GEOMEGA RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED AUGUST 31, 2013

The following Management's Discussion and Analysis ("MD&A") of financial condition and results of operations of Geomega Resources Inc. (the "**Company**" or "**GéoMégA**") should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes for the three month period ended August 31, 2013. These financial statements of the Company have been prepared by management in accordance with *International Financial Reporting Standards* ("IFRS") applicable to preparation of interim financial statements, including IAS 34 – *Interim Financial Reporting*. This MD&A should be read in conjunction with the Company's audited financial statements and accompanying notes for the year ended May 31, 2013. The financial statements for the three period ended August 31, 2013 have not been audited or reviewed by the Company's auditors. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations.* The information presented in this MD&A is dated October 24, 2013. All amounts presented are in Canadian dollars.

The Company's common shares are traded on the TSX Venture Exchange under the symbol **GMA** and 34,990,113 common shares were outstanding as of October 24, 2013. Additional information is available through www.sedar.com or www.ressourcesgeomega.ca

Our MD&A contains **forward-looking statements** not based on historical facts. Forward-looking statements express, as of the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, economic conjuncture, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Company to obtain financing.

GOING CONCERN

Global economic uncertainty continues to contribute to volatility in the capital markets and equity financing for exploration companies continues to be extremely difficult. In addition, the newly proposed royalty and taxation framework by the Québec provincial government provided further uncertainties. The Company's financial success depends largely on the extent to which it can demonstrate the economic viability of its Montviel deposit. While a Preliminary Economic Assessment ("PEA") is underway for Montviel, there is no guarantee of production nor that positive financial results will be realized. Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new equity or debt financings. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future.

COMPANY PROFILE AND MISSION

GéoMégA, which owns 100% of the Montviel Rare Earth/Niobium project located in province of Québec, is a mineral exploration and evaluation company focused on the discovery and sustainable development of economic deposits of metals, such as rare earth elements ("REE"), niobium and graphite in Québec. GéoMégA is committed to meeting Canadian mining industry standards and distinguishing itself with its innovative engineering, stakeholders' engagement and its dedication to local transformation benefits.

As society emerges from fossil energy to more efficient and sustainable sources, GéoMégA believes that the future of clean energy resides in the REE called neodymium. Neodymium is vital for the production of high-performance permanent magnets used in a wide variety of electrical motors. Such motors are in increasing demand with the growth of sustainable-energy initiatives such as hybrid and electric vehicles and direct-drive wind turbines.

OVERALL PERFORMANCE

Corporate update

The Annual and Special Meeting of Shareholders ("AGM") of the Company held in Montreal on September 19, 2013. Patrick Godin, Denis Hamel, Mario Spino, Réjean Talbot, Paul-Henri Couture and Simon Britt were re-elected as directors of the Company. In addition, the Company is pleased to welcome newly elected Mr. Gilles Gingras, CPA, CA, to the Board of Directors.

SUMMARY OF ACTIVITIES

Montviel Property (REE - 100% interest)

The Montviel project ("Montviel") benefits from permanent access, public infrastructure and skilled labour in the immediate area. The project is located approximately 100 km north of Lebel-sur-Quévillon and 45 km west of the Cree First Nation of Waswanipi in the urbanised southern part of Northern Québec. The property carries a 2% net output royalty to NioGold Mining Corporation.

Montviel is a 32 km^2 alkaline complex hosting carbonatites intrusions with significant REE and niobium mineralization. The 3 km^2 central part of the complex ("Core Zone") is made of a ferro-carbonatite where the highest values in both REE and niobium are found. Up to now, the Company has defined the mineralized ferro-carbonatite over a length of 900 metres (NE-SW), a width of 650 metres (NW-SE) and a depth of 750 metres.

