Geomega Resources Inc.

Management's Discussion and Analysis

May 31, 2022

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The following management discussion and analysis (the "MD&A") of the financial condition and results of the operations of Geomega Resources Inc. (the "Corporation" or "Geomega") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the year ended May 31, 2022. This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements as at May 31, 2022 prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures are in Canadian dollars unless otherwise noted.

The MD&A contains forward-looking statements not based on historical facts. Forward-looking statements express, as of the date of this MD&A, management's 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 guarantee 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 metals, mining industry risks, uncertainty as to the calculation of mineral reserves and requirements of additional financing and the capacity of the Corporation to obtain financing.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be found on www.sedar.com.

Abbreviation	Period
Q1-22	June 1, 2021 to August 31, 2021
Q2-22	September 1, 2021 to November 30, 2021
Q3-22	December 2021 to February 28, 2022
Q4-22	March 1, 2022 to May 31, 2022
Fiscal 22	June 1, 2021 to May 31, 2022
Q1-21	June 1, 2020 to August 31, 2020
Q2-21	September 1, 2020 to November 30, 2020
Q3-21	December 1, 2020 to February 28, 2021
Q4-21	March 1, 2021 to May 31, 2021
Fiscal 21	June 1, 2020 to May 31, 2021

1. NATURE OF ACTIVITIES

Geomega is a mineral exploration and evaluation Corporation focused on the discovery and sustainable development of economic deposits of metals in Quebec. Geomega is committed to meeting the Canadian mining industry standards and distinguishing itself with innovative engineering, high stakeholder engagement and dedication to local transformation benefits. The common shares of the Corporation are trading under the symbol GMA on the TSX Venture Exchange (the "Exchange").

As society moves from consumption of fossil fuels to more sustainable energy sources, Geomega believes that the future of clean energy resides in one of the rare earth elements ("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.

Innord Inc. ("Innord") is the innovation arm of Geomega and was created in March 2015 to optimize the value of the separation technology by facilitating its development through direct investments of key financial partners. Innord is a subsidiary of Geomega that holds all the separation rights and laboratory equipment. The primary goal of Innord is to successfully scale-up its proprietary REE separation process. All research and development initiatives of Geomega is conducted by Innord.

2. CORPORATE UPDATE

2.1 Private Placements

a) May 2022

On May 3, 2022, the Corporation closed a private placement with a strategic investor consisting of 4,354,667 units at a price of $0.24 CAD for total gross proceeds of $1,045,120. Each unit is composed of one share and one full share purchase warrant entitling the holder to acquire one share at a price of $0.32 per share until the date that is 36 months from their issue.

The entire gross proceeds of units as well as issuance costs of $5,976 were allocated to share capital, using the residual method, as the market price was equal or higher to the issuance price of the units on the day of issuance.

The strategic investor who participated as the sole investor in this private placement is Michael Gentile, CFA, who was named at the same time as strategic advisor to the corporation. As a result of this private placement, the grant of options combined with the securities owned or indirectly controlled by Mr. Gentile prior to this Offering, Mr. Michael Gentile holds a just under 10% interest in the outstanding common shares of the Corporation on a partially diluted basis.

b) February 2022

On February 7, 2022, the Corporation closed a private placement consisting of 1,408,055 units at a price of $0.27 CAD for total gross proceeds of $380,175. Each unit is composed of one share and one-half of a share purchase warrant, each warrant entitling the holder to acquire one share at a price of $0.40 per share until the date that is 24 months from their issue.

The entire gross proceeds of units as well as issuance costs of $14,651 were allocated to share capital, using the residual method, as the market price was equal or higher to the issuance price of the units on the day of issuance.

2.2 Other Sources of Financing

During Fiscal 22, the Corporation received a total of $1,288,475 from the exercise of 5,791,375 warrants, 260,888 broker warrants and 1,330,000 options. A total of 7,382,263 shares were issued.

On April 25, 2022, the Corporation announced the signature of a Term Sheet with Rio Tinto to enter into a Development Agreement for Bauxite Residues Iron Phase Product. As part of the agreement, Rio Tinto will provide $1M in funding for Innord to complete the required proof of concept work and the subsequent small scale locked cycle pilot plant at its Boucherville facilities. (See section 4.5 for more information on this project)

On March 31, 2022, the Corporation announced that it had secured $1.5 million in funding from Sustainable Development Technology Canada (SDTC) for the construction of a pilot plant and the completion of a feasibility study using the technology Innord has developed for a sustainable and complete recovery of bauxite residues (BR) (see section 4.5 for more information on the project). To this amount will be added contributions of $1.2 million from Rio Tinto and $300,000 from the Ministry of Economy and Innovation of Quebec.

On February 9, 2022, the Corporation announced that it had obtained a $400,000 grant from the Quebec Ministry of Energy and Natural Resources (MERN) to help continue hydrometallurgy work on its Montviel rare earth deposit. In parallel, the Corporation closed on February 7 a private placement comprising 1,408,055 units at a price of $0.27 for total gross proceeds of $380,175. (See section 2.1 for details on the private placement and section 4.4 for more information on the project)

2. CORPORATE UPDATE (CONT'D)

On June 2, 2021, the Corporation secured a grant of $80,708 from Next Generation Manufacturing Canada (NGEN) which will reimburse up to 50% of research costs on the production of aluminum, iron and rare earths from bauxite residues. Payments related to this grant will be received as costs are incurred. An amount of $50,000 was also secured from the Industrial Research Assistance Program of the National Research Council of Canada (IRAP-CNRC) for a project looking at an alternative route for bauxite residue processing.

2.3 Demonstration Plant

On March 28, 2022, the Corporation provided an update on the rare earths recycling demo plant located in Saint-Bruno-de-Montarville, Quebec.

With an expanded team of engineers since the end of 2021, Geomega has been able to advance on many aspects of the engineering work as described below:

- Process design – The process flow diagrams (PFD), process control diagrams (PCDs), stream tables, utility list, process description, control philosophy and operation schedule (batch process) for the project are now complete with minor changes expected to be integrated periodically as the project advances. The Piping & Instrumentation Diagrams (P&ID) are approximately at 50% completeness level providing sufficient support to start ordering equipment. Line sizing, instrumentation and control hardware selection is ongoing.

- Equipment and packages – The engineering team has now completed the internal review of the equipment design, datasheets, and quotes. Updated quotes based on the latest datasheet modifications are being requested from selected vendors. Detail design work will continue after the purchase orders submission in coming weeks and upon receiving vendor complete specifications.

- Layout – An updated layout in 3D has been generated. More information will be integrated with additional data to be received from vendors and once the line sizing is complete (see figure 1 below).

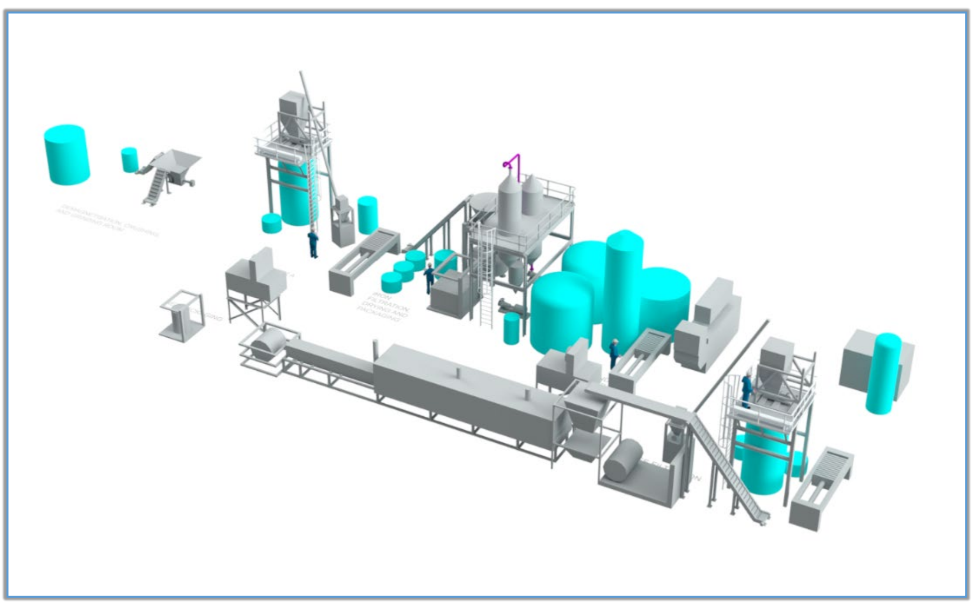

Figure 1: 3D layout of the REE recycling demonstration plant

2. CORPORATE UPDATE (CONT'D)

- Pre-construction activities – The Corporation is now in discussions with service providers who will be handling the peripheral engineering design (civil and architectural, HVAC system, drain system designs, etc.), construction permitting, performing the safety related activities such as independent HAZID and HAZOP, and eventually contribute to construction and commissioning. The external service providers will be working along with the Corporation internal engineering team

- Complementary testwork – Certain pilot testwork has been continuing internally and externally throughout the last 6 months focused on magnet crushing and solid handling. Various pilot equipment for this testwork continued to arrive at the Boucherville and Saint-Bruno-de-Montarville's facilities where testing is conducted. Furthermore, bench scale testwork has been performed intermittently to optimize the process and to improve final purity of the products. Relevant results have been integrated to the process. More testwork to support and adjust the design will be performed as needed as the project advances.

- Since the March 28, 2022 press release, the Corporation has been ordering various equipment for the demonstration plant, finalizing designs together with the vendors for the various equipment and is integrating all that information into the P&ID which have now reached a level of approximately 75% completeness level. Safety studies have been completed for various sections of the plant while the valves and control system packages are nearing completion and will then be ordered. Procurement activities are continuing for the other remaining items.

2.4 Bauxite Residues Processing

In the ongoing efforts to apply its environmentally friendly processing technology to various feeds, the Corporation's wholly owned subsidiary Innord, has developed a bench scale process to process Bauxite Residues ("BR"), a potentially valuable by-product that is being generated during refining of alumina using the Bayer process. Innord has entered into a research collaboration agreement with Rio Tinto to extract rare earth elements (REE), scandium (Sc) and other critical and potentially valuable metals from this readily available material. After successful demonstration of the technology at bench scale, the Corporation has launched in March 2022 a $4M pilot project financed by Geomega, Rio Tinto, Sustainable Development Technology Canada (SDTC) and Government of Quebec.

In addition to the project mentioned above, the Corporation announced on April 25, 2022, the signature of a Term Sheet with Rio Tinto to enter into a Development Agreement for Bauxite Residues Iron Phase Product. As part of the agreement, Rio Tinto will provide $1M in funding for Innord to complete the required proof of concept work and the subsequent small scale locked cycle pilot plant at its Boucherville facilities. Rio Tinto and Innord have agreed to begin evaluating in parallel various opportunities to monetize the iron compounds produced by Innord's Bauxite Residues Technology (IBRT). As part of the project, over the next 12 months, Innord has committed to develop and test an extension technology to IBRT to produce the desired product that will then be evaluated by Rio Tinto. The announced $1M of additional funding from Rio Tinto is non-dilutive to both Geomega and Innord.

2.5 Various

On October 4, 2021, the Corporation announced the upgrade of its common shares to the OTCQB Venture Market (the "OTCQB"), operated by OTC Market Group, New York. The OTCQB is the premier venture marketplace for early-stage and developing U.S. and international companies that are committed to providing a high-quality trading and information experience for their U.S. investors. Participating companies must meet high financial standards, including be current in their financing reporting, follow best practice corporate governance, have a professional third-party sponsor introduction and undergo an annual verification and management certification process. The Corporation's U.S. shares will continue trading under its current U.S. symbol "GOMRF".

3. OUTLOOK ON THE MAJOR ONGOING PROJECTS

Geomega's objectives are to develop processing technologies and to apply them to rare earth elements and other critical and strategic metals where the existing technologies have poor environmental performance such as large footprints, high consumption of acids, low recoveries, large amounts of waste or loss of valuable metals. The various projects of the Corporation are in different phases of development but since many of these technologies and applications end up having synergies, the rate of progress in some of the projects can change significantly. Ultimately, Geomega is looking to apply its technologies to high value opportunities and deploy them through building and operating the plants, licensing to major companies around the world or a combination of both, depending on the project.

The Corporation's intended activities are presented here and are divided by major ongoing projects.

Rare Earths Recycling

- Continue detailed engineering of the demonstration plant
- Continue vendor selection and equipment ordering
- Integrate equipment design into P&ID as they are finalized
- Peripheral engineering design (civil and architectural, HVAC system, drain system designs, etc.)
- Independent HAZID and HAZOP
- Permitting
- Hand out construction contracts
- Various purification tests on the final products for potential buyers
- Secure more supply to ensure long-term profitability of commercial plant operations
- Secure long term offtake agreements with potential clients

Bauxite Residue Sustainable Processing

- Continue testwork, modeling, process design and optimization
- Continue equipment ordering for the pilot plant
- Assembly and testing of the received equipment

Montviel REE Deposit – Bench Scale

- Continue testwork, modeling, process design and optimization

Other Sources & Other Metals (REE, Lithium, Graphite, Hydrogen and other metals)

- R&D on different feeds (mining and industrial waste)
- Testwork to produce product for end users evaluation and technology compatibility

Corporate

- Expand the operations team to accelerate the development on the various projects

4. EXPLORATION AND VALIDATION OF THE SEPARATION TECHNOLOGY ACTIVITIES

4.1 Expense summary - Montviel property

Montviel	Fiscal 22	Fiscal 21
	$	$
Acquisition and maintenance	**1,470**	**9,282**
Exploration		
Salaries and benefits	372	748
Share-based compensation	18,254	18,704
Geology	-	240
Transport and lodging	2,616	113
Geophysics	-	60,310
Taxes, permits and insurances	24	250
Total exploration	**21,266**	**80,365**
Evaluation		
Salaries and share-based compensation – Separation process	681,970	530,916
Separation process	114,008	63,742
Depreciation of property and equipment	32,063	18,701
Engineering	52,170	77,400
Total Evaluation	**879,941**	**690,759**
Total gross E&E expenses	**902,947**	**780,406**
Government grants	(220,394)	(316,248)
Net tax credits	(59,706)	(109,941)
Net E&E expenses - Montviel	**622,847**	**354,217**

Alain Cayer, P. Geo., M.Sc., Vice-President Exploration of Geomega, a qualified person as defined in NI 43-101 supervised the preparation of the technical information in sections 4.1, 4.2 and 4.3.

The Corporation owns 100% of the Montviel property, located approximately 100 km north of Lebel-sur-Quévillon and 45 km west of the Cree First Nation of Waswanipi. The Montviel property comprises 149 mining claims totalling 8,275 hectares as at May 31, 2022.

4.2 ISR Technology Development

Dr. Pouya Hajiani, process inventor, engineer and CTO of Geomega supervised and approved the technical information of this section.

Geomega develops innovative technologies for extraction and separation of rare earth elements and other critical metals essential for a sustainable future. With a focus on renewable energies, vehicle electrification, automation, reduction in greenhouse gas emissions and energy usage, rare earth magnets or neo-magnets (NdFeB) are at the center of all these technologies. Geomega's strategy revolves around gradually de-risking its innovative ISR Technology while working directly with the main players in these industries to recycle the magnets that power all those technologies.

The Corporation completed a successful pilot scale-up in 2019 and had its material validated by potential end users for manufacturing of permanent magnets and has since focused on the next scale up of the technology to a demonstration plant. Geomega received from Hatch the required documentation to proceed to the next step of engineering and was working since August 2020 on completing its 2nd pilot plant to validate and confirm some of the changes that were completed to the technology since 2019. That test work was completed successfully in January 2021.

4. EXPLORATION AND VALIDATION OF THE PROCESSING TECHNOLOGIES ACTIVITIES (CONT'D)

Geomega is advancing towards the construction of the demonstration plant that will be using the ISR technology to recycle rare earth magnets and produce rare earth oxides. On October 1st, 2019, the Corporation published the results of the Front-End Engineering & Design ("FEED") study. The updated design has been scaled up in order to operate on a single work shift of 8 to 10 hours. As a result of this sizing increase and process optimization by Geomega, the demonstration plant could reach a throughput capacity of 1.5 ton per shift, a 50% increase over the initial design. On a per hour basis, this demonstrates a 4.5X increase.

The engineering work to date confirmed that the ISR process that was developed by Innord is technically feasible and uses off the shelf equipment thereby making it easier to scale up.

In September 2020, the Corporation provided updated capital costs (including working capital) for the demonstration plant which increased from $3.2M to $4.8M. Although the equipment cost remains the same as what was presented in the FEED study, the Corporation revised upwards the estimate for plant construction and for the remaining cost of engineering.

The Corporation published the positive results of the pilot tests in January 2021 and an engineering update was provided in July 2021. Work was progressing by both external and in-house engineers on detailed engineering. In fall 2021, the Corporation began hiring additional senior engineers in various disciplines to accelerate the current work and to become fully independent of external engineering firms for processing engineering. The deliverables of the ongoing detailed engineering and the information from the construction contractor will allow the firm to begin ordering the equipment. In March 2022, the Corporation provided details on the progress of the detailed engineering study including an updated 3D layout of the demonstration plant (see section 2.3).

4.3 Environmental Geochemistry

There are several environmental studies that are ongoing on Montviel. These are long term studies with repetitive sampling.

4.4 Preliminary Economic Assessment ("PEA")

The corporate commitment to sustainable development dictated the following operational parameters for the Montviel project: i) underground mining scenario with paste backfill, ii) reduction in reagents to be transported by road and iii) electrical operations with a low voltage power line. It has taken more than three and a half years of metallurgical work and optimization to meet these three parameters.

In 2015, Montviel's flow sheet was greatly simplified. All of the acid required for hydrometallurgy was to be generated on site with the insertion of a closed loop acid regeneration unit. In addition, two physical processes at the beneficiation step significantly decreased the ore mass moving to hydrometallurgy.

The Corporation continues to evaluate the rare earth market and believes that the Montviel deposit, with the largest bastnaesite type mineralization 43-101 resource estimate in North America, could demonstrate solid economics based on its proprietary technology even at current market pricing.

The Corporation continues to gradually optimize and improve the flow sheet. With the additional funding from the MERN and the private placement announced on February 9, 2022 (see section 2.2), a project was started to improve on the technology that was developed and patented in 2015 (see news releases from April 29, 2015, May 20, 2015 and June 11, 2020) by incorporating the knowledge and experience gained from developing the rare earth recycling project and the bauxite residues project since then.

The main technical objectives to be investigated in this project are:
- Eliminating the flotation circuit
- Valorization of the iron by-product
- Recycling of the main leaching reagents

4. EXPLORATION AND VALIDATION OF THE PROCESSING TECHNOLOGIES ACTIVITIES (CONT'D)

The successful implementation of these objectives would simplify the process of extracting rare earths and niobium and could significantly reduce its operating costs. The economic benefits of this project include:

- Cost reduction of the chemical reagents
- Energy savings by avoiding very fine grinding that is required for flotation, solid heat recovery and other adjustments
- Improving total REE recovery through whole ore leaching
- Reduction of mining waste and tailings management costs
- Increase of potential revenues through various by-products

Furthermore, the social and environmental impacts of the project are similarly important and will help obtain the required permits in the future and support of the local communities and the Waswanipi CREE First Nation. The environmental benefits of this project include:

- Reduction of water consumption
- Reduction of liquid effluents
- Reduction of solid mining waste volumes
- Reduction of overall energy consumption and greenhouse gas emissions for REE production compared to previous flowsheet
- Further evaluation of the possibility of paste-backfill

These modifications keep improving the process and making the Montviel project more economically robust, less sensitive to REO price fluctuations and more environmentally friendly by closing the processing loop. The results of the project will be used to complete a Preliminary Economic Assessment (PEA) on the Montviel deposit.

4.5 Treatment of bauxite residues

Large quantities of this caustic red mud are generated worldwide every year, posing environmental and safety challenges. Storage of bauxite residues is a challenge for alumina refineries with over 80 plants across the world currently producing alumina from bauxite ore. It is estimated that over 1.5 million tonnes of bauxite residues are generated every year and as the demand for aluminum metal increases so does the production of bauxite residues. As a result of population growth, many of these plants are now located inside urban areas resulting in storage space limitations and increasing environmental regulations that threaten these operations. Closure of these alumina refineries could result in the loss of thousands of jobs and millions of dollars of economic benefits for these regions. With over 4 billion tonnes of BR stored in tailings globally, this feed material represents potential $400B in metal value that could be unlocked using Innord's technology.

Geomega believes that BR is a perfect fit to expand Innord's extraction technology. Drawing from the strengths and versatility of its technology, Innord had been seeking to identify large industrial and mining waste challenges with the following characteristics:

- High iron (Fe) content – in BR >40% Fe_2O_3
- Loss of critical and strategic metals in the tailings (rare earth elements, scandium, titanium and vanadium)
- Need for reagents recycling and tailings volume reduction

Ownership of the Intellectual Property developed by Innord through this research work will remain with the Corporation. With BR representing a global challenge, Innord is developing the technology with the objective to make it available globally through a licensing / royalty structure once the technology has demonstrated its economical and environmental feasibility on a larger scale.

4. EXPLORATION AND VALIDATION OF THE PROCESSING TECHNOLOGIES ACTIVITIES (CONT'D)

In parallel to the BR technology, Rio Tinto and Innord have agreed to begin evaluating in parallel various opportunities to monetize the iron compounds produced by Innord's Bauxite Residues Technology (IBRT). As part of the project, over the next 12 months, Innord has committed to develop and test an extension technology to IBRT to produce the desired product that will then be evaluated by Rio Tinto. The Intellectual property developed from this project extension will be owned by Rio Tinto who is fully funding the project. Innord will receive a royalty payment for the underlying base technology (IBRT) upon commercialization of the technology and any production of commercial products. Details of the agreement between Geomega and Rio Tinto, including the royalty level, will remain confidential.

Relative to existing methods (less than 5% of global BR is being used today) and contrary to previously developed metallurgical approaches that either only displace the environmental impact towards effluents and/or other residues, provide insufficient volume reduction or have limited economic viability, Innord's process potential offers the following benefits:

- Significant tailings volume reduction (>80%)
- Minimize effluents by recycling the main reagents, which would in turn reduce operating costs and avoid creating other waste streams
- Value maximization of the available metals, thereby enhancing the economics of the process, which include:
  - Bulk traditional metals such as Al and Fe
  - Strategic metal concentrates (REE, Sc, Ti, V)

The up to 24-month pilot project is to demonstrate the scalability of the technology while testing and validating various technical parameters before completing a feasibility study. Details on the funding of the various projects associated with BR treatment can be seen in section 2.2 and 2.4.

5. FINANCIAL HIGHLIGHTS

During Fiscal 22, the Corporation reported a net loss of $1,442,774 (net loss of $1,453,763 during Fiscal 21). The main variations are as follow:

- Research fees of $131,869 (nil in Fiscal 21). Innord is performing research projects to apply its technology to the extraction of critical metals for the treatment of Bauxite residues. Part of the funding for these projects comes from a partner in the aluminum sector. Research revenues are recorded as the Corporation spends money and resources on these projects.

- Exploration and evaluation expenses, net of tax credits of $622,847 ($354,217 during Fiscal 21). Now that the engineering of the demonstration plant for magnet recycling is well ongoing, the Corporation has started working on new research projects with the objective to adapt its technology to new streams. The R&D activities have grown over the past fiscal year as well as the engineering and research team. There is also a part of the variation which comes from an increase in the share based compensation ($153,082 in Fiscal 22 and $85,922 in Fiscal 21) which is explained partly by the growth in employee count but also by the timing of the grants of Fiscal 22 and 21. Finally, a bigger portion of the 2021 E&E activities were financed by grants and tax credits that were recorded in diminution of E&E expenses while in 2022, part of the research activities were financed through the research fees recorded as revenues.

- Salaries, employee benefits and share-based compensation of $325,996 ($214,611 during Fiscal 21). With the Corporation growing and number of projects increasing, a person was added to the administration team. There was also an increase of $64,000 in share-based compensation, which is mainly since options in 2021 were issue later during the year, which explain a smaller expense.

5. FINANCIAL HIGHLIGHTS (CONT'D)

- Travel, conferences and investor relations of $338,743 ($313 407 during Fiscal 21). The level of marketing initiatives was very similar from 2021 to 2022. A portion of the variation comes from the share-based compensation that went from $130,610 in Fiscal 21 to $144,019 in Fiscal 22.

- Filing fees of $76,514 ($40,169 in Fiscal 21). The increase in these costs is mainly due to expenses related to the upgrade carried out on the American OTC market (see section 2.5) where the Corporation went from “OTC Pink” to “OTCQB venture”. Expenses of $22,500 USD were incurred for this purpose, of which $14,000 will recur annually.

- Rent expense of $27,016 ($88,364 in Fiscal 21) Since April 2021, the Corporation has been subletting an unused part of its premises in Saint-Bruno-de-Montarville in order to amortize the expense while waiting for the commissioning of its demonstration plant, which is scheduled for Fiscal 23. $78,606 were billed as such during Fiscal 22.

- Gain on foreign exchange of $25,974 (loss of $46,179 in Fiscal 21). The Corporation holds a portion of its cash position in USD ($341,149 as of May 31, 2022 and $441,740 as of May 31, 2021) that is intended to be used to buy equipment for the demonstration plant. The exchange rate between USD and CAD went from 1.20804 as of May 31, 2021 to 1.26561 as of May 31, 2022, which explains part of the gain during Fiscal 22.

- Share of loss of associate of $233,947 ($154,651 during Fiscal 21) and net gain following dilution of investment in associate of $263,473 (net loss of $10,986 during Fiscal 21). Kintavar is the only associate of the Corporation and this investment is accounted for using the equity method. 15,929,244 shares of Kintavar were issued in a private placement in November 2021 at a unit cost higher than the book value of the shares held by Geomega, which creates an accounting gain for the Corporation. The increase in the share of loss is due to an increase in Kintavar's activities which is explained by a slowdown in the summer of 2020 due to COVID-19 followed by a drilling campaign in fall 2021.

5.1 Selected Annual Information

	Fiscal 22	**Fiscal 21**	**Fiscal 2020**
	$	**$**	**$**
Revenues	131,869	-	-
Operating loss	(1,462,828)	(1,218,928)	(1,376,340)
Other income (loss)	20,054	(234,835)	(176,746)
Net loss	(1,442,774)	(1,453,763)	(1,544,129)
Basic and diluted loss per share	(0.011)	(0.013)	(0.018)
Total Assets	7,511,744	5,752,438	3,128,020
Non-Current Liabilities	(681,430)	(749,520)	(791,499)

5.2 Equity Instruments outstanding

	As at May 31, 2022	**As at May 31, 2021**
	Number of shares	Number of shares
Shares	141,369,521	128,224,536
Stock options	11,461,250	9,296,250
Warrants	16,517,788	17,250,468
Broker warrants	370,456	631,344
Shares - Fully diluted	**169,719,015**	**155,402,598**

6. SUMMARY OF QUARTERLY RESULTS

For the eight most recent quarters:

	Q4-22	Q3-22	Q2-22	Q1-22
	$	$	$	$
Revenues	71,869	-	-	60,000
Operating loss	(312,695)	(433,850)	(367,792)	(348,491)
Other (income) expenses	(45,865)	(143,949)	224,206	(14,338)
Net and comprehensive loss	(358,560)	(577,799)	(143,586)	(362,829)
Basic and diluted loss per share	(0.003)	(0.004)	(0.001)	(0.003)
Total assets	7,511,744	5,734,807	5,738,783	5,764,819

	Q4-21	Q3-21	Q2-21	Q1-21
	$	$	$	$
Revenues	-	-	-	-
Operating loss	(361,789)	(305,207)	(227,805)	(324,127)
Other (income) expenses	(71,629)	(110,824)	3,654	(56,036)
Net and comprehensive loss	(433,418)	(416,031)	(224,151)	(380,163)
Basic and diluted loss per share	(0.003)	(0.003)	(0.002)	(0.004)
Total assets	5,752,438	5,873,251	5,053,886	2,888,289

As indicated in section 1, the Corporation is still in the exploration and evaluation phase. Although its subsidiary has generated some revenues from research fees, the Corporation has not yet started generating revenue from its demonstration plant, which explains the net loss in the profit and loss statement.

The operating loss has been relatively stable in the past quarters, with the activities focused on the final steps of engineering for the construction of the demonstration plant for recycling of rare earth magnets as well as ongoing research and development on bauxite residue processing.

During Q4-22, the Corporation raised over $1.045M through a private placement (see section 2.1) which explains the increase in the total assets.

7. LIQUIDITY AND CAPITAL RESOURCES

As of May 31, 2022, the Corporation had $5,084,902 in cash and cash equivalents ($3,389,195 as of May 31, 2021). The Corporation had a working capital of $5,040,553 ($3,407,874 as of May 31, 2021).

7. LIQUIDITY AND CAPITAL RESOURCES (CONT'D)

The Corporation's objective in managing capital is to safeguard its ability to continue its operations as well as its E&E programs. The Corporation manages its capital structure and makes restatements to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may issue new shares, secure new debt and acquire or sell mining rights to improve its financial performance and flexibility. In Fiscal 22, the Corporation issued common shares for $1.4M, received proceeds from exercise of warrants, broker warrants and options for $1.29M, secured grants for $2,1M and secured research contracts for $1,6M. The Corporation also has access to a $3.05M loan secured in Fiscal 2020 and 2021. The loan is interest-free, for a term of 8 years, with annual repayment of principal beginning 24 months following the first drawdown, which has not yet occurred. The Corporation's capital is composed of equity and balances and changes in equity are presented in the statement of changes in shareholders' equity.

The Corporation is not subject to externally imposed capital requirements neither regulatory nor contractual requirements to which it is subject unless the Corporation closes a flow-through private placement in which case the funds are reserved in use for exploration expenses.

8. COMMITMENTS

As at May 31, 2022, the Corporation is committed to future minimum payments of principal and interest on the debt, as follows:

	Up to 1 year	1 to 5 years	More than 5 years	Total
	$	$	$	$
Trade and other payables	216,953	-	-	216,953
Lease Liability – Current contractual maturities[1]	111,600	195,300	-	306,900
Lease Liability – Future renewal options[1]	-	251,100	306,900	558,000
Long-term debt	-	80,000	-	80,000
	328,553	**526,400**	**306,900**	**1,161,853**

[1] The amount presented as a liability in the consolidated statement of financial position is based on an expected duration of 10 years. Since the Corporation can decide to not renew the lease after 5 years, the amount presented in the above table was split between the current contractual maturity and the future five-years renewal. Also, the amounts presented in the above table include both the fixed and variable lease payments while the amount presented as liability in the statement of financial position only includes the fixed payments.

9. OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

10. RELATED PARTY TRANSