



MEGA URANIUM LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

MEGA URANIUM LTD.

Management's Discussion and Analysis

Year Ended September 30, 2021

Discussion Dated: December 16, 2021

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

Introduction

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Mega Uranium Ltd. ("Mega" or the "Company") should be read in conjunction with Mega's audited consolidated financial statements ("consolidated statements") and notes thereto as at and for the year ended September 30, 2021.

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

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

Caution Regarding Forward-Looking Information

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to the Company's expectations regarding its portfolio investment strategy, including the time horizon for holding positions and milestones for dispositions, the Company's exploration and development activities, including expectations regarding drilling and other activities conducted to advance properties and associated expenditures, receipt of regulatory and governmental approvals, the impact of proposed asset dispositions on the Company's financial condition and performance and its cash flows, the Company's future operating costs and working capital requirements, including its ability to satisfy such requirements through dispositions of securities or other means and the anticipated timing of dispositions of securities, the exposure of its financial instruments to various risks and its ability to manage those risks, the Company's ability to use tax resource pools and loss carry-forwards, fees to be incurred by foreign subsidiaries, changes in accounting policies, and measures implemented in response to the COVID-19 pandemic and its expected impact on our business (including our investments), operations (including our ability to raise capital), earnings and results.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to uranium exploration activities generally, including the availability and cost of geophysical, drilling and other equipment; uncertainties associated with the uranium industry, including supply and demand fundamentals, our ability to complete our capital programs; geological, technical, drilling and processing problems, including the availability of equipment and access to properties; our ability to secure adequate transportation for our products; potential losses which would stem from any disruptions in production, including work stoppages or other labour difficulties, or disruptions in the transportation network on which we are reliant; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; our ability and the ability of our partners to attract and retain the necessary labour required to explore and

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develop our projects; potential conflicting interests with our joint venture partners; our failure or the failure of the holder(s) of licenses or leases to meet specific requirements of such licenses or leases; the failure by counterparties to make payments or perform their operational or other obligations in compliance with the terms of contractual arrangements between us and such counterparties; adverse claims made in respect of our properties or assets; operating hazards and other difficulties inherent in the exploration for and production and sale of uranium; political and economic conditions in the countries in which our property interests are located; obtaining the necessary financing for operations, and unanticipated costs or increased costs incurred to run the operations, our ability to generate taxable income from operations, fluctuations in the value of our portfolio investments due to market conditions and/or company-specific factors, fluctuations in prices of commodities underlying our interests and portfolio investments, unexpected working capital requirements (whether as to timing or quantum) which could require untimely investment dispositions, the severity, duration and spread of the COVID-19 outbreak, actions that may be taken by governmental authorities to contain COVID-19 or to treat its impact and the corresponding effects on global commodity and financial markets, the impact of the pandemic on supply chains and labour, among other areas, and the ability of our investee companies to operate in the normal course as a result, and other risks included elsewhere in this MD&A under the heading "Risks" and in the Company's public disclosure documents filed with certain Canadian securities regulatory authorities and available under the Company's profile at www.sedar.com.

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

Nature of the Business

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

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

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

In addition to the Company's own exploration activities, Mega participates indirectly in the uranium sector through its securities holdings in other companies, including its significant long-term investment in NexGen Energy Ltd. ("NexGen") (TSX:NXE), its equity investment in Toro Energy Limited ("Toro") (ASX:TOE), and marketable securities of other uranium-focused issuers, including Uranium Royalty Corporation (TSXV:URC) and Consolidated Uranium Inc. ("CUR")(TSXV:CUR). The Company classifies its investments in each of the foregoing three categories in accordance with IFRS based on various factors, including Mega's percentage interest in and ability to otherwise influence the entity and the Company's trading intentions. The classifications are discussed in the notes to the Company's audited September 2021

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consolidated financial statements. Additional information about our investment portfolio is provided elsewhere in this MD&A, including in the section entitled "Investment Portfolio".

