GEOMEGA RESOURCES INC.

(an exploration stage company)

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FEBRUARY 29, 2012

Content

The attached interim financial statements have been prepared by Geomega Resources Inc. and its external auditors have not reviewed these unaudited financial statements.

GEOMEGA RESOURCES INC.
Interim Statement of Financial Position (unaudited)

(Canadian dollars)

	Notes	**February 29 2012**	May 31 2011
ASSETS		**$**	$
Current			
Cash and cash equivalents	6	**1 152 782**	46 952
Investments	7	**-**	1 816 776
Other receivables	8	**339 412**	287 954
Tax credit and credit on duties receivable		**2 899 865**	893 516
Prepaid expenses and deposits		**149 061**	100 670
		4 541 120	3 145 868
Non-current			
Exploration and evaluation assets	9	**12 279 718**	8 782 692
Property and equipement	10	**641 596**	50 687
Other assets		-	53 915
		12 921 314	8 887 294
Total assets		**17 462 434**	12 033 162
LIABILITIES			
Current			
Trade and other payables	11	**1 470 300**	383 377
Current portion of obligations under capital leases	12	**184 386**	-
		1 654 686	383 377
Non-current			
Obligations under capital leases	12	**63 020**	-
Total liabilities		**1 717 706**	383 377
EQUITY			
Share capital	13.1	**16 734 704**	11 870 947
Contributed surplus		**1 280 243**	767 654
Deficit		**(2 270 219)**	(988 816)
Total equity		**15 744 728**	11 649 785
Total liabilities and equity		**17 462 434**	12 033 162

Going concern assumption (see note 2)

Contigency (see note 22)

These financial statements were approved and authorized for issue by the Board of Directors on April xx, 2012

(signed) Simon Britt
Simon Britt
Director

(signed) Mario Spino
Mario Spino
Director

GEOMEGA RESOURCES INC.
Interim Statement of Earnings and Comprehensive loss (unaudited)

(Canadian dollars)

	Notes	Three-month period ended February 29		Nine-month period ended February 29	
		2012	2011	**2012**	2011
		$	$	**$**	$
EXPENSES					
Salaries and employee benefits expense	15.1	**133 861**	66 364	**482 152**	487 925
Professional fees		**70 426**	16 005	**332 624**	52 071
Business development		**70 471**	16 838	**304 154**	19 857
Office expenses		**26 052**	28 488	**75 181**	48 739
Trustees and registration fees		**17 375**	20 607	**49 536**	32 294
Insurance, taxes and permits		**3 071**	2 713	**13 959**	4 841
Bad debts		**-**	-	**11 425**	-
Depreciation of property and equipment		**6 667**	3 031	**18 281**	5 533
OPERATING LOSS		**(327 923)**	(154 046)	**(1 287 312)**	(651 260)
OTHER REVENUES AND EXPENSES					
Finance income	17	**3 621**	-	**26 315**	11 028
Finance expenses		**(8 354)**	(6 941)	**(20 406)**	(597)
		(4 733)	(6 941)	**5 909**	10 431
NET LOSS AND COMPREHENSIVE LOSS		**(332 656)**	**(160 987)**	**(1 281 403)**	**(640 829)**
NET LOSS PER SHARE					
Basic and diluted loss per share	18	**(0.02)**	(0.01)	**(0.06)**	(0.06)

The accompanying notes are an integral part of the interim financial statements

GEOMEGA RESOURCES INC.
Interim Statement of Changes in Equity (unaudited)

(Canadian dollars)

	Note	Share capital	Contributed surplus	Deficit	Total equity
		$	$	$	$
Balance as at June 1, 2010		330 002	-	(130 798)	199 204
Net loss and comprehensive loss for the period		-	-	(640 829)	(640 829)
Share-based payments		-	331 500	-	331 500
Private placements		903 871	28 400	-	932 271
Initial public offering		2 407 000	357 200	-	2 764 200
Share issue expenses		(429 206)	-	-	(429 206)
Exercise of warrants		636 261	(80 795)	-	555 466
Exercise of options		76 250	-		76 250
Exercise of broker options		131 325	-		131 325
Shares issued for the acquisition of exploration and evaluation assets		491 000	-	-	491 000
Balance as at February 28, 2011		4 546 503	636 305	(771 627)	4 411 181
Balance as at June 1, 2011		11 870 947	767 654	(988 816)	11 649 785
Net loss and comprehensive loss for the period		-	-	(1 281 403)	(1 281 403)
Share-based payments	15.2	-	158 227	-	158 227
Units issued by private placement	13.1	4 999 999	518 787	-	5 518 786
Share issue expenses	13.1	(1 141 097)	-	-	(1 141 097)
Shares issued under Pre-development Agreement		225 000	-	-	225 000
Exercise of options	15.2	244 000	(104 000)	-	140 000
Exercise of warrants	13.1	535 855	(60 425)	-	475 430
Balance as at February 29, 2012		**16 734 704**	**1 280 243**	**(2 270 219)**	**15 744 728**

The accompanying notes are an integral part of the interim financial statements

GEOMEGA RESOURCES INC.
Interim Statement of Cash Flows (unaudited)

(Canadian dollars)

	Notes	nine-month period ended February 29 **2012**	2011
		$	$
OPERATING ACTIVITIES			
Net loss		**(1 281 403)**	(640 829)
Adjustments			
Share-based payments		**145 261**	364 000
Depreciation of property and equipement		**18 281**	5 533
Changes in working capital items	19	**987 074**	128 275
Cash flows from operating activities		**(130 787)**	(143 021)
INVESTING ACTIVITIES			
Investments redeemed		**5 842 592**	-
Investments		**(4 022 552)**	(2 610 778)
Additions of property and equipement		**(280 498)**	(55 599)
Additions to exploration and evaluation assets		**(5 157 177)**	(1 240 021)
Cash flows from investing activities		**(3 617 635)**	(3 906 398)
FINANCING ACTIVITIES			
Issuance of units		**4 999 999**	4 085 820
Required additional consideration-mining properties		**-**	36 000
Issuance cost of shares		**(568 396)**	(362 806)
Exercice of warrants		**475 430**	498 894
Exercice of options		**140 000**	43 750
Exercise of broker options		**-**	90 125
Payments on obligations under capital leases		**(192 781)**	-
Cash flows from financing activities		**4 854 252**	4 391 783
Net increase in cash and cash equivalents		**1 105 830**	342 364
Cash and cash equivalents, beginning of period		**46 952**	89 854
Cash and cash equivalents, end of period		**1 152 782**	432 218
Cash transactions:			
Interest received (investing activities)		**42 936**	250
Interest paid (financing activities)		**19 344**	-

The accompanying notes are an integral part of the interim financial statements

1. NATURE OF OPERATIONS

Geomega Resources Inc. (the "Company"), is an exploration company with activities in Canada.

2. GOING CONCERN ASSUMPTION

The financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not generated income nor cash flows from its operations. As at February 29, 2012, the Company has a negative cumulated retained deficit of $2,270,219 ($988,816 as at May 31, 2011). These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

In July 2011, the Company has completed a private placement for gross proceeds of $5M (see Note 13.1). In April 2012, the Company completed a private placement for gross proceeds of $3.5M (see Note 23.2).

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption were not appropriate.

3. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

The 2012 interim financial statements of the Company were prepared in accordance with IFRS (CICA Handbook, Part I). As these financial statements represent the Company's initial presentation of its results and financial position under IFRS, they were prepared in accordance with IAS 34, Interim Financial Reporting and by IFRS 1, First-time Adoption of IFRS.

The Company is incorporated under the Canada Business Corporations Act. The address of the Company's registered office and its principal place of business is 475, Victoria ave, Saint-Lambert, Quebec, Canada. The Company's shares are listed on the TSX Venture Exchange.

4. SUMMARY OF ACCOUNTING POLICIES

4.1 Overall considerations and first-time adoption of IFRS

The financial statements have been prepared using accounting policies specified by those IFRS that will be in effect at the end of the year-end May 31, 2012.

We can find the significant accounting policies used in preparing these financial statements from the interim financial statements dated August 31, 2011.

These accounting policies have been used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to IFRS. The exemptions applied by the Company and the effects of transition to IFRS are presented in Note 21.

4.2 Basis of evaluation

These interim financial statements are prepared using the historical cost method.

4. SUMMARY OF ACCOUNTING POLICIES (continued)

4.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

The IASB (International Accounting Standards Board) aims to replace IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety. The replacement standard (IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning on or after January 1, 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Management has yet to assess the impact that this amendment is likely to have on the financial statements of the Company. However, they do not expect to implement the amendments until all chapters of IFRS 9 have been published and they can comprehensively assess the impact of all changes.

IFRS 13 Fair Value Measurement: this new standard is meant to clarify the definition of fair value, provide guidance on measuring fair value and improve disclosure requirements related to fair value measurement. Management has yet to assess the impact that this amendment is likely to have on the financial statements of the Company.

5. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Technical feasibility and commercial viability of the exploration and evaluation assets

Decisions regarding the technical feasibility and commercial viability of the exploration and evaluation assets involve a number of assumptions, such as estimated reserves, resource price forecasts, expected production volumes and discount rates, which could all change significantly in the future.

Impairment of property and equipment and exploration and evaluation assets

Determining whether any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of exploration and evaluation assets requires management’s judgment regarding, among others, the following issues: the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of a commercially viable deposit.

(Canadian dollars)

5. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (continued)

Impairment of property and equipment and exploration and evaluation assets (continued)

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires considerable judgment by management. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

No impairment losses have been recognized for the reporting periods.

Deferred taxes

The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Further information regarding going concern is outlined in Note 2.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own share price, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The valuation model used by the Company is the Black-Scholes model.

Provisions and contingent liabilities

Judgements are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are source of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	February 29 2012	May 31, 2011
	$	$
Cash at bank and in hand	**1 152 782**	46 952

7. INVESTMENTS

	February 29 2012	May 31, 2011
	$	$
Guaranteed investment certificates	-	1 816 776

As of February 29, 2012, short term investments were liquidated.

(Canadian dollars)

8. OTHER RECEIVABLES

	February 29 2012	May 31, 2011
	$	$
Goods and services tax receivable	**339 296**	147 242
Advance to a former employee without interest, due on demand	**-**	11 425
Advance to suppliers, without interest, due on demand	**116**	129 287
	339 412	287 954

9. EXPLORATION AND EVALUATION ASSETS

MINING RIGHTS

	May 31, 2010	Additions	February 28, 2011
QUEBEC	**$**	$	$
Montviel (i)	51 872	201 784	253 656
Pump Lake (ii)	54 681	203 484	258 165
Sydney (iii)	10 400	1 255	11 655
Émilie (iv)	-	2 918	2 918
Oriana (v)	-	89 192	89 192
Others (vi)	-	53 196	53 196
	116 953	551 829	668 782

	May 31, 2011	**Additions**	**February 29, 2012**
QUEBEC	**$**	**$**	**$**
Montviel (i)	6 812 129	**227 114**	**7 039 243**
Pump Lake (ii)	263 000	**15 119**	**278 119**
Sydney (iii)	11 655	**2 862**	**14 517**
Émilie (iv)	166 018	**1 010**	**167 028**
Oriana (v)	89 192	**2 700**	**91 892**
Others (vi)	54 966	**15 529**	**70 495**
	7 396 960	**264 334**	**7 661 294**

EXPLORATION AND EVALUATION

	May 31, 2010	Additions	Tax credits and credit on duties	February 28 2011
QUEBEC	$	$	$	$
Montviel (i)	-	1 120 485	(444 658)	675 827
Pump Lake (ii)	-	15 897	(6 309)	9 588
Sydney (iii)	-	6 810	(2 702)	4 108
	-	1 143 192	(453 669)	689 523

	May 31, 2011	**Additions**	**Tax credits and credit on duties**	**February 29 2012**
QUEBEC	$	**$**	**$**	**$**
Montviel (i)	1 247 737	**4 632 926**	**(1 774 230)**	**4 106 433**
Pump Lake (ii)	75 697	**239 467**	**(91 707)**	**223 457**
Sydney (iii)	4 140	**78 872**	**(30 205)**	**52 807**
Others (vi)	58 158	**287 776**	**(110 207)**	**235 727**
	1 385 732	**5 239 041**	**(2 006 349)**	**4 618 424**
TOTAL	8 782 692	**5 503 375**	**(2 006 349)**	**12 279 718**

9. EXPLORATION AND EVALUATION ASSETS (continued)

Montviel and Pump Lake properties

On September 30, 2010, the Company signed an agreement with NioGold Mining Corporation ("NioGold") which gives the Company an option to earn up to seventy five percent (75%) interest in the Montviel and Pump Lake properties (the "Properties") by (i) making a cash payment of $100,000 (paid), (ii) by issuing 1,500,000 shares (1,100,000 issued at the IPO - value of $385,000) of the Company over a three-year period and (iii) incurring at least $3,350,000 in exploration expenditures over four years.

On May 2, 2011, the above agreement was amended as follows: the Company immediately acquired a 100% interest in the Montviel property by (i) issuing to NioGold 1,525,000 common shares, which include the balance of shares owed under the original agreement, and (ii) cancelling the 50% buy-back option of the 2% royalty on the future production of the Montviel property. In addition, the Company will, upon securing 70% of the capital requirements for commercial production for the Montviel property, pay to NioGold $4,500,000 in cash or common shares, at the option of NioGold, which amount shall be treated as a non-refundable advance royalty payment.

As for the Pump Lake Property, the Company can acquire a 75% interest in the property by incurring an aggregate of $400,000 in exploration expenditures on or before September 30, 2014. Upon completion of these expenditures, the Company will have the option to either abandon the property or form a joint venture with NioGold. Upon formation of the joint venture, the Company will have the option to acquire the remaining 25% of the Pump Lake Property by paying to NioGold $7,500,000 in cash or common shares and granting a 1% net output return royalty on the future production of the property, of which the Company may buy back one-half for $500,000.

i) Montviel property (100%)

Geographically, the property is located in the Montviel township, approximately 215 km north of Val-d'Or. The property is easily accessible via a network of logging roads, after a 60 km drive from highway 113, which connects Val d’Or and Chibougamau. The Montviel property comprises a total of 216 mining claims for 11,998 ha and is subject to a 2% royalty.

ii) Pump Lake property (0%, option to earn 75%)

Geographically, the property is located approximately 110km north of Mont-Laurier. The property is easily accessible by road from Ste-Anne-du-Lac. The Pump Lake property comprises a total 414 mining claims for 23,869 ha. In addition to the aforementioned Net Output Return royalty to Niogold, the property is subject to a 2% Net Smelter Return royalty, of which one percent (1%) can be bought back for $1,000,000.

iii) Sydney property (100%)

Geographically, the property is located approximately 100 km North of St-Michel des Saints. The property is easily accessible via gravel roads. The Sydney property comprises a total 200 mining claims for 11,594 ha.

iv) Émilie property (100%)

Geographically, the property is located approximately 30 km east of the town of Lebel-sur-Quevillon in the Abitibi region. The Émilie property comprises a total 61 mining claims for 3,127 ha.

Extension option

On March 11, 2011, the Company optioned 16 mining claims adjacent to the 61 mining claims it already possessed for a total of $163,100 payable as follows: $7,500 in cash and 40,000 common shares of the Company. The Company shall also issue 40,000 common shares on March 29, 2012 to complete the acquisition. These 16 claims are subject to a 2% Net Output Return royalty, whereby 1% is repurchasable for $1,000,000.

v) Oriana property (100%)

Geographically, the property is located approximately 20 km west of the town of Chapais in the Abitibi area. The Oriana property comprises a total of 270 mining claims for 15,014 ha.

vi) Others (100%)

These properties were acquired by map designation for their potential in minor metals, accessibility and proximity to infastructure.

(Canadian dollars)

10. PROPERTY AND EQUIPEMENT

	Leasehold Improvements	Office equipement	Exploration and evaluation equipement (note) Automobile	Field equipement	Base camp	Total
	$	$	$	$	$	$
Gross carrying amount						
Balance, June 1, 2011	2 350	19 296	35 130	4 175	-	60 951
Additions	-	15 922	7 300	76 315	620 905	720 442
Balance, February 29, 2012	2 350	35 218	42 430	80 490	620 905	781 393
Accumulated depreciation						
Balance, June 1, 2011	522	4 165	5 578	-	-	10 265
Depreciation	588	7 693	9 999	14 386	96 866	129 532
Balance, February 29, 2012	1 110	11 858	15 577	14 386	96 866	139 797
Carrying amount as at February 29, 2012	**1 240**	**23 360**	**26 853**	**66 104**	**524 039**	**641 596**

Note: Included in Property and Equipment there are Warehouse and land having book value of $155,255 as at February 29, 2012 and Exploration and evaluation equipement under finance lease having book value of $350,155 as at February 29, 2012.

Depreciation expense is included in the account *Depreciation of property and equipment* and depreciation charges related to specific exploration projects are capitalized as *Exploration and evaluation assets.* An amount of $18,281 was registered as an expense while an amount of $111,251 was capitalized as Exploration and evaluation assets during the period.

11. TRADE AND OTHER PAYABLES

	February 29 2012	May 31, 2011
	$	$
Trade accounts	**1 359 340**	190 062
Payroll deduction at source	**103 260**	26 893
Accrued	**7 700**	166 422
	1 470 300	383 377

12. OBLIGATIONS UNDER CAPITAL LEASES

	February 29 2012	May 31, 2011
	$	$
Obligations under capital leases (Base camp), 8%, reimbursable in monthly instalments, maturing in May 2013	**107 063**	-
Obligation under capital lease, 11% (Base camp), reimbursable in monthly instalments, maturing in July 2013	**140 343**	-
	247 406	-
Current portion of obligations under capital leases	**184 386**	-
Non-current portion	**63 020**	-

The instalments on the obligation under capital leases for the next 3 years are as follows:

	$
2012	49 970
2013	199 879
2014	17 423
	267 272
Interest included in minumum lease payments	(19 866)
	247 406

(Canadian dollars)

13. EQUITY

13.1 Share capital

Authorized
Unlimited number of common shares without par value, voting, participating, dividend as declared by the Board of Directors.

	Number of shares		
	Nine-month period ended		Year ended
	Feb. 29, 2012	Feb. 28, 2011	May 31, 2011
Shares issued at the	**19 561 690**	4 200 001	4 200 001
Private placement (a)	**2 127 659**	1 466 110	1 466 110
Initial public offering	-	8 300 000	8 300 000
Acquisition of mining rights	-	1 300 000	3 065 000
Pre-development Agreement (b)	**150 000**	-	-
Exercise of options	**400 000**	125 000	475 000
Exercise of brokers'	-	257 500	415 000
Exercise of warrants	**512 263**	1 009 936	1 640 579
Total shares issued at	**22 751 612**	16 658 547	19 561 690

(a) On July 8, 2011, the Company issued through brokers 2,127,659 units at a price of $2.35 per unit for total gross proceeds of $4,999,999. Each unit consists of one common share and one warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of $2.85 until July 8, 2013. A sum of $4,999,999 was allocated to capital stock while no value was allocated to the warrants. The Company paid the brokers a remuneration of $328,781 and issued 134,750 options to brokers allowing them to acquire 134,750 units until July 8, 2013.

(b) On October 20, 2011, the Company signed a Pre-development agreement for its Montviel Rare Earths Project with the Grand Council of the Crees and The Cree First Nation of Waswanipi. Pursuant the agreement, the Company issued 150,000 common shares of the Company (issue costs of 1 671$).

13.2 Warrants

Outstanding warrants as at February 29, 2012 entitle their holders to subscribe to an equivalent number of common shares, as follows:

	Number of warrants	Weighted average exercice price
Balance, beginning of reported period	3 619 975	$0.95
Issued	2 127 659	$2.85
Exercised	(512 263)	$0.62
Balance, end of reporting period	5 235 371	$1.75

Expiration date	Number	Exercice price
		$
March 2012	2 109 108	0.55
April 2012	287 500	0.55
July 2012	455 549	1.35
August 2012	55 555	1.35
September 2012	200 000	5.50
July 2013	2 127 659	2.85
	5 235 371	

(Canadian dollars)

13. EQUITY (continued)

13.3 Broker options

The number of outstanding Broker options as at February 29, 2012 which could be exercised for an equivalent number of units is as follows:

	Number of Broker options	Weighted average exercice price
Balance, beginning of reported period	-	-
Issued	134 750	$2.35
Balance, end of reporting period	134 750	$2.35

In connection with the private placement in July 2011, the Company issued 134,750 Broker options to brokers allowing them to acquire 134,750 units until July 8, 2013. Each unit consists of one common share and one warrant. Each warrant entitles the brokers to acquire one common share of the Company at a price of $ 2.85 until July 8, 2013.

During the first quarter, the Company recorded $518,787 as issuance cost of shareholders' equity instruments when the options were issued to the brokers related to the private placement in July 2011. When granted, the fair value of the warrants, based on the fair value measured, indirectly, by reference to the fair value of the equity instruments granted (the fair value of services received cannot be estimated reliably), is recorded as an increase of the contributed surplus and decrease of share capital.

The average fair value of the broker options granted of $3.85 each option for a total of $518,787 was estimated using the Binomial option pricing model and based on the following weighted average assumptions:

Average share price at date of grant	$3.29
Dividend yield	0%
Expected volatility	100%
Risk-free rate	1,66%
Expected average life	2 years
Average exercise price at date of grant	$2.85

14. LEASES

The Company's future minimum operating lease payments are as follows:

	Minimum lease payments due			
	Within 1 year	1 to 5 years	After 5 years	Total
	$	$	$	$
February 29, 2012	27 001	16 023	-	43 024
May 31, 2011	26 409	36 357	-	62 766

The Company leases its offices under a lease expiring in September 2013.

Lease payments recognized as an expense during the reporting period amount to $19,774 ($15,968 in 2011). This amount consists of minimum lease payments. No sublease payments or contingent rent payments were made or received. The Company's operating lease agreements do not contain any contingent rent clauses, renewal options or escalation clauses or any restrictions, such as those concerning dividends, additional debt, and further leasing. No sublease income is expected as all assets held under lease agreements are used exclusively by the Company.

(Canadian dollars)

15. EMPLOYEE REMUNERATION

15.1 Salaries and employee benefits expense

	Three-month period ended February 29,		Nine-month period ended February 29,	
	2012	2011	**2012**	2011
	$	$	**$**	$
Wages, salaries	**380 645**	46 116	**961 936**	88 866
Professional fee paid to an officer	**31 425**	26 748	**99 750**	38 231
Social security costs	**21 429**	2 397	**53 535**	3 923
Share-based payments	**-**	-	**158 227**	364 000
Defined contribution State plans	**16 658**	1 961	**43 273**	3 762
	450 157	77 222	**1 316 721**	498 782
Less: Salaries capitalized in Exploration and evaluation assets	**(316 296)**	(10 857)	**(821 603)**	(10 857)
Less: Share-based payments capitalized in Exploration and evaluation assets	**-**	-	**(12 966)**	-
Salaries and employee benefits expense	**133 861**	66 365	**482 152**	487 925

15.2 Share-based payments

The Company has established a stock option plan (“the plan“) whereby the Board of Directors may from time to time grant options to purchase common shares to employees, officers, directors and consultants, for such terms and at such exercise prices as may be determined by the Board in accordance with the terms of the plan.

The plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance under the stock option plan is limited to a maximum of 10% of the common shares outstanding and the maximum number of common shares which may be reserved for issuance to any one optionee may not exceed 5% of the common shares outstanding at the date of grant. Theses options may be exercised for a period of 5 years after the grant date and vest gradually over a period of 24 months from the day of grant, at a rate of 1/4 per six-month period.

The option’s exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the time of grant.

On June 22, 2011, the Company granted to an officer a total of 220,000 stock options that may be exercised over a period of five years, at an exercise price of $2.70.

On August 29, 2011, the Company granted to an employee a total of 150,000 stock options that may be exercised over a period of five years, at an exercise price of $2.05.

On September 30, 2011, the Company granted to directors, officers and employees a total of 878,540 stock options that may be exercised over a period of five years, at an exercise price of $1.50.

(Canadian dollars)

15. EMPLOYEE REMUNERATION (continued)

15.2 Share-based payments (continued)

On October 10, 2011, the Company granted to a director a total of 225,000 stock options that may be exercised over a period of five years, at an exercise price of $1.54.

Since the beginning of the year, 400,000 options were exercised at a price of $0.35 each for a total of $140,000.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options. The Company's share options are as follows for the period ended February 29, 2012:

	Options	**Weighted average exercise price**
		$
Outstanding as at May 31, 2011	1 145 000	0.67
Exercised	(400 000)	0.35
Granted	1 473 540	2.45
Outstanding as at February 29, 2012	2 218 540	1.44

The table below summarizes the information related to share options as at February 29, 2012:

Range of exercise price	Outstanding options			Exercisable options	
$	Number of options	Weighted average exercise price	Remaining life (years)	Number of options	Weighted average exercise price
		$			$
0.10 to 1.00	665 000	0.47	3.64	595 000	0,42
1.01 to 2.00	1 103 540	1.51	4.59	-	-
2.01 to 3.00	370 000	2.45	4.39	55 000	2,70
3.01 to 4.00	80 000	3.90	4.05	20 000	3,91
	2 218 540	1.44		670 000	0,71

The fair value of these options of $1.29 during the first nine months period($0.41 per option issued in 2011) was estimated using the Black-Scholes stock option pricing model with the following weighted average assumptions:

	Year ended May 31	
	2012	2011
Average share price at date of grant	**$1.74**	$0.57
Dividend yield	**0%**	0%
Expected volatility	**118%**	100%
Risk-free rate	**1,25%**	1.70%
Expected average life	**3.75 years**	4.83 years
Average exercise price at date of grant	**$1.74**	$0.57

The underlying expected volatility was determined by reference to historical data of Company's shares over a period of time since its listing on the TSX Venture Exchange. However, for the first year, the Company decided to use a volatility of 100% based on the historic volatility for similar companies. No special features inherent to the options granted were incorporated into measurement of fair value.

In total, $158,227 of employee remuneration expenses (all of which related to equity-settled share-based payment transactions) were included in profit or loss for the nine-month period ended February 29, 2012 ($364,000 for the nine-month period ended February 28, 2011) and credited to *Contributed surplus*. For the three-month periods ended February 29, 2012 and February 28, 2011, no amount was recorded as a share-based payment.

(Canadian dollars)

16. FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and liabilities

The carrying amounts and fair values of financial instruments presented in the consolidated statement of financial position are as follows:

	February 29, 2012		May 31, 2011	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	$	**$**	$	$
Financial assets				
Loans and receivables				
Cash and cash equivalents	**994 657**	**994 657**	46 952	46 952
Guaranteed investment certificates	**-**	**-**	1 816 776	1 816 776
Advance to a former employee	**-**	**-**	11 425	11 425
Advance to suppliers	**116**	**116**	129 287	129 287
Financial liabilities				
Financial liabilities measured at amortized cost				
Trade and other payables	1 470 301	1 470 301	383 377	383 377
Obligations under capital leases	247 406	247 406	-	-

The carrying value of cash and cash equivalents, guaranteed investment certificates, trade accounts, account payable to a mining company and other liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments.

Financial instruments measured at fair value

The following presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

– Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

– Level 3: inputs for the assets or liabilities that are not based on observable market data.

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

There have been no significant transfers between Levels 1 and 2 in the reporting periods.

The method and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

17. FINANCE INCOME

	Three-month period ended February 29,		Nine-month period ended February 29,	
	2012	2011	**2012**	2011
	$	$	**$**	$
Interest income from guaranteed investment certificates	**3 621**	6 603	**26 315**	11 028

(Canadian dollars)

18. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, potential common shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 13.2, 13.3 and 15.2.

	Three-month period ended February 29,		Nine-month period ended February 29,	
	2012	2011	**2012**	2011
Net loss	**$(332,656)**	$(160,987)	**$(1,281,403)**	$(640,828)
Weighted average number of shares in circulation	**22 608 952**	15 196 689	**21 867 133**	10 024 833
Basic and diluted loss per share	**$(0,02)**	$(0,01)	**$(0,06)**	$(0,06)

19. ADDITIONAL INFORMATIONS – CASH FLOWS

The changes in working capital items are detailed as follows:

	Nine-month period ended February 29,	
	2012	2011
	$	$
Other receivable	(51 458)	(159 012)
Prepaid expenses and deposit	(48 391)	(45 024)
Trade and other payables	1 086 924	332 311
	987 075	128 275

20. RELATED PARTY TRANSACTIONS

20.1 Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors, as well as the president, the CFO, the secretary and the vice-president, exploration. Key management personnel remuneration includes the following expenses:

	Three-month period ended February 29,		Nine-month period ended February 29,	
	2012	2011	**2012**	2011
	$	$	**$**	$
Short-term employee benefits				
Salaries including bonuses and benefits	**77 500**	30 000	**228 464**	68 500
Professional fees	**39 125**	26 747	**99 750**	38 231
Social security costs	**6 495**	3 082	**15 013**	6 310
Total short-term employee benefits	**123 120**	59 829	**343 227**	113 041
Share-based payments	**0**	0	**158 227**	-
Total remuneration	**123 120**	59 829	**501 454**	113 041

A significant part of the remuneration of the Vice-President, Exploration has been allocated to *Exploration and evaluation assets.*

(Canadian dollars)

21. FIRST-TIME ADOPTION OF IFRS

These are the Company's first interim financial statements prepared in accordance with IFRS with the interim financial statements dated August 31, 2011. The date of transition to IFRS is June 1, 2010.