Updated NI 43-101 compliant resource estimate

The initial NI 43-101 resource estimate was published in September 2011 (see September 28 and November 14, 2011 press releases for details). With the Phase 2 diamond drilling programme completed in April 2012, the Company has better defined and expanded the Montviel mineralised envelop. The publication of an updated NI 43-101 compliant resource estimate is expected around the same time as the PEA. It will include the results from Phase 2 drilling programme and the cut-off grade will be adjusted from open pit mining considering TREO to underground (ramp access) mining considering neodymium, europium, dysprosium, praseodymium, terbium, yttrium and niobium as economic elements. In addition, the updated resource estimate will highlight mineralisation of the Core Zone, the REE/niobium enrichment zone and the heavy REE enriched zone ("HRE-S Zone").

Mineralogy

During the three months ended August 31, 2013, the Company initiated an advanced research programme to develop a petro-metallogenesis model of the Montviel alkaline carbonatite complex. This program is in collaboration with the "Université du Québec à Montréal" ("UQAM") and Geotop, Research Centre in Geochemistry and Geodynamics. These studies also help to define the nature of mineralization in several enriched heavy rares earth zones. Along with the studies undertaken, a first version of the 3D geological and geochemical model has been produced and is available on the Company's website.

Preliminary Economic Assessment

G Mining Services Inc. ("G Mining") and Golder Associates Ltd. ("Golder") have been retained to complete a PEA (see January 10, 2012 and March 20, 2012 press releases).

The mine design uses an underground approach via ramp access with paste backfill minimizing the environmental impacts. An initial annual production in the range of 2,000 tonnes of neodymium oxides is targeted. Anticipated project energy would be provided by the Hydro-Québec distribution grid using an average power line.

The PEA results are expected during the Company's third fiscal quarter of 2014.

Relationships with communities

On August 6, 2013, the Company signed a Partnership Agreement with the city of Lebel-sur-Quévillon. The Partnership Agreement provides for the creation of a Montviel Development Committee that will consolidate efforts towards mutual interest such as communication, local employment and the economic diversification. (See August 6, 2013 press release for additional information.)

Environmental geochemistry

In December 2012, the Company retained "L'unité de recherche et de services en technologie minérale" ("URSTM") from "Université du Québec en Abitibi-Témiscamingue" ("UQAT") to perform kinetic tests on five (5) lithologies present at Montviel. These tests will clarify the results obtained in static tests conducted in summer 2012 by Golder as well as help predicting the geochemical behavior of the ore and waste rock.

A geological and geochemical characterisation of the Montviel alkaline complex rocks as well as static tests on the different lithologies identified will be completed based on availability of funds.

Physical Separation of REE

On October 1, 2013, the Company announced the signature of a Cooperation Agreement (the "Cooperation") with FFE Service GmbH based in Munich, Germany. The Cooperation's objective is to develop a high-throughput (metric tons/day) rare earth elements separation process based on free flow electrophoresis technology. This electric separation process has the potential to reduce the capital cost to build solvent extraction facilities.

Electrophoresis is the migration of charged species (ions, proteins, particles) in solution in the presence of an electric field. Each ion moves toward the electrode of opposite electrical polarity. For a given set of solution conditions and electric field intensity, the migration velocity depends on a characteristic number called the electrophoretic mobility. The electrophoretic mobility is directly proportional to the charge to size ratio of the ion.

In line with the development of the physical separation process, GéoMégA has filed patents in multiple jurisdictions to protect its novel separation process. Mr. Pouya Hajiani, Ph.D., supervises separation process and is instrumental to its development. In exchange for the conclusive development of the separation technology, the Company shall grant, subject to the approval of the TSX Venture Exchange, 1,000,000 common share purchase warrants ("Warrants") at an exercise price corresponding to the weighted average of the Company's share price during the five (5) trading days preceding the conclusion of the technology agreement. The Warrants become exercisable upon demonstration of high purity (>99%) separation, in a pilot plant using the separation technology, of the following lanthanides from the Montviel concentrate: neodymium (Nd), dysprosium (Dy), europium (Eu) and praseodymium (Pr).

OUTLOOK

The PEA is progressing well and is expected during the third fiscal quarter of 2014.

