments decline, resulting in lower proceeds on dispositions and losses upon dispositions. 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 investments.

From time to time, the Company uses varying levels of financial leverage (or "margin") to purchase investments. Trading on margin allows the Company to borrow part of the purchase price of the investments (using marginable investments as collateral) rather than pay for them in full. Buying on margin allows the Company to actively and opportunistically manage its investment portfolio, with lower upfront capital requirements.

However, if the market moves against the Company's positions and the Company's investments decline in value, the Company may be required to provide additional funds to its broker that could be substantial. Given the nature of the Company's business, the Company may not have sufficient cash on hand to meet margin calls and may be required to liquidate investments prematurely and/or at a loss, in order to generate funds needed to satisfy the Company's obligations. Furthermore, if the Company is unable to provide the necessary funds within the time required, the Company's marginable investments may be involuntarily liquidated at a loss by its broker to meet the obligations (and the Company may still be required to make up any additional shortfall in funds thereafter).

The Company reviews the amount of margin available on a daily basis. The Company holds investments that can be converted into cash when required.

As at September 30, 2023, under Mega's current arrangement with its broker, the Company had a maximum amount of available margin of $15 million, of which it had utilized $8,624.

The Company has working capital surplus as at September 30, 2023 of $15,851. 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. 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 of its interests. All of the Company's trade 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.

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

### 22. Financial instruments (continued)

(b) Market risk (continued)

The following table shows the estimated sensitivity of the Company's after-tax net income (loss) for the year ended September 30, 2023, 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, 2023:

| 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% | $ 355 | $ (355) |
| 4% | 709 | (709) |
| 6% | 1,064 | (1,064) |
| 8% | 1,419 | (1,419) |
| 10% | 1,773 | (1,773) |

(c) Interest rate risk:

Interest rate risk is the impact that changes in interest rates could have on the Company's income and liabilities. The Company has due to broker (margin) that bears a fluctuating interest rate. Due to broker can be repaid by the Company at any time, without notice or penalty, which provides the Company with some ability to manage and mitigate its interest rate risk. The Company does not hedge against any interest rate risk.

The following table shows the estimated sensitivity of the Company's net after-tax income (loss) for the year ended September 30, 2023 from a change in the interest rate on the average interest risk liabilities with all other variables held constant as at September 30, 2023:

| Percentage of change in closing interest rate | Change in net after-tax income (loss) from % increase in interest rate | Change in net after-tax income (loss) from % decrease in interest rate |
|---|---|---|
| 0.25% | $ 16 | $ (16) |
| 0.50% | 32 | (32) |
| 0.75% | 48 | (48) |
| 1.00% | 63 | (63) |

(d) Currency risk:

Currency risk is the risk that the fair value 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 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.

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

## 22. Financial instruments (continued)

(d) Currency risk (continued)

The following table shows the estimated sensitivity of the Company's net after-tax income (loss) for the year ended September 30, 2023 from a change in all foreign currencies (Australian dollars and U.S. dollars) with all other variables held constant as at September 30, 2023:

| 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% | $ 9 | $ (9) |
| 4% | 19 | (19) |
| 6% | 28 | (28) |
| 8% | 38 | (38) |
| 10% | 47 | (47) |

(e) Credit risk:

Credit risk is the risk of loss associated with a counterparty'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 with an asset value of $158,147 as at September 30, 2023, and $97,381 as at September 30, 2022, and poses the risk that changes in its fair value can adversely affect the Company's after-tax net income (loss).

The following table shows the estimated sensitivity of the Company's after-tax net income (loss) for the year ended September 30, 2023, 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, 2023:

| 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% | $ 2,325 | $ (2,325) |
| 4% | 4,650 | (4,650) |
| 6% | 6,974 | (6,974) |
| 8% | 9,299 | (9,299) |
| 10% | 11,624 | (11,624) |

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

## 22. Financial instruments (continued)

(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 statements of financial position carrying amounts for cash and cash equivalents, receivables, amounts payable and other liabilities and due to broker approximate their fair values 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 8).