Investment Strategies and Oversight

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

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

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

Operational Highlights

- Commencing in March 2020 and continuing after the year ended September 30, 2021, the COVID 19 pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include travel bans, lockdowns, business closures and self-imposed quarantine periods, have caused material disruption to businesses globally resulting in economic slowdowns and broad-based supply chain disruptions. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID19 pandemic remain unknown at this time, even with the availability of effective vaccines, as does the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.
- During the year ended September 30, 2021, the Company issued 10,324,545 common shares to subscribers for cash proceeds of \$1,548 upon the exercise of warrants issued by Mega in 2018.
- During the year ended September 30, 2021, the Company issued 5,380,000 common shares for gross proceeds of \$647 upon the exercise of stock options by participants under Mega's stock option plan.
- During the year ended September 30, 2021, Mega increased its holdings in Toro by an additional 65,217,391 ordinary shares, at an aggregate cost of \$1,408, and its holdings in CUR by an additional 531,278 common shares and 238,139 warrants, at an aggregate cost of \$843, in each case pursuant to equity financings conducted by the issuers.

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- On November 3, 2021, the Company entered into an agreement to sell its interest in the Mustang Lake uranium property, located in Labrador, Canada, to Labrador Uranium Inc., a subsidiary of CUR. Mega has a 66% interest in the property, which is the subject matter of its joint venture with Anthem Resources Inc. Details of the proposed transaction are provided elsewhere in this MD&A under "Subsequent Event".

Overall Performance

As at September 30, 2021, the Company had a working capital surplus of \$18,659 as compared to a working capital surplus of \$4,616 as at September 30, 2020. The increase in working capital surplus is attributable to the increase in value of marketable securities and proceeds from the sale of marketable securities and the exercise of warrants and stock options, offset by the spending on exploration activities, general and administrative expenses and payment of payables during the year ended September 30, 2021.

The value of Mega's investment portfolio grew significantly over the twelve-month period, driven primarily by an approximately 158% increase in our NexGen holdings to \$116,079 and an approximately 285% increase in our marketable securities, as positive sentiment in the uranium market generally drove equity prices higher throughout the sector.

Mineral Properties

Details of the exploration and evaluation expenditures on the Company's mineral properties for the years ended September 30, 2021 and 2020 are provided below:

	Ben Lomond Property (Queensland Australia)	Redport Properties (Western Australia)	Total
Year ended September 30, 2021			
Consulting - geology and environmental	\$47	\$42	\$89
Land licenses	172	13	185
Miscellaneous	9	nil	9
Stock-based compensation	nil	60	60
	\$228	\$115	\$343

	Ben Lomond Property (Queensland Australia)	Redport Properties (Western Australia)	Total
Year ended September 30, 2020			
Consulting - geology and environmental	\$61	\$nil	\$61
Consulting fees	nil	22	22
Land licenses	27	13	40
Administration	3	nil	3
Miscellaneous	11	8	19
Stock-based compensation	nil	30	30
	\$102	\$73	\$175

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- None of Mega's properties are in production. Pre-feasibility studies are ongoing on the Ben Lomond Project in Queensland.
- On May 14, 2020, the Company entered into an agreement with CUR (then 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 common shares and 900,000 common share purchase warrants exercisable for an equal number of common shares of CUR (such warrants, together with the 900,000 common shares, the "Option Securities") and an option to sell to CUR Mega's Georgetown uranium property, also located in Queensland, Australia (the "Georgetown Option").

The Ben Lomond Option is conditional upon and may be exercised by CUR subject to the satisfaction of certain conditions, including the approval of the Australian Foreign Investment Review Board, failing which the option will terminate and the Option Securities will be cancelled. CUR may 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 is 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. If the option is exercised, completion of the sale of the Ben Lomond property will be subject to the satisfaction of various conditions.

The Georgetown Option is also conditional upon and may be exercised by Mega subject to the satisfaction of certain conditions, including the approval of the Australian Foreign Investment Review Board, failing which it will terminate. If the Ben Lomond Option is exercised, Mega can exercise the Georgetown Option and sell the Georgetown property to CUR for a price of \$500, payable in cash or common shares of CUR (under certain circumstances), and reimbursement to Mega of expenditures in respect of the property since the execution of the option agreement. The purchase of the Georgetown property by CUR is also subject to contingent payments of up to \$1,425, if the monthly average spot price of uranium reaches US\$50, US\$75 and US\$100, prior to or after closing of the Georgetown sale. If the Georgetown Option is exercised, completion of the sale of the Georgetown property will be subject to the satisfaction of various conditions.

