



## **Geomega Resources Inc.**

Unaudited Condensed Interim Consolidated Financial Statements

Three months ended August 31, 2020

*The attached financial statements have been prepared by management  
Geomega Resources Inc. and were not reviewed by auditors*

**Geomega Resources Inc.**  
**Consolidated Statements of Financial Position**  
(Unaudited, in Canadian dollars)

	Note	As at August 31, 2020 \$	As at May 31, 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	316,830	485,780
Accounts receivable		14,931	37,183
Sales taxes receivable		95,869	92,961
Tax credits and government grant receivable		101,311	100,061
Prepaid expenses and others		93,295	94,724
Inventories		7,188	7,188
<b>Current assets</b>		<b>629,424</b>	<b>817,897</b>
<b>Non-current assets</b>			
Investment in an associate	5	1,481,407	1,508,159
Property and equipment	6	24,700	29,132
Right-of-use asset	7	752,758	772,832
<b>Non-current assets</b>		<b>2,258,865</b>	<b>2,310,123</b>
<b>Total assets</b>		<b>2,888,289</b>	<b>3,128,020</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		337,874	299,413
Current portion of the lease obligations	8	58,739	58,014
<b>Total Current liabilities</b>		<b>396,613</b>	<b>357,427</b>
<b>Non-current liabilities</b>			
Lease obligations	8	723,205	737,775
Long-term debt	9	54,669	53,724
<b>Non-current liabilities</b>		<b>777,874</b>	<b>791,499</b>
<b>Total liabilities</b>		<b>1,174,487</b>	<b>1,148,926</b>
<b>Equity</b>			
Share capital		31,219,807	31,132,420
Warrants	10	495,519	570,300
Broker warrants	11	5,742	5,742
Stock options	12	565,124	501,688
Contributed surplus		4,424,649	4,385,820
Deficit		(34,997,039)	(34,616,876)
<b>Total equity</b>		<b>1,713,802</b>	<b>1,979,094</b>
<b>Total liabilities and equity</b>		<b>2,888,289</b>	<b>3,128,020</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**Geomega Resources Inc.**  
**Consolidated Statements of Earnings and Comprehensive Earnings**  
(Unaudited, in Canadian dollars)

	Note	Three months ended August 31	
		2020 \$	2019 \$
<b>Operating expenses</b>			
Salaries, employee benefits, settlement and share-based compensation		47,820	51,096
Directors fees		-	11,250
Exploration and evaluation expenses, net of tax credits	13	99,074	77,167
Professional fees		73,551	45,605
Travel, conference and investor relations		47,420	73,294
Administration		14,435	4,749
Filing fees		5,429	11,910
Rent		12,126	13,984
Depreciation of right-of-use asset		20,074	-
Insurance, taxes and permits		4,198	4,674
<b>Operating loss</b>		<b>(324,127)</b>	<b>(293,727)</b>
<b>Other income (expenses)</b>			
Interest income (expenses)		100	(1,134)
Gain (loss) of foreign exchange		(15,834)	669
Finance costs		(13,550)	(3,339)
Share of loss of associate	5	(13,753)	(106,048)
Net gain (loss) on dilution of investment in an associate	5	(12,999)	40,252
Net gain on sale of investment in an associate	5	-	29,800
		(56,036)	(39,800)
<b>Net and comprehensive loss</b>		<b>(380,163)</b>	<b>(333,527)</b>
Net loss attributable to:			
Geomega Resources Inc. shareholders		(380,163)	(329,241)
Non-controlling interests		-	(4,286)
Basic and diluted earnings per share		(0.004)	(0.004)
Weighted average number of basic and diluted shares outstanding		104,788,793	100,548,359

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**Geomega Resources Inc.**  
**Consolidated Statements of Changes in Equity**  
(Unaudited, in Canadian dollars)

	Note	Number of shares outstanding	Capital Stock	Equity component of convertible debentures	Warrants	Broker warrants	Stock-options	Contributed Surplus	Deficit	Total equity
			\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at May 31, 2020</b>		<b>104,559,928</b>	<b>31,132,420</b>	<b>-</b>	<b>570,300</b>	<b>5,742</b>	<b>501,688</b>	<b>4,385,820</b>	<b>(34,616,876)</b>	<b>1,979,094</b>
Net and comprehensive loss		-	-	-	-	-	-	-	(380,163)	(380,163)
Exercised stock options		100,000	12,546	-	-	-	(5,544)	-	-	7,002
Exercised warrants		277,778	74,841	-	(35,952)	-	-	-	-	38,889
Expired warrants		-	-	-	(38,829)	-	-	38,829	-	-
Shared-based compensation		-	-	-	-	-	68,980	-	-	68,980
<b>Balance at August 31, 2020</b>		<b>104,937,706</b>	<b>31,219,805</b>	<b>-</b>	<b>495,519</b>	<b>5,742</b>	<b>565,124</b>	<b>4,424,649</b>	<b>(34,997,039)</b>	<b>1,713,802</b>

	Note	Number of shares outstanding	Capital Stock	Equity component of convertible debentures	Warrants	Broker warrants	Stock-options	Contributed Surplus	Deficit	Equity attributable to Geomega Resources Inc.	Non-controlling interest	Total equity
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at May 31, 2019</b>		<b>90,750,134</b>	<b>29,241,753</b>	<b>3,300</b>	<b>267,024</b>	<b>-</b>	<b>343,326</b>	<b>4,279,526</b>	<b>(32,769,526)</b>	<b>1,365,403</b>	<b>(35,503)</b>	<b>1,329,900</b>
Net and comprehensive loss		-	-	-	-	-	-	-	(329,241)	(329,241)	(4,286)	(333,527)
Units issued as part of private placements		8,800,215	1,069,677	-	162,353	-	-	-	-	1,232,030	-	1,232,030
Exercised stock options		282,500	45,011	-	-	-	(18,587)	-	-	26,424	-	26,424
Expired stock options		-	-	-	-	-	(9,085)	9,085	-	-	-	-
Expired warrants		-	-	-	-	-	-	-	-	-	-	-
Exercised conversion rights on convertible debentures		-	-	-	(26,324)	-	-	26,324	-	-	-	-
Shared-based compensation		916,665	113,300	(3,300)	-	-	-	-	-	110,000	-	110,000
Stock issuance costs		-	(32,269)	-	(4,898)	5,742	36,910	-	-	36,910	-	36,910
<b>Balance at August 31, 2019</b>		<b>100,749,514</b>	<b>30,437,472</b>	<b>-</b>	<b>398,155</b>	<b>5,742</b>	<b>352,564</b>	<b>4,314,935</b>	<b>(33,098,767)</b>	<b>2,410,101</b>	<b>(39,789)</b>	<b>2,370,312</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

	Note	Three months ended August 31	
		2020	2019
		\$	\$
<b>Operating activities</b>			
Net and comprehensive loss		(380,163)	(333,527)
Adjustment for:			
Share-based compensation		68,890	36,910
Depreciation of property and equipment		4,432	8,851
Depreciation of right-of-use asset		20,074	-
Finance costs for the accretion of debentures		-	3,339
Finance costs for the accretion of long-term debt		945	-
Share of loss of an associate		13,753	106,048
Net loss (gain) on dilution of investment in an associate		12,999	(40,252)
Net gain on sale of investment in an associate		-	(29,800)
Change in non-cash working capital items	14	57,984	(174,022)
<b>Cash flows used in operating activities</b>		<b>(200,996)</b>	<b>(422,453)</b>
<b>Investing activities</b>			
Disposition of an investment in an associate		-	144,000
<b>Cash flows from investing activities</b>		<b>144,000</b>	<b>144,000</b>
<b>Financing activities</b>			
Proceeds from issuance of units, net of issue costs		-	1,200,605
Exercise of warrants		38,889	-
Exercise of stock options		7,002	26,424
Repayments of lease liability		(13,845)	-
<b>Cash flows from financing activities</b>		<b>32,046</b>	<b>1,227,029</b>
<b>Net change in cash flow</b>		<b>(168,950)</b>	<b>948,576</b>
Cash and cash equivalents - at the beginning		485,780	33,438
<b>Cash and cash equivalents- at the end</b>		<b>316,830</b>	<b>982,014</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Geomega Resources Inc. (the “Corporation” or “Company”) is incorporated under the Canada Business Corporations Act and is engaged in the acquisition, exploration and evaluation of mining properties in Canada. The Corporation’s shares are listed on the TSX Venture Exchange (the “Exchange”) under symbol GMA. The address of the Corporation’s registered office and principal place of business is 75, de Mortagne Boulevard, Boucherville, Quebec, Canada, J4B 6Y4. These unaudited condensed interim consolidated financial statements (the “Financial Statements”) were approved by the Corporation’s Board of Directors on October 21, 2020.

The Corporation has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for its mining properties costs is dependent upon the ability of the Corporation to obtain necessary financing to pursue the exploration and evaluation on its mining properties.

These Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. For the three months ended August 31, 2020, the Corporation reported a net loss of \$380,163 and has accumulated a deficit of \$34,997,039 up to that date. As at August 31, 2020, the Corporation had a working capital of \$232,811.

Management estimates that the working capital will not be sufficient to meet the Corporation’s obligations and commitments and budgeted expenditures through August 31, 2020. These circumstances lend a significant doubt as to the ability of the Corporation to ensure its continuity of operation and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Corporation’s ability to continue as a going concern as described in the preceding paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Financial Statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

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 that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation, especially in the Covid-19 pandemic outbreak context. The extent and duration of impacts that the coronavirus may have on the Corporation’s operations including suppliers, service providers, employees and global financial markets is still uncertain at this time. The Corporation is monitoring developments in order to be in a position to take appropriate actions as needed. If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in the Financial Statements.

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the *International Financial Reporting Standards* ("IFRS") as issued by the *International Accounting Standards Board* ("IASB") applicable to the preparation of interim financial statements, including *International Accounting Standard* ("IAS") 34, *Interim Financial Reporting*. Accordingly, the Financial Statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

#### 2.2 Basis of Presentation

The Financial Statements should be read in conjunction with the annual financial statements for the year ended May 31, 2019, which have been prepared in accordance with IFRS. The accounting policies, methods of computation and presentation applied in the Financial Statements are consistent with those of the previous financial year ended May 31, 2020.

### 3. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of Financial Statements in conformity with IFRS requires the Corporation to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. The Corporation also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing the Financial Statements, the significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended May 31, 2020.

### 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the two following investments:

- Guaranteed investment certificate of \$100,000 at a rate of 0.90% maturing on July 22, 2021. Interests and capital are cashable at any time.
- Investment of \$90,000 USD in a mutual funds at a rate of 0.25%. Interests and capital are cashable at any time.

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 5. INVESTMENT IN AN ASSOCIATE

Kintavar Exploration Inc. ("Kintavar") is the Corporation's only associate and it is material to the group. Kintavar's share capital consists solely of ordinary shares, which are held directly by the Corporation. Kintavar is incorporated in Canada where are its exploration and evaluation activities on bearing properties, which are not strategic to the Corporation's own activities, are carried out. The proportion of ownership interest is the same as the proportion of voting rights held. The investment in Kintavar is accounted for under the equity method. Its fair value as at August 31, 2020 is \$1,854,286 (16,857,143 shares at \$0.11, closing price on the Exchange). The Corporation categorized the fair value measurement as Level 1, as it is derived from quoted prices in active markets. Following the issuance of shares in Kintavar and the sale of a portion of the investment held the Corporation's interest in Kintavar represents 18.48% as at August 31, 2020.

#### *Determination of 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 Corporation and the associate, interchange of managerial personnel, provision of essential technical information and operating involvement. Considering these factors, Geomega is considered to have significant influence over Kintavar.

	Three months Ended August 31, 2020	Year ended May 31, 2020
	\$	\$
Balance at beginning of period	1,508,159	2,039,287
Share of loss of an associate	(13,753)	(553,957)
Net (loss) gain on dilution of investment in an associate	(12,999)	137,029
Proceeds from disposition of participation	-	(144,000)
Net gain on the sale of an interest	-	29,800
<b>Balance at end of period</b>	<b>1,481,407</b>	<b>1,508,159</b>

### 6. PROPERTY AND EQUIPMENT

	Office equipment	E&E Equipment	Total
	\$	\$	\$
<b>Fiscal 2021</b>			
Opening net book value	-	29,132	29,132
Additions	-	-	-
Depreciation	-	(4,432)	(4,432)
Closing net book value	-	24,700	24,700
<b>As at August 31, 2020</b>			
<b>Cost</b>	<b>14,984</b>	<b>670,178</b>	<b>685,162</b>
<b>Accumulated Depreciation</b>	<b>(14,984)</b>	<b>(645,478)</b>	<b>(660,462)</b>
<b>Closing net book value</b>	<b>-</b>	<b>24,700</b>	<b>24,700</b>



# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 6. PROPERTY AND EQUIPMENT (CONT'D)