**Fair value analysis**

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

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

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

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

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

The Company's financial assets measured at FVTPL have used Level 1 and Level 2 valuation techniques during the year ended September 30, 2023. The carrying values of the Company's financial assets and liabilities approximate their fair values as at September 30, 2023.

As at September 30, 2023 and 2022, 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, 2023**

| | Level 1 | Level 2 | Level 3 | Total Fair Value |
|---|---|---|---|---|
| Marketable securities | $ 21,916 | $ 1,155 | $ 2,210 | $ 25,281 |
| Long-term investment | 158,147 | - | - | 158,147 |
| | $ 180,063 | $ 1,155 | $ 2,210 | $ 183,428 |

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

## 22. Financial instruments (continued)

**As at September 30, 2022**

| | Level 1 | Level 2 | Level 3 | Total Fair Value |
|---|---|---|---|---|
| Marketable securities | $ 16,956 | $ 1,149 | $ - | $ 18,105 |
| Long-term investment | 97,381 | - | - | 97,381 |
| | $ 114,337 | $ 1,149 | $ - | $ 115,486 |

## 23. Income taxes and deferred taxes

**Income tax**

Income tax expense (recovery) attributable to income (loss) before income taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 26.5% (2022 - 26.5%) to pre-tax loss as a result of the following:

| | Year Ended September 30, 2023 | 2022 |
|---|---|---|
| Income (loss) before taxes | **$ (3,372)** | $ (5,911) |
| Expected income tax expense (recovery) based at statutory rate | **(894)** | (1,566) |
| Non-deductible expenses | **265** | 449 |
| Non-deductible (taxable) portion of capital losses | **(52)** | 975 |
| Other differences | **3** | 3 |
| Change in unrecognized portion of deferred tax | **(7,115)** | 2,616 |
| Deferred tax expense (recovery) | **$ (7,793)** | $ 2,477 |

**Deferred tax assets and liabilities**

(a) Recognized deferred tax assets (liabilities)

| **As at September 30,** | **2023** | **2022** |
|---|---|---|
| Exploration and evaluation assets | **$ 9,588** | $ 5,063 |
| Non-capital loss carryforwards - Canada | **3,461** | - |
| Property, plant and equipment and right-of-use asset | **42** | - |
| Capital loss carryforwards | **2,280** | 2,455 |
| Deferred tax asset | **15,371** | 7,518 |
| Investments | **(15,630)** | (7,518) |
| Deferred tax liability | **$ (15,630)** | $ (7,518) |
| **Net deferred tax assets (liabilities)** | **$ (259)** | $ - |

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

## 23. Income taxes and deferred taxes (continued)

(b) Unrecognized deferred tax assets

The deductible temporary differences and unused losses in respect of which a deferred tax asset has not been recognized in the consolidated statements are as follows:

| As at September 30, | 2023 | 2022 |
|---|---|---|
| Non-capital losses carried forward - Canada | **$ 4,746** | $ 12,723 |
| Non-capital losses carried forward - Australia | **186,973** | 189,864 |
| Exploration and evaluation expenditures | **12,114** | 31,450 |
| Share issue costs and other differences | **377** | 536 |
| | **$ 204,210** | $ 234,573 |

As at September 30, 2023, the Company had approximately $17,809 (2022 - $12,723) of Canadian non-capital losses that expire between 2024 and 2043. The Company has incurred tax losses in Australia of approximately $186,973, which may be carried forward indefinitely.

## 24. Subsequent events

(i) Subsequent to the end of the fiscal year, the Company issued an aggregate of 1,975,000 common shares, at a weighted average exercise price of $0.11 per share, upon the exercise of the equivalent number of stock options by participants under Mega's stock option plan.

(ii) Subsequent to the end of the fiscal year, Mega received an aggregate of 400,000 common shares of CUR in satisfaction of an $800,000 contingent payment that CUR became obligated to pay in accordance with the terms of its purchase of Mega's Ben Lomond uranium property (note 18(i)). The payment was contingent on the spot price of uranium reaching US$75.