If completed in accordance with their terms, the dispositions of the Ben Lomond and Georgetown properties are not expected to have a material effect on Mega's financial condition or performance or its cash flows.

During the year period ended September 30, 2021, CUR funded \$145 in expenditures incurred by Mega on the Ben Lomond property, which the Company has recognized as other income.

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

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The proposed plans for Mega's properties for its current fiscal year are provided below:

Project/Property Name	Brief Description	Plans for Project	Planned Expenditure for Fiscal 2022	Expenditures Incurred for the Year Ended September 30, 2021
Ben Lomond	2 mining leases totaling 21.6 km ² in Queensland, Australia.	Environmental and geological prefeasibility studies	\$246	\$227
Georgetown (including the Maureen uranium resource)	Uranium rights in the Georgetown area of Queensland, Australia.	Ground checking airborne radiometric anomalies; drill testing of various prospects if warranted	\$9	\$nil
Redport	Gold properties in Western Australia	Geological studies	\$137	\$55

Quarterly information

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

Three Months Ended	Total Revenue (\$)	Working capital surplus (\$)	Net Income or (Loss)	
			Total (\$)	Per Share (\$)
September 30, 2021	nil	18,659	5,517	0.02
June 30, 2021	nil	14,729	(1,312)	(0.00)
March 31, 2021	nil	18,297	11,552	0.03
December 31, 2020	nil	8,589	5,113	0.02
September 30, 2020	nil	4,616	1,496	0.00
June 30, 2020	nil	4,019	2,890	0.01
March 31, 2020	nil	2,535	(4,103)	(0.01)
December 31, 2019	nil	3,952	(4,026)	(0.01)

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

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Results of operations

For the three months ended September 30, 2021, compared with the three months ended September 30, 2020

For the three months ended September 30, 2021, the Company's net income was \$5,517 compared to net income of \$1,496 for the three months ended September 30, 2020. The increase in net income of \$4,021 is primarily attributable to the following:

- An increase of \$2,273 in unrealized gain on marketable securities resulting from the higher aggregate fair value of the securities during the three months ended September 30, 2021 compared to the three months ended September 30, 2020.
- During the three months ended September 30, 2021, the Company recorded a realized gain of \$755 from the sale of marketable securities compared to \$22 for the year ended September 30, 2020.
- Deferred tax recovery for the three months ended September 30, 2021 was \$2,322 compared to a deferred tax recovery of \$1,426 for the three months ended September 30, 2020. The increase of \$896 in deferred tax recovery resulted from the tax impact of an unrealized gain of \$17,529 on the NexGen shares for the three months ended September 30, 2021 compared to an unrealized loss of \$10,907 for the three months ended September 30, 2020.

A breakdown of general and administrative expenses for the three months ended September 30, 2021 and 2020 is provided below.

Three Months Ended September 30,	2021	2020	Variance
	(\$)	(\$)	(\$)
Professional fees	16	31	(15)
Consulting and directors' fees (a)	163	163	nil
Transfer agent and filing fees	17	12	5
Travel and promotion	18	6	12
Salaries and office administration	177	162	15
Stock-based compensation (b)	175	171	4
Amortization	14	33	(19)
	580	578	2

- (a) Salaries and office administration increased by \$15 during the three months ended September 30, 2021 compared to the three months ended September 30, 2020, due to an increase in corporate overhead during the current period.
- (b) Amortization decreased by \$18 during the three months ended September 30, 2021 compared to the three months ended September 30, 2020, due to the write off of property, plant and equipment in a prior period.

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For the year ended September 30, 2021, compared with the year ended September 30, 2020

For the year ended September 30, 2021, the Company's net income was \$20,870 compared to net loss of \$3,743 for the year ended September 30, 2020. The increase in net income of \$24,613 is primarily attributable to the following:

- An increase of \$12,665 in unrealized gain on marketable securities resulting from the higher aggregate fair value of the securities during the year ended September 30, 2021 compared to the year ended September 30, 2020.
- During the year ended September 30, 2021, the Company recorded a realized gain of \$2,356 from the sale of marketable securities compared to \$269 for the year ended September 30, 2020.
- During the year ended September 30, 2020, the Company recorded an impairment of equity investment of \$2,657. The impairment resulted from management's assessment that the carrying value of its investment in Toro exceeded its recoverable amount.
- Deferred tax recovery for the year ended September 30, 2021 was \$9,419 compared to a deferred tax expense of \$1,552 for the year ended September 30, 2020. The increase of \$7,867 in deferred tax recovery resulted from the tax impact of an unrealized gain of \$71,089 on the NexGen shares for the year ended September 30, 2021 compared to an unrealized gain of \$11,717 for the year ended September 30, 2020.

A breakdown of general and administrative expenses for the year ended September 30, 2021 and 2020 is provided below.

Year Ended September 30,	2021	2020	Variance
	(\$)	(\$)	(\$)
Professional fees	85	84	1
Consulting and directors' fees (a)	859	651	208
Shareholder relations and communications	nil	3	(3)
Transfer agent and filing fees	111	101	10
Travel and promotion	32	31	1
Salaries and office administration	683	620	63
Stock-based compensation (b)	543	328	215
Amortization	87	87	nil
Write off of property, plant and equipment	18	nil	18
	2,418	1,905	513

- (a) Consulting and directors' fees increased by \$208 during the year ended September 30, 2021 compared to the year ended September 30, 2020, the difference being primarily attributable to bonuses awarded to senior management in respect of the 2020 calendar year.
- (b) Stock-based compensation expense increased by \$215 for the year ended September 30, 2021 over the 2020 period. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

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Liquidity and Capital Resources

The Company has no operating revenues. It finances its exploration and discretionary investment activities through proceeds from private placements of its securities, the exercise of its stock options and warrants by holders and dispositions of investments.

There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. Furthermore, as of September 30, 2021, the Company had no warrants outstanding and 32,830,000 options outstanding, which would raise \$4,826, if exercised in full by the holders, however such exercises are outside of Mega's control and dependent upon various factors, including the future trading prices of the underlying common shares, which cannot be predicted. Accordingly, Mega cannot rely on the availability of these sources of funds with any degree of certainty.

Absent the foregoing funding sources, the Company must utilize its existing cash reserves or proceeds from investment dispositions to maintain its capacity to meet ongoing operating activities. As at September 30, 2021, the Company had cash and cash equivalents of \$1,281 to settle its amounts payable and other liabilities of \$1,169. The Company's cash and cash equivalents as of September 30, 2021 are sufficient to pay these liabilities. Approximately \$880 of the amounts payable and other liabilities is due to related parties, the majority of which is owed to a payee who has agreed to defer payment.

During the year ended September 30, 2021, the Company used \$1,540 of cash on its operations. During the year ended September 30, 2021, receivables and prepaid expenses increased by \$55 and amounts payable and other liabilities increased by \$162.

For the year ended September 30, 2021, the Company received proceeds of \$2,195 from the exercise of warrants and options previously issued by Mega and proceeds of \$3,166 from the sale of marketable securities from its investment portfolio, offset by funds used to purchase marketable securities and equity investment of \$1,694 and \$1,408, respectively. Net lease payments of \$97 were made during the period.

As at September 30, 2021, the Company's marketable securities and long-term investment in NexGen shares were valued at \$18,177 and \$116,079, respectively. The Company can choose to sell investments to generate funds required to settle its obligations as they arise. Management intends to hold the Company's marketable securities and long-term investments until it becomes advantageous to sell the investments or liquidity needs necessitate such sale.

The Company's use of cash is currently and is expected to continue to be focused on two principal areas - the funding of its general and administrative expenditures and its investment activities. Investing activities include the cash components of the cost of acquiring and exploring the Company's mineral properties. For the twelve-month period ending September 30, 2021, corporate head office costs are estimated to average \$300 per quarter for salaries, office administration, consulting fees, travel and promotion, professional fees and reporting issuer costs.