As stated above, the Company has partnered up with FFE Service GmbH of Germany to develop a high-throughput separation process that has the potential to reduce capital costs to build solvent extraction facilities.

GéoMegA is planning a Phase 3 diamond drilling programme to be completed by the end of December 2013. The drilling will mainly focus on the extension of the heavy rare earth zone at the southern contact of ferrocarbonatite (HRE-S Zone). The preliminary results are expected for the end of the 2013 calendar year. Following the Phase 3 programme, a detailed mineral characterization of the HRE-S Zone will follow.

EXPLORATION RESULTS

Montviel property (REE – 100% interest)

During the three month period ended August 31, 2013, the Company added $534,654 in exploration and evaluation ("E&E") expenditures capitalized in relation to the Montviel property ($652,181 in 2012). As the Company renounced to those expenses under its flow-through obligation, no tax credits was eligible for the period compared to $228,339 for the same period in 2012.

	Three Months Ended August 31,		
Montviel - Exploration	**2013 $**	2012 $	Total to date $
Assays and drilling	**390**	20,163	4,024,748
Geology	**195,288**	186,493	2,315,261
Mineralogy and metallurgy	**-**	86,066	717,734
Transport and lodging	**9,972**	82,042	726,057
Geophysics and geochemistry	**-**	31,200	172,064
Depreciation of property and equipment	**48,690**	25,429	363,282
Taxes, permits and insurances	**9,476**	-	60,592
Total Exploration	**263,816**	431,393	8,379,738

	Three Months Ended August 31,		
Montviel - Evaluation	**2013 $**	**2012 $**	Total to date $
Market study	**6,579**	25,084	112,625
Mine design	**7,602**	59,154	306,988
Hydrogeology, geochemistry, geotechnical and geomechanical	**69,956**	103,050	364,834
Environmental baseline	**23,049**	33,500	239,272
Infrastructure	**1,196**	-	87,964
Tailing pond	**14,576**	-	121,446
Metallurgy and processing	**78,726**	-	350,861
Separation process	**64,843**	-	312,686
Other	**4,311**	-	4,311
Total Evaluation	**270,838**	220,788	1,900,987
Total E&E expenditures capitalized	**534,654**	652,181	10,280,725

The E&E activities performed during the three month period ended August 31, 2013 have allowed the Company to continue gathering valuable information to include and advance the Montviel PEA, the environmental and social impact assessment study and the metallurgical optimisation of the flow sheet process.

As at August 31, 2013, the carrying value of the Montviel property is $14,844,696 and comprised of $7,054,242 for acquisition cost of the mineral property and $7,790,454 ($ 10,280,725 net of cumulative tax credits of $2,490,271) in capitalized E&E expenditures.

Anik property (Gold – 100% interest)

The Anik property is located 40 km south of the city of Chapais, Québec and consists of 140 claims. The previous geological compilations have confirmed the potential of the property for gold-bearing mineralization. Several gold-bearing anomalies and deposits (Philibert, Néligan, Lake Meston, Monster Lake) are found in the vicinity of the Anik property. During the present quarter, a short field programme was completed on 75 samples of old drill core (Falconbridge 1978). An exploration programme, including mapping, is contemplated in order to continue the investigation and evaluation of anomalous zones. The program should also be accompanied by till sampling and geological reconnaissance of the entire property.

For the three month period ended August 31, 2013, exploration and evaluation expenses related to the Anik property amounted to $16,464 ($10,445 in 2012).

Other properties

For the three month period ended August 31, 2013, exploration and evaluation expenses for the Company's other properties amounted to $14,584 ($201,495 in 2012). The expenses were incurred, mainly on graphite properties, for geological survey, analysis, prospecting and sampling.

Joint ventures opportunities

The Company holds interest in several mineral properties. The main focus is to advance Montviel and the Company is looking at different scenarios in order to advance its other projects, including finding joint venture partners.

Geological information presented herein was prepared and summarized by Alain Cayer, Geo., Msc., VP Exploration and, qualified person pursuant to National Instrument 43-101.

RESULTS OF OPERATIONS

For the three month period ended August 31, 2013, the Company incurred a loss of $201,272 (2012 - $758,236). The decrease of $556,964 is mainly related to the following factors:

- Decrease of salaries, employee benefits and share-based compensation of $201,848 (2013 - $121,256 vs 2012 - $323,104) related to the termination of employees during the quarter and the non-cash share-based compensation recorded during the period;
- Decrease of exploration and evaluation expenses of $98,707 (2013 - $31,048 vs 2012 - $129,755) related to the reduction of exploration work on the other properties in line with the Company's focus on the Montviel property;
- Decrease in travel, conference and investor relations of $48,387 (2013 - $3,679 vs 2012 - $52,066);
- Increase of income of $42,918 mainly related to the interest income of $13,698 received from Revenu Québec along with the receipt of tax credit and revenues of $29,220 for temporary rental of camp facilities at Montviel during the period.

The Company's loss for the three month period ended August 31, 2013 was reduced by a flow-through share income of $106,882 (2012 - $nil) related to the exploration and evaluation expenditures incurred during the period.

SUMMARY OF QUARTERLY RESULTS

	2014	2013				2012		
(in thousands of dollars, except for per share amounts)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	43	1	-	-	-	4	4	12
Loss and comprehensive loss	201	370	352	861	758	1,488	352	887
Loss per share – basic and diluted	0.01	0.01	0.01	0.03	0.02	0.06	0.02	0.04

The main variations in the quarterly results from the comparable period are explained as follow:

2014-Q1 Significant reduction of exploration and evaluation expenses of $98,707 and a decrease of $201,848 in salaries, employee benefits and share-based compensation;

2013-Q4 Impairment of mining properties of $267,836 offset by a flow-through share related income of $181,155 and a recovery of deferred income tax of $ 40,608;

2013-Q3 Increase in salaries, employee benefits and shared-based compensation of $212,703 and income related the reduction of the flow-through share liability of $184,705;

2013-Q2	Significant reduction in exploration and evaluation expenses of $153,840 compared to Q2-2012;
2013-Q1	Significant reduction in exploration and evaluation expenses of $465,374 compared to Q1-2012;
2012-Q4	Impairment of Pump Lake, Émilie, Sydney and Oriana properties totalling $461,616;
2012-Q3	Legal fees of $28,100 for Pre-Development agreement with the Cree First Nation of Waswanipi;
2012-Q2	Costs related to the November 2011 AGM in Montreal and the recognition of share-based compensation totalling $112,844;

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2013, the Company had cash and cash equivalents of $660,817, current tax credits receivable of $976,521, non-current tax credits receivable of $100,219 and working capital of $780,986 (May 31, 2013, $437,855, $2,459,916, $717,100, and $891,224 respectively).

As at August 31, 2013, the Company had to incur a total of $455,881 by December 31, 2013 in relation to the flow-through share financings completed in 2012. On October 23, 2013, the Company received the reimbursement of tax credits related to the fiscal year 2013 by Revenu Québec of $619,764. However, management considers the working capital insufficient to meet the Company's obligations and budgeted expenditures through May 31, 2014. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. In July 2013, the Company terminated several employees and reduced significantly other administrative expenses in order to preserve its cash and meet its flow-through obligation by December 31, 2013. Consequently, management must secure additional funding to ensure timely development and pay for general and administrative costs. Global economic uncertainty continues to contribute to volatility in the capital markets and equity financing for exploration companies continues to be extremely difficult. In addition, the newly proposed royalty and taxation framework in Québec provided further uncertainties. Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new equity or debt financing. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, or that any sources of funding or initiatives will be available on reasonable terms to the Company.

Bridge loan

On July 10, 2013, the Company received the reimbursement of tax credits related to the fiscal year 2012 by Revenu Québec of $2,095,034 and repaid $1,461,000 to SIDEX in connection with the loans made to the Company.