The Company's IFRS accounting policies presented in Note 4 of our interim financial statements dated August 31, 2011, have been applied in preparing the financial statements for the reporting period ended February 29, 2012 with the comparative information.

The Company has applied IFRS 1 in preparing these first IFRS financial statements. The effects of the transition to IFRS on equity, total comprehensive loss and reported cash flows already established are presented in this section and are further explained in the notes that accompany the tables.

21.1 First-time adoption – exemptions applied

Upon transition, IFRS 1 dictate certain mandatory exceptions and certain optional exemptions from full retrospective application. The exceptions and exemptions adopted by the Company are set out below:

Mandatory exceptions

The estimates established by the Company in accordance with IFRS at the date of transition to IFRS are consistent with estimates made for the same date in accordance with Canadian GAAP, after adjustments to reflect any difference in accounting principles, if applicable.

Financial assets liabilities that were derecognised before June 1, 2010 as per the previous GAAP, have not been accounted for under IFRS. The Company has applied the IFRS amendment in advance at the date of application of the exception, June 1, 2010.

Optional exemption

The Company has chosen not to apply IFRS 2, Share-based Payment, retrospectively to options granted on or before November 7, 2002 or granted after November 7, 2002 and vested before the date of transition to IFRS.

21.2 Reconciliation of equity

Since the company began its exploration operations after the transition date and that its corporate structure was established after the transition date, no differences were found in the reconciliation between the accounting standards in force before the changeover and the new standards.

	June 1, 2010	May 31, 2011
	$	$
Equity under pre-change accounting standards	199 204	11 649 785
Variation in equity reported in accordance with pre-change accounting standards, as a result of the differences between pre-change accounting standards and IFRS	-	-
Equity under IFRS	199 204	11 649 785

21.3 Reconciliation of comprehensive loss

Since the company began its exploration operations after the transition date and that its corporate structure was established after the transition date, no differences were found in the reconciliation between the accounting standards in force before the changeover and the new standards.

	May 31, 2011 12 months	Feb. 28, 2011 9 months	Feb. 28, 2011 3 months
	$	$	$
Comprehensive loss under pre-change accounting standards	(858 018)	(640 828)	(147 781)
Variation in Comprehensive loss reported in accordance with pre-changes accounting standards, as a result of the following differences between pre-change accounting standards and IFRS	-	-	-
Comprehensive loss under IFRS	(858 018)	(640 828)	(147 781)

21.4 Presentation differences

Certain presentation differences between pre-change accounting standards and IFRS have no impact on reported loss or total equity. As can be seen in the following tables, some line items are described differently (renamed) under IFRS compared to pre-change accounting standards, although the assets and liabilities included in these line items are unaffected.

(Canadian dollars)

21.4 Presentation differences (continued)

The following table shows the total effect of the transition on the statement of financial position as at May 31, 2011:

PRE-CHANGE ACCOUNTING STANDARDS DESCRIPTION	Notes	May 31, 2011 Previous GAAP	Effect of transition to IFRS	IFRS	IFRS DESCRIPTION
		$	$	$	
ASSETS					ASSETS
Current assets					Current
Cash		46 952		46 952	Cash and cash equivalenrs
Investments		1 816 776		1 816 776	Investments
Amounts receivable	a	1 181 470	(893 516)	287 954	Others receivable
	a		893 516	893 516	Tax credit and credit on duties receivable
Prepaid expenses		100 670		100 670	Prepaid expenses and deposit
		3 145 868		3 145 868	
					Non-current
Property and equipement		50 687		50 687	Property and equipement
Mineral Properties and Deferred exploration expenses		8 782 692		8 782 692	Exploration and evaluation assets
Other assets		53 915		53 915	Other assets
		12 033 162		12 033 162	
LIABILITIES					LIABILITIES
Current liabilities					Current
Account payables and accrued liabilities		383 377		383 377	Trade and other payables
SHAREHOLDERS' EQUITY					EQUITY
Capital stock		11 870 947		11 870 947	Share capital
Contributed surplus		767 654		767 654	Contributed surplus
Deficit		(988 816)		(988 816)	Deficit
		11 649 785		11 649 785	Total equity
		12 033 162		12 033 162	Total liabilities and equity

(Canadian dollars)

21.4 Presentation differences (continued)

The following table shows the total effect of the transition on the statement of earnings and comprehensive loss for the three-month period ended February 28, 2011:

PRE-CHANGE ACCOUNTING STANDARDS DESCRIPTION	Notes	Three-month period ended February 28, 2011			IFRS DESCRIPTION
		Previous GAAP	Effect of transition to IFRS	IFRS	
		$	$	$	
ADMINISTRATIVE EXPENSES					EXPENSES
Professional fees	a	42 753	(26 747)	16 006	Professional fees
Salaries and fringe benefits	a	39 617	26 747	66 364	Salaries and employee benefits expense
Public relations and promotion	a	17 318		17 318	Travel and Business development
Office expenses		16 838		16 838	Offices expenses
Trustees and registration fees	a	16 835	2 713	19 548	Trustees and registration fees
Rental expenses		11 653		11 653	Rent
Insurance, taxes and permits		3 288		3 288	Insurance, taxes and permits
Shareholders information	a	2 713	(2 713)	-	
Bank fees and interest		338		338	Bank charges
Amortization of property and equipment		3 031		3 031	Depreciation of property and equipment
		154 384		154 384	OPERATING LOSS
OTHER REVENUES AND EXPENSES					OTHER REVENUES AND EXPENSES
Interest		6 603		6 603	Finance income
Net loss and comprehensive loss		(147 781)		(147 781)	NET LOSS AND COMPREHENSIVE LOSS
Net loss per share - basic and diluted		(0.01)		(0.01)	BASIC AND DILUTED LOSS PER SHARE

(Canadian dollars)

21.4 Presentation differences (continued)

The following table shows the total effect of the transition on the statement of earnings and comprehensive loss for the nine-month period end February 28, 2011:

PRE-CHANGE ACCOUNTING STANDARDS DESCRIPTION	Notes	Nine-month period ended February 28, 2011			IFRS DESCRIPTION
		Previous GAAP	Effect of transition to IFRS	IFRS	
		$	$	$	
ADMINISTRATIVE EXPENSES					EXPENSES
Stock-based compensation	a	364 000	(364 000)		
Professional fees	a	90 303	(38 231)	52 072	Professional fees
Salaries and fringe benefits	a	85 694	402 231	487 925	Salaries and employee benefits expense
Public relations and promotion	a	19 857		19 857	Travel and Business development
Office expenses		32 771		32 771	Offices expenses
Trustees and registration fees	a	27 766	4 528	32 294	Trustees and registration fees
Rental expenses		15 968		15 968	Rent
Insurance, taxes and permits		4 839		4 839	Insurance, taxes and permits
Shareholders information	a	4 528	(4 528)	-	
Bank fees and interest		597		597	Bank charges
Amortization of property and equipment		5 533		5 533	Depreciation of property and equipment
		651 856		651 856	OPERATING LOSS
OTHER REVENUES AND EXPENSES					OTHER REVENUES AND EXPENSES
Interest		11 028		11 028	Finance income
Net loss and comprehensive loss		(640 828)		(640 828)	NET LOSS AND COMPREHENSIVE LOSS
Net loss per share - basic and diluted		(0.06)		(0.06)	BASIC AND DILUTED LOSS PER SHARE

(Canadian dollars)

21. FIRST-TIME ADOPTION OF IFRS (continued)

21.5 Notes to reconciliation

(a) Presentation

Statement of Financial Position

The account *Tax credit and credit on duties receivable* is shown separately.

Statements of earnings and comprehensive loss

Salaries and employee benefits expense for IFRS was adjusted as follows:

	February 28, 2011	
	3 months	9 months
	$	$
Balance before the transition date	39 617	85 694
Grouping		
Share-based payments	-	364 000
Professional fee paid to officers	26 747	38 231
Balance as per IFRS	66 364	487 925

The accounts *Trustees and registration fees* and *Shareholders information* are have been grouped for presentation under *Trustees and registration fees*

The accounts *Public relations and promotion* and *Travel* are have been grouped for presentation under *Business Development*

21.6 Impairment losses recognized at the date of transition

The Company applied IAS 36, *Impairment of assets*, in determining whether any impairment losses arose at the date of transition to IFRS. No impairment losses (or reversals) were identified.

21.7 Financial instruments classification

At the date of the transition, *Cash and cash equivalents* has been reclassified from *financial assets held for trading* in the category *loans and receivables*.

22. CONTINGENCY

A contractor filed a mortgage on all of the Montviel project mining titles, claiming $177,296 for alleged services rendered during the summer 2011. The Corporation has paid in full for all contracted services and believes that the claim is wholly without merit, and intends to defend the action vigorously. Accordingly, no provision related to this matter has been recorded.

23. SUBSEQUENT EVENTS

On March 16, 2012, the Company was granted a $1,500,000 loan by SIDEX, Limited Partnership (“SIDEX”). The loan bears interest at an annual rate of 8%. and must be repaid on the earlier of December 31, 2012 or upon the receipt of Revenu Québec tax credits receivable. In connection with the loan, GéoMégA issued 400,000 non-transferable common share purchase warrants entitling SIDEX to subscribe 400,000 common shares of GéoMégA (each a “Common Share”) at a price of $1.25 per share for a period of 12 months.

On April 10th, 2012, the Company closed a brokered private placement consisting of 3,904,545 units at a subscription price of $0.55 per Unit and 1,803,333 flow-through shares at a subscription price of $0.75 per Flow-Through Share for aggregate gross proceeds of $3,500,000. Each Unit shall consist of one common share and one-half of a share purchase warrant. Each whole Warrant shall entitle its holder to acquire one additional common share at a price of $1.00 per share till September 30, 2013. The Company has paid the Agents a cash commission of $206,403 and has issued 225,187 non-transferable agents’ options at a price of $0.55 exercisable till September 30, 2013 to acquire such number of common shares.