



## Geomega secures project debt financing of \$1.72M from the Quebec Government

- **Funds to be used for the rare earth magnet recycling demonstration plant in St-Bruno-de-Montarville, Quebec**

**Montreal, February 7, 2020** – Geomega Resources Inc. (“**Geomega**” or the “**Corporation**”) (TSX.V: GMA) and its wholly owned subsidiary Innord Inc. (“**Innord**”) are very pleased to announce that it has secured the required project debt financing to build the rare earth magnet recycling demonstration plant in St-Bruno-de-Montarville, Quebec. Project financing will be provided by Investissement Quebec (“**IQ**”), who will be acting as agent of the Quebec Government, through the ESSOR program of the Ministry of Economy and Innovation of Quebec (Ministère de l'Économie et de l'Innovation du Québec - “**MEI**”). The debt financing is for a total of \$1,720,000, based on a project evaluated at \$3.2M including capital costs and working capital, is repayable over 72 months starting from 24 months following the first withdrawal of the funds. The proposed use of funds will be towards the purchase of equipment, engineering and construction of the demonstration plant. This non dilutive debt financing for the Corporation has no warrants or finder’s fees attached. This debt financing will supplement the funds raised pursuant to the equity financing completed by the Corporation in 2019 (see press releases of July 3 and July 10, 2019) and other non-reimbursable grants that the Corporation has applied for and, in certain cases, obtained (see Q2 MD&A report of the Corporation for more details).

"Geomega’s project is part of Quebec’s vision for green economy, i.e. to pursue our environmental objectives while stimulating economic growth. Rare earths are used in new technologies, such as smartphones and electric motors, and the demand for these metals is constantly increasing. Furthermore, rare earths production within the principles of circular economy is a major asset for Quebec and will help to further strengthen our position as a leader in the electrification of transportation”, commented Pierre Fitzgibbon, Minister of the Economy and Innovation and the Minister responsible for the Lanaudière region.

“It is with great pride that a company from the riding of Montarville is carrying out such a forward-thinking and promising circular economy driven project. Geomega is poised to become the North American benchmark in rare earth recycling, an avenue to put forth through these times of increasing technological growth and environmental awareness. This dynamic company has chosen to develop itself in an area of expertise which will contribute to the economic growth of Quebec, an area of expertise for which we have all the necessary know-how to succeed, comments Nathalie Roy, Member of the National Assembly of Quebec for the riding of Montarville and Minister of Culture and Communications.

“We are very grateful for the support we received from the Government of Québec. With this debt financing from IQ and MEI we have effectively completed our main project financing initiatives. The Government of Quebec has a very clear objective of establishing Quebec as a leader in critical materials and to be ready for the global electrification of tomorrow. Quebec is in a very enviable situation with its clean and low-cost energy, a key advantage in establishing rare earths processing and recycling in the province. This fits hand in hand with Geomega’s long-term goal of establishing a clean and sustainable rare earths refining industry in Quebec. This significant construction financing of our rare earths magnets recycling facility is a critical first step in demonstrating that our ISR technology is scalable to a larger and potentially commercial scale. The cash flow generated from the commissioning of the plant and the validation of our technology will allow us to move towards processing other rare earth feed supplies, including mining concentrates from Montviel and other mining projects. The aggressive scaling up of new technologies to mining scale over the last 10 years has clearly demonstrated that this does not work. Geomega’s gradual scale up through industrial residues, i.e. permanent magnets, will fill in the gap in the rare earths circular economy by establishing the first recycling facility of its kind outside of Asia, while establishing Canada as one of the few rare earths producing countries.” commented Kiril Mugerma, President & CEO of Geomega.

The Corporation will continue to update shareholders as the construction of the demonstration plant progresses.

The ESSOR program aims to support the creation of jobs and sustainable development, with the objective of increasing competitiveness and productivity, for investment projects carried out in Quebec.

#### **About Geomega ([www.geomega.ca](http://www.geomega.ca))**

Based in Boucherville and St-Bruno, Canada, Geomega Resources has developed a proprietary, environmentally friendly “ISR Technology” that recycles rare earth elements with focus on the permanent magnet industry and produces four high demand, high price, rare earth elements (HHREE – specifically Nd, Pr, Tb, Dy).

The Corporation is targeting 2020 for initial production from its demonstration plant to supply HHREE’s to North America and other parts of the world.

Geomega also owns the Montviel rare earth carbonatite deposit and holds over 16.8M shares, representing approximately 19% of the issued and outstanding shares of Kintavar Exploration Inc. (KTR.V), a mineral exploration company that is advancing the Mitchi stratiform copper project in Quebec.

#### **About Innord Inc.**

Innord is a private wholly owned subsidiary of Geomega. The goal of Innord is to develop and optimize the proprietary ISR Technology for extraction and separation of rare earth elements. Innord focuses on scaling up the technology through processing rare earth enriched secondary sources (recycling of end of life and manufacturing waste) and then to apply the technology to primary mining feeds.

#### **About Investissement Québec**

Investissement Quebec's mission is to actively participate in Québec's economic development by stimulating innovation in businesses, entrepreneurship and the growth of investment and exports in all regions of Québec. The Company offers businesses and entrepreneurs services, such as technological support, as well as adapted financial solutions and investments. Through its Investissement Québec International division, the Company is responsible for supporting export companies and ensuring the prospecting of foreign investments.

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