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

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Contractual Obligations	Total	Up to 1 year	1 - 3 years	4 - 5 years	After 5 years
	(\$)	(\$)	(\$)	(\$)	(\$)
Amounts payable and other liabilities	1,050	1,050	nil	nil	nil
Lease liabilities	132	66	66	nil	nil
Obligations on mineral properties (a)	1,965	393	786	786	nil
	3,147	1,509	852	786	nil

- (a) Obligations on mineral properties pertain to minimum expenditures required to be incurred to maintain those claims/tenements in Canada and Australia.
- (b) The Company is subject to management contracts with certain executive officers that provide for payments under circumstances involving a change of control of Mega and/or termination of the officer's services. As at September 30, 2021, these contracts require that additional payments of approximately \$2,135 be made upon the occurrence of a change of control. The minimum commitment upon termination of these contracts is approximately \$990. As a triggering event has not taken place, the contingent payments have not been reflected in the interim consolidated statements.
- (c) As part of his compensation package, the Company's Chief Executive Officer is entitled to a special bonus that is dependent upon the cash proceeds of disposition of the original NexGen investment net of acquisition and disposition costs. The entitlement is payable at the discretion of the board of directors and is subject to a maximum bonus equal to 5% of the net cash proceeds. Up to fifty percent of the bonus may be settled in common shares of the Company (also at the discretion of the board and subject to regulatory approval).

Off-Balance Sheet Arrangements

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

Outstanding Share Data

The number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of Mega as at December 16, 2021 are as follows:

Securities	As at December 16, 2021
Common shares outstanding	351,060,639
Issuable under options	30,365,000
Total securities	381,425,639

Contractual Obligations

Refer to the commitment table under the section "Liquidity and Capital Resources" above for details regarding the Company's contractual obligations as at September 30, 2021.

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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. Mega's Chief Executive Officer is the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

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

The following is segmented information of operations for the year ended September 30, 2021 and 2020 and as at September 30, 2021 and 2020:

Country/Region	Year Ended September 30, 2021 Net Income (Loss) (\$)	Year Ended September 30, 2020 Net Income (Loss) (\$)
Canada	21,002	(3,434)
Australia	(132)	(309)
	20,870	(3,743)

As at September 30, 2021

Country/Region	Property and Equipment \$	Cash and cash equivalents \$	Other assets \$	Total assets \$
Canada	22	1,223	136,214	137,459
Australia	-	58	488	546
	22	1,281	136,702	138,005

As at September 30, 2020

Country/Region	Property and Equipment \$	Cash and cash equivalents \$	Other assets \$	Total assets \$
Canada	15	541	51,634	52,190
Australia	18	69	293	380
	33	610	51,927	52,570

The Company has no inter-segment revenues.

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Investment Portfolio

The Company's investment portfolio was comprised of the following positions as at the years ended September 30, 2021 and 2020. The composition of the portfolio may change from reporting period to period, including changes to individual positions which may increase or be pared down, as a result of acquisitions and dispositions in accordance with Mega's investment and capital management objectives.

September 30, 2021

Issuer	Securities	Cost (\$)	Fair value (\$)
NexGen Energy Ltd.	19,476,265 common shares	9,828	116,079
Toro Energy Limited ⁽¹⁾	460,312,778 common shares	34,108	12,230
Uranium Royalty Corporation	1,778,000 common shares	1,410	8,001
Consolidated Uranium Inc.	1,806,278 common shares	845	4,841
	1,513,139 warrants	603	3,369
Other investments ⁽²⁾	Common shares and warrants	4,222	1,966
Total		51,016	146,486

September 30, 2020

Issuer	Securities	Cost (\$)	Fair value (\$)
NexGen Energy Ltd.	19,476,265 common shares	9,828	44,990
Toro Energy Limited ⁽¹⁾	395,095,387 common shares	32,690	4,903
Uranium Royalty Corporation	2,688,426 common shares	1,976	3,065
Consolidated Uranium Inc.	1,275,000 common shares	322	701
	1,275,000 warrants	174	578
Other investments ⁽³⁾	Common shares	3,760	379
Total		48,750	54,616

⁽¹⁾ Our Toro investment is equity-accounted for in our consolidated financial statements at \$1,710 as at September 30, 2021 and \$1,436 as at September 30, 2020, in accordance with IFRS. See "Equity Investment" below for a discussion of the accounting. The fair values of the position provided above are calculated in the same manner as the other securities in the portfolio, using the applicable closing bid price of the shares, and are included for comparative purposes.