Warrants

On September 10, 2013, the Company received the approval of the TSX regarding the extension of the term of a total of 1,952,273 warrants expiring on September 30, 2013 by 12 months. The warrants were issued with an original term of 18 months in connection with the closing of two private placement financings completed by the Company on March 30, 2012 and April 10, 2012. All other terms of the warrants remain the same.

On July 8, 2013, 2,127,659 warrants exercisable at $2.85 expired unexercised.

Stock options

On June 28, 2013, the Company granted 225,000 stock options to a director at an exercise price of $0.15 expiring on June 28, 2018.

On July 22, 2013, the Company granted 225,000 stock options to a director at an exercise price of $0.16 expiring on July 22, 2018.

On September 19, 2013, the Company granted 225,000 stock options to a director at an exercise price of $0.17 expiring on September 19, 2018.

During the quarter ended August 31, 2013, 235,885 stock options were forfeited and 81,250 stock options were forfeited in September 2013. In October 2013, 130,155 stock options expired unexercised.

Brokers' options

On July 8, 2013, 134,750 brokers' options exercisable at $2.35 expired unexercised.

On September 30, 2013, 225,187 brokers' options exercisable at $0.55 expired unexercised.

Commitments

Office lease: The Company has entered into two lease agreements for its corporate office and an offsite location expiring respectively on September 30, 2014 and April 30, 2014. As at August 31, 2013, the total obligation under these agreements was $21,989 due in the next twelve months.

Flow-through Financing: As at August 31, 2013, the Company had a flow-through obligation of $455,881 to be incurred by December 31, 2013. As of the date of this MD&A, the flow-through obligation approximates $441,551.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The key management personnel is comprised of members of the Board of Directors, the President and CEO, the Chief Financial Officer and the Vice-President Exploration. Key management personnel remuneration is presented in the following table:

	Three Months Ended August 31,	
	2013	2012
	$	$
Short-term employee benefits		
Salaries including bonuses and benefits	**109,772**	108,125
Social security costs	**1,987**	-
Professional fees	**18,250**	5,194
Total short-term employee benefits	**130,009**	113,319
Stock-based compensation	**74,769**	200,529
Total remuneration	**204,778**	313,848

As of August 31, 2013, the trade and other payables comprise an amount of $99,162 ($nil in 2013) payable to related parties.

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data:

As of October 24, 2013, the following are outstanding:

• Common Shares	34,990,113
• Stock Options	3,071,250
• Warrants	2,139,773
• Brokers' options	268,800

CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the condensed interim financial statements and related notes to the condensed interim financial statements. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

- The going concern assumption that the Company will continue to operate. The current financial position casts significant doubt about the Company's ability to continue as a going concern.
- Recoverability of the tax credits and credits on duties that are included in the condensed interim statements of financial position;
- Estimated value of exploration and evaluation assets that is recorded in the condensed interim statements of financial position;

CHANGES IN ACCOUNTING POLICIES

The Company has adopted the following new and revised standards, along with any consequential amendments, effective June 1, 2013.

IAS 1, Presentation of Financial Statements, ("IAS 1")

The Company has adopted the amendments to IAS 1 effective June 1, 2013. These amendments required the Company to group other comprehensive income items based on whether or not they may be reclassified to net earnings or loss in the future. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

IFRS 13, Fair Value Measurement, ("IFRS 13")

IFRS 13 provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on June 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at June 1, 2013.

RISK FACTORS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled " Risk and Uncertainties" in the Company's management's discussion and analysis for the fiscal year ended May 31, 2013 available on SEDAR at www.sedar.com.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management. The financial statements were prepared by the Company's management in accordance with IFRS. The financial statements include certain amounts based on the use of estimates, judgements and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects. The condensed interim financial statements have been approved by the board of directors based on the estimates, judgements and assumptions as presented by management and the certifications by the CEO and CFO.