



## COVID-19 Update: Engineering Progresses while Retrofitting Rare Earth Pilot Plant to Hand Sanitizer Production

**Montreal, April 20, 2020** - Geomega Resources Inc. (“Geomega” or the “Corporation”) (TSX:V.GMA), a rare earths clean technologies developer for mining and recycling, is pleased to provide an update on the novel coronavirus (COVID-19) impact on its operations.

Geomega’s main activity which is the ongoing engineering work with Hatch have been able to continue despite the crisis. In parallel, the Corporation began modifying its Rare Earth Pilot Plant facility, located at the National Research Council (“NRC”) in Boucherville, Quebec, to be able to produce hand sanitizer, which shall be geared predominantly towards retirement homes and hospitals, who are in urgent need of this product to help combat the spread of the COVID-19.

The technical team of the Corporation, lead by Dr. Hajiani, Geomega’s Chief Technology Officer, had proposed, evaluated and concluded that the pilot plant at the NRC facility could be modified to produce hand sanitizer liquid in order to help with the region’s needs. The Corporation has received the natural product number (“NPN”) and all the approvals from Health Canada in order to manufacture hand sanitizer using the WHO-recommended formulation. Modifications to Geomega’s pilot plant are currently being finalized.

“Geomega’s chemical processing team has proven once again its skill to utilize its expertise with evolving market conditions. I am proud of our team that shows flexibility, motivation and creativity, especially during a difficult situation like we see globally today. Geomega can assure its shareholders that these modifications to the pilot plant will in no way impede the progress of building the much larger demonstration plant located in nearby St. Bruno, Quebec. Geomega strives to become Canada’s first rare earth oxide producer, using recycled magnet waste, making Canada one of the few countries outside of Asia to be able to do so. Geomega has continued to advance even under recent difficult social distancing measures and is progressing successfully in the engineering work with Hatch. Upon engineering being completed, ordering the long lead items for the facility will be a priority. Geomega had recently secured project debt financing of \$1.72M from the Quebec Government this February (see news release dated February 7, 2020) which has effectively fulfilled the required capital to complete construction of the Demonstration Plant. Geomega, in conjunction with the Quebec Government, has a very clear objective to establish Quebec as a hub for a clean technology and sustainable rare earths refining industry, self reliant and not dependant on other countries for key materials. In light of recent events and supply shortages, as highlighted by reported delays in medical ventilators construction due to lack of permanent magnets ([see full article here](#)), this has never been more critical. Geomega looks forward to further engagement

with end users and Governments on rare earths recycling and establishing a sustainable supply chain based right here in Quebec, Canada.” Commented Kiril Mugerma, President & CEO of Geomega.

The Corporation will be donating 20% of its hand-sanitizer production to local long-term care homes and other charities who are helping the most vulnerable in our society during this pandemic. The Corporation would like to thank local suppliers who were able to assist and support us during this quick transition.

### **Directors remuneration and issue of stock options**

In conjunction with streamlining the Corporation’s balance sheet, a change to the directors’ remuneration package was put in place. Effective immediately, all accumulated fees to the directors shall be replaced with incentive stock options and the outstanding debt to the directors of \$105,000 has been waved unanimously by the directors. A total of 1,125,000 fully vested stock options at an exercise price of \$0.165 per option were issued in lieu of the accumulated fees to the independent directors for a period of 5 years after the grant date. No cash compensation will be paid to directors moving forward. This will be reviewed once the Corporation achieves its targeted cash flow from the St-Bruno plant.

In addition, pursuant to the Corporation’s Stock Option Plan, a total of 650,000 stock options at an exercise price of \$0.165 per option have been granted to officers, consultants and employees of the Corporation and its subsidiary. These options may be exercised for a period of 5 years after the grant date and are vesting at a rate of 25% per six-month period, in accordance with the terms of the Stock Option Plan of the Corporation. All of the aforementioned options are subject to a 4 month hold period.

### **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 advancing towards 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.

### **For further information, please contact:**

Kiril Mugerma  
President and CEO  
Geomega  
450-641-5119 ext.5653  
[kmugerma@geomega.ca](mailto:kmugerma@geomega.ca)

## **Cautions Regarding Forward-Looking Statements**

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*This news release contains statements that may constitute “forward-looking information” or “forward-looking statements” within the meaning of applicable Canadian securities legislation. Forward-looking information and statements may include, among others, statements regarding future plans, costs, objectives or performance of the Corporation, or the assumptions underlying any of the foregoing. In this news release, words such as “may”, “would”, “could”, “will”, “likely”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate” “target” and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur, including as regards the commercialization of any of the technology referred to above, or if any of them do so, what benefits the Corporation will derive. Forward-looking statements and information are based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond the Corporation's control. These risks, uncertainties and assumptions include, but are not limited to, those described under “Risk Factors” in the Corporation's annual management's discussion and analysis for the fiscal year ended May 31, 2019, which is available on SEDAR at [www.sedar.com](http://www.sedar.com); they could cause actual events or results to differ materially from those projected in any forward-looking statements. The Corporation does not intend, nor does the Corporation undertake any obligation, to update or revise any forward-looking information or statements contained in this news release to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.*