⁽²⁾ Represents securities of an aggregate of 13 issuers.

⁽³⁾ Represents securities of an aggregate of 11 issuers.

Equity investments

In November 2013, Mega acquired 415 million ordinary shares of Toro as consideration for the sale of its Lake Maitland properties and certain associated rights and assets. The shares were valued at \$34,337 upon acquisition and represented approximately 28.00% of Toro's outstanding shares. Mega's original ownership interest in Toro has decreased from time to time since then as a result of share dispositions by the Company and dilution following share issuances by Toro.

During the year ended September 30, 2021, Mega acquired an additional 65,217,391 shares of Toro through its participation in a private placement, which increased Mega's total holdings in Toro to 460,312,778 shares but diluted its ownership in Toro from 14.53% to 11.81% and resulted in a dilution loss of \$291.

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The Company is considered to have significant influence over Toro due to the percentage of its equity interest in Toro and its representation on Toro's board of directors. Accordingly, Mega accounts for its investment in Toro using the equity method.

Under the equity method, the Company's investments are initially recognized at cost, and the carrying amounts are increased or decreased to recognize the Company's share of the profit or loss after the date of acquisition. Loss on the equity investment was \$843 for the year ended September 30, 2021.

The fair value of the equity investment in Toro is \$12,230 as at September 30, 2021 (September 30, 2020 - \$4,903) based on the applicable closing share price. Such fair value is categorized as level 1 within the fair value hierarchy.

As at September 30, 2021, the Company determined that there were no indicators of impairment or impairment reversal on the equity investment in Toro. During the year ended September 30, 2020, the Company determined that there was an indicator of impairment and recorded an impairment of \$2,657.

Long-term investment

Mega holds 19,476,265 shares of NexGen as at September 30, 2021 (September 30, 2020 - 19,476,265). The change in the investment in NexGen is detailed as follows:

	September 30, 2021 (\$)	September 30, 2020 (\$)
Opening balance	44,990	33,133
Purchase of additional NexGen shares	-	140
Unrealized gain for the year ended recorded in other comprehensive income	71,089	11,717
Closing balance	116,079	44,990

The closing bid price of NexGen was \$5.96 on September 30, 2021 compared to \$2.31 on September 30, 2020.

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

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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, 2021 and 2020:

Type of service	Nature of relationship	Year Ended September 30, 2021 (\$)	Year Ended September 30, 2020 (\$)
Short-term compensation benefits ^(a)	Directors	158	158
Short-term compensation benefits ^(b)	Officers	717	536
Stock-based compensation benefits ^(c)	Directors and Officers	524	317
Administrative services ^(d)	Officers	24	24

^(a) Represents the portion of annual retainers for board and committee service paid to all of the directors during the period.

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

For the year ended September 30, 2021, \$601 of the costs relating to these agreements (year ended September 30, 2020 - \$536) are included in general and administrative expenses.

^(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, 2021, the Company provided office space and other occupancy services to Toro and earned \$263 (year ended September 30, 2020 - \$183) of income from Toro.

Included in amounts payable and other liabilities are fees owing to officers and directors of \$921 as at September 30, 2021 (September 30, 2020 - \$729).

During the year ended September 30, 2021, officers and directors of Mega exercised 4,080,000 stock options.

Subsequent event

On November 3, 2021, the Company entered into an agreement to sell its interest in the Mustang Lake uranium property, located in Labrador, Canada, to Labrador Uranium Inc. ("LUR"), a subsidiary of CUR. Mega has a 66% interest in the property (the "Interest"), which is the subject matter of its joint venture with Anthem Resources Inc.