	E&E Equipment				Total
	Office equipment	Vehicles	Equipment and Camp	Warehouse	
	\$	\$	\$	\$	\$
<b>Fiscal 2020</b>					
Opening net book value	-	3,800	34,072	82,521	120,393
Additions	-	-	17,860	-	17,860
Depreciation	-	(1,900)	(22,800)	(1,443)	(26,143)
Disposal	-	(1,900)	-	(81,078)	(82,978)
Closing net book value	-	-	29,132	-	29,132
<b>As at May 31, 2020</b>					
<b>Cost</b>	<b>14,984</b>	<b>-</b>	<b>670,178</b>	<b>-</b>	<b>685,162</b>
<b>Accumulated depreciation</b>	<b>(14,984)</b>	<b>-</b>	<b>(641,046)</b>	<b>-</b>	<b>(656,030)</b>
<b>Closing net book value</b>	<b>-</b>	<b>-</b>	<b>29,132</b>	<b>-</b>	<b>29,132</b>

### 7. RIGHT-OF-USE ASSET

	Industrial building
	\$
<b>Fiscal 2021</b>	
Opening net book value	772,832
Additions	-
Depreciation	(20,074)
Closing net book value	752,758
<b>As at August 31, 2020</b>	
<b>Cost</b>	<b>802,942</b>
<b>Accumulated Depreciation</b>	<b>(50,184)</b>
<b>Closing net book value</b>	<b>752,758</b>

	Industrial building
	\$
<b>Fiscal 2020</b>	
Opening net book value	-
Additions	802,942
Depreciation	(30,110)
Closing net book value	772,832
<b>As at May 31, 2020</b>	
<b>Cost</b>	<b>802,942</b>
<b>Accumulated Depreciation</b>	<b>(30,110)</b>
<b>Closing net book value</b>	<b>772,832</b>

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 8. LEASE OBLIGATIONS

	Three months Ended August 31, 2020	Year ended May 31, 2020
	\$	\$
Balance, opening	795,789	-
New contract signed during the period	-	802,942
Repayments of lease liability	(13,845)	(7,153)
Balance	781,944	795,789
Balance, current	(58,739)	(58,014)
<b>Balance, non-current</b>	<b>723,205</b>	<b>737,775</b>

### 9. LONG-TERM DEBT

	As at August 31, 2020	As at May 31, 2020
	\$	\$
Canada Emergency Business Account ("CEBA") received in the context of the COVID-19 pandemic outbreak. The loan bears no interest and capital is payable in full on or before December 31, 2022.	54,669	53,724
<b>Long-term debt, non-current</b>	<b>54,669</b>	<b>53,724</b>

### 10. WARRANTS

Changes in the Corporation's warrants are as follows:

	Three months ended August 31, 2020		Year ended May 31, 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Opening	9,368,886	0.16	6,378,778	0.16
Issued	-	-	4,400,108	0.14
Exercised	(277,778)	0.14	(785,000)	0.14
Expired	(300,000)	0.14	(625,000)	0.12
<b>Balance, end</b>	<b>8,791,108</b>	<b>0.18</b>	<b>9,368,886</b>	<b>0.17</b>

The number of outstanding warrants as at August 31, 2020 are as follows:

Number of warrants	Exercise price	Expiry date
	\$	
3,265,197	0.20	July 2, 2021
1,134,911	0.20	July 10, 2021
825,000	0.15	May 2, 2022
2,300,000	0.15	May 14, 2022
1,266,000	0.15	May 18, 2022
<b>8,791,108</b>		

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 11. BROKER WARRANTS

Changes in the Corporation's broker warrants are as follows:

	Three months ended August 31, 2020		Year ended May 31, 2020	
	Number of broker warrants	Weighted average exercise price	Number of broker warrants	Weighted average exercise price
		\$		\$
Balance, opening	120,800	0.20	-	-
Issued	-	-	120,800	0.20
<b>Balance, end</b>	<b>120,800</b>	<b>0.20</b>	<b>120,800</b>	<b>0.20</b>

The number of outstanding brokers as at August 31, 2020 are as follows:

Number of broker warrants	Exercise price	Expiry date
	\$	
16,000	0.20	July 2, 2021
104,800	0.20	July 10, 2021
<b>120,800</b>		

### 12. STOCK OPTIONS

Changes in the Corporation's stock options are as follow:

	Three months ended August 31, 2020		Year ended May 31, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		\$		\$
Balance, beginning	9,248,750	0.10	6,565,000	0.10
Granted	925,000	0.17	4,475,000	0.16
Expired	-	-	(577,500)	0.20
Exercised	(100,000)	0.07	(791,250)	0.09
Forfeited	(25,000)	0.16	(422,500)	0.13
<b>Balance, end</b>	<b>10,048,750</b>	<b>0.13</b>	<b>9,248,750</b>	<b>0.12</b>
Balance, end exercisable	5,861,250	0.11	5,723,750	0.11

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 12. STOCK OPTIONS (CONT'D)

The number of options outstanding as at August 31, 2020 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
400,000	400,000	0.07	November 22, 2020
1,270,000	1,270,000	0.095	November 29, 2021
778,750	778,750	0.09	October 19, 2022
400,000	400,000	0.085	August 28, 2023
400,000	300,000	0.08	September 14, 2023
925,000	693,750	0.085	November 20, 2023
100,000	75,000	0.08	December 10, 2023
400,000	200,000	0.09	March 13, 2024
250,000	125,000	0.175	July 29, 2024
1,550,000	387,500	0.155	October 23, 2024
200,000	50,000	0.155	November 28, 2024
150,000	37,500	0.185	January 19, 2025
75,000	18,750	0.20	February 13, 2025
1,775,000	1,125,000	0.165	April 16, 2025
450,000	-	0.165	April 21, 2025
250,000	-	0.155	June 3, 2025
100,000	-	0.155	June 8, 2025
500,000	-	0.175	August 13, 2025
75,000	-	0.205	August 31, 2025
<b>10,048,750</b>	<b>5,861,250</b>		

On June 3, 2020, the Corporation granted to a new director 250,000 stock options, priced at \$0.155, valid for 5 years. The fair value of the options granted was estimated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 0.3854%, expected volatility of 83.12%, no dividend per share and expected duration of 3.75 years options.

On June 8, 2020, the Corporation granted to two employees 100,000 stock options, priced at \$0.155, valid for 5 years. The fair value of the options granted was estimated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 0.1065%, expected volatility of 82.87%, no dividend per share and expected duration of 3.75 years options.

On August 13, 2020, the Corporation granted to consultants 500,000 stock options, priced at \$0.175, valid for 5 years. The fair value of the options granted was estimated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 0.3500%, expected volatility of 81.00%, no dividend per share and expected duration of 3.75 years options.

On August 31, 2020, the Corporation granted to a new employee 75,000 stock options, priced at \$0.205, valid for 5 years. The fair value of the options granted was estimated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 0.3854%, expected volatility of 79.85%, no dividend per share and expected duration of 3.75 years options.

All options granted bear the same conditions. From the date of the grant, the options are earned in increments of 25% every 6 months, are valid for 5 years and have been granted at a value equal to or greater than that of the market at the close before the grant.

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 12. STOCK OPTIONS (CONT'D)

This expected life was estimated by benchmarking comparable situations for companies that are similar to the Corporation. The expected volatility was determined by calculating the historical volatility of the Corporation's share price back from the date of grant and for a period corresponding to the expected life of the options.

### 13. EXPLORATION AND EVALUATION EXPENSES

<b>Montviel Property</b>	<b>Three months ended August 31</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Acquisition and maintenance</b>	-	261
<b>Exploration</b>		
Salaries and payroll expenses	-	4,601
Share-based compensation	5,088	828
Supplies and tools	-	527
Transport and lodging	839	6,815
Depreciation of property and equipment	-	2,393
Taxes, permits and insurances	360	2,511
Billing - rental	-	(20,739)
<b>Total exploration</b>	<b>6,287</b>	<b>(3,064)</b>
<b>Evaluation</b>		
Salaries and benefits – separation process	113,807	77,136
Separation process	16,799	24,994
Depreciation of property and equipment	4,430	6,457
Engineering	-	22,010
<b>Total Evaluation</b>	<b>135,036</b>	<b>130,597</b>
<b>Gross E&amp;E expenses</b>	<b>141,323</b>	<b>127,794</b>
Government grants	(38,490)	(50,628)
Net tax credits	(3,759)	-
<b>Net E&amp;E expenses - Montviel</b>	<b>99,074</b>	<b>77,166</b>

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 14. ADDITIONAL INFORMATION RELATING TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

*Change in non-cash working capital items*

	Three months ended August 31	
	2020	2019
	\$	\$
Accounts receivable	22,252	(34,466)
Sales taxes receivable	(2,908)	(20,863)
Tax credits and government grants receivable	(1,250)	(18,738)
Prepaid expenses and other	1,429	(121,632)
Inventories	-	(6,251)
Trade and other payables	38,461	27,928
	<b>57,984</b>	<b>(174,022)</b>