Under the terms of the agreement, Mega will receive 3 million common shares of LUR in exchange for the Interest and have the right to appoint one nominee to LUR's board of directors on closing. Closing of the sale is subject to various conditions, including the completion of the proposed spin-out of CUR's interest in LUR to CUR's shareholders and the listing of LUR's shares on a Canadian stock exchange, and the waiver of Anthem's right of first refusal in respect of the Interest. If the spin-out and listing are not completed prior

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to November 3, 2022, CUR will have, under certain circumstances, a thirty-day option to purchase the Interest for \$1 million, payable in common shares of CUR.

If completed in accordance with its terms, the disposition of the Interest is not expected to have a material effect on Mega's financial condition or performance or its cash flows. The Mustang Lake property has been operated under care and maintenance for several years.

Critical accounting judgements, estimates and assumptions

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

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

Judgments

- (i) Determination of functional currency:

IAS 21 "The Effects of Changes in Foreign Exchange Rates" ("IAS 21"), defines the functional currency as the currency of the primary economic environment in which an entity operates. The determination of functional currency, which is performed on an entity by entity basis, is based on various judgmental factors outlined in IAS 21. Based on an assessment of the factors in IAS 21, primarily those that influence labour, material and other costs of goods or services received by the Company's subsidiaries, management determined that the functional currency for the parent is the Canadian Dollar and the functional currency for the Company's subsidiaries in Australia is the Australian Dollar.

- (ii) Significant influence:

Management determines its ability to exercise significant influence over an investment in shares of other companies by looking at its percentage interest and other qualitative factors including but not limited to its voting rights, representation on the board of directors, participation in policy-making processes, material transactions between the Company and the associate, 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 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 judgement, 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

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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.

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 nine key inputs to determine a value for an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

(ii) Deferred tax assets and liabilities:

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The Company computes deferred tax assets and liabilities in respect of taxes that are based on taxable profit. Taxable profit is understood to be a net, rather than gross, taxable amount that gives effect to both revenues and expenses. Taxable profit will often differ from accounting profit and management may need to exercise judgment to determine whether some taxes are income taxes (subject to deferred tax accounting) or operating expenses.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the differences are expected to be recovered or settled. The determination of the ability of the Company to utilize tax loss carry forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is "probable" that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, commodity prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

Risks

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

Exploration and Development Risks

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

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Financing Risks

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

Investment Risks

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

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

Currency Risks

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

Environmental Matters

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

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

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

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

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

Governmental Matters

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

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

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Australian Governmental Risks

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

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

Risks Relating to Foreign Operations

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

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

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COVID-19 Risks

The worldwide emergency measures taken to combat the COVID-19 pandemic may continue, could be expanded, and could also be reintroduced in the future following relaxation. As governments implement monetary and fiscal policy changes aimed to help stabilize economies and capital markets, we cannot predict legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact our business. The COVID-19 pandemic, actions taken globally in response to it, and the ensuing economic downturn have caused significant disruption to business activities and economies. The depth, breadth and duration of these disruptions remain highly uncertain at this time, even as governments have implemented frameworks for the staged resumption of business activities and variants of the virus continue to surface and threaten the progress made. As a result, it is difficult to predict how significant the impact of the COVID-19 pandemic, including any responses to it, will be on the global economy and our business. We have outlined these risks in more detail below.

Strategic & Operational Risks

The ongoing COVID-19 pandemic could adversely impact our financial condition in future periods as a result of reduced business opportunities via acquisitions and dispositions of exploration properties and investments. The uncertainty around the expected duration of the pandemic and the measures put in place by governments to respond to it could further depress business activity and financial markets. Our strategic initiatives to advance our business may be delayed or cancelled as a result.

To date, our operations have remained stable under the pandemic but there can be no assurance that our ability to continue to operate our business will not be adversely impacted, in particular to the extent that aspects of our operations which rely on services provided by third parties fail to operate as expected. The successful execution of business continuity strategies by third parties is outside our control. If one or more of the third parties to whom we outsource critical business activities fails to perform as a result of the impacts from the spread of COVID-19, it could have a material adverse effect on our business and operations.

Liquidity risk and capital management

Extreme market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit our access to capital markets and our ability to generate funds to meet our capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while we currently have a sources of liquidity such as cash balances and investments, there can be no assurance that these sources will provide us with sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave us unable to react in a manner consistent with our historical investment practices.

Market Risk

The pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. Central banks implemented emergency interest rate cuts, while governments implemented unprecedented fiscal stimulus packages to support economic stability. The pandemic could result in a global recessionary or inflationary environment with continued market volatility, which may continue to impact our financial condition. Our investment portfolio has been, and may continue to be, adversely affected as a result of market developments from the COVID-19 pandemic and related uncertainty. Supply chain issues resulting in delays in receiving equipment and transporting shipments and higher transportation costs, labour shortages and other operational challenges could lead to delays in production and or exploration activities and impact the financial results and market values of our investee companies.

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Financial Instruments

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

(a) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital 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 investment. The Company has cash and cash equivalents of approximately \$1,281. The cash equivalents consist of highly liquid short-term deposits with the bank. The Company has working capital surplus as at September 30, 2021 of \$18,659. 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 or relinquish rights to certain 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 be vulnerable to market fluctuations.

The following table shows the estimated sensitivity of the Company's after-tax net income (loss) for the year ended September 30, 2021 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, 2021:

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%	267	(267)
4%	534	(534)
6%	802	(802)
8%	1,069	(1,069)
10%	1,336	(1,336)

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(c) Interest rate risk:

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

The Company's sensitivity analysis suggests that a 1% change in interest rate would change the net loss and comprehensive loss by approximately \$10.

(d) Currency risk:

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

The following table shows the estimated sensitivity of the Company's net after-tax income (loss) for the year ended September 30, 2021 from a change in all foreign currencies (Australian dollars, and U.S. dollars) with all other variables held constant as at September 30, 2021:

Percentage of change in closing exchange rate	Change in net after-tax income (loss) from % increase in closing exchange rate	Change in net after-tax income (loss) from % decrease in closing exchange rate
	\$	\$
2%	10	(10)
4%	19	(19)
6%	29	(29)
8%	39	(39)
10%	48	(48)

(e) Credit risk:

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company has its cash and cash equivalents deposited with highly rated financial institutions. Other credit risk is limited to cash, restricted cash and trade receivables in the ordinary course of business. The balance of trade receivables owed to the Company in the ordinary course of business is not significant.

(f) Concentration risks:

The Company is exposed to concentration risks as its investment portfolio is concentrated primarily in NexGen and Toro, two uranium companies which, together, have a total asset value of \$117,789 as at September 30, 2021 and \$46,426 as September 30, 2020 and poses the risk that its fair value can decrease significantly, which could impact the Company's available cash resources, and 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 period ended September 30, 2021 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, 2021:

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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%	1,706	(1,706)
4%	3,413	(3,413)
6%	5,119	(5,119)
8%	6,825	(6,825)
10%	8,532	(8,532)

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

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

Management of Capital

The Company includes the following items in its managed capital as at September 30, 2021 and 2020:

	September 30, 2021 (\$)	September 30, 2020 (\$)
Shareholders' equity comprises of:		
Share capital	280,117	277,183
Warrants	-	485
Share option reserve	66,512	66,346
Accumulated other comprehensive income	92,419	30,734
Deficit	(302,212)	(323,266)
	136,836	51,482

The Company's objectives when managing capital are:

- To maintain the necessary financing to complete exploration and development of its properties;
- To realize proceeds from sales of one or more of its properties;
- 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
- To maintain a flexible capital structure that optimizes the cost of capital at an acceptable level of risk.

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

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

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

There were no changes in the Company's approach to capital management during the year ended September 30, 2021 and the Company is not subject to any externally imposed capital requirements.

Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, and evaluated the effectiveness of the Company's disclosure controls and procedures and have concluded that, based on their evaluation, they are effective as at September 30, 2021, to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is made known to management and disclosed in accordance with applicable securities regulations.

Internal Controls over Financial Reporting ("ICFR")

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

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

MEGA URANIUM LTD.

Management's Discussion and Analysis

Year Ended September 30, 2021

Discussion Dated: December 16, 2021

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

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

The Chief Executive Officer and Chief Financial Officer have evaluated the Company's ICFR and concluded that they are effective as at September 30, 2021. Management follows the Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company has designed appropriate ICFR for the nature and size of its business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with applicable accounting standards.

Additional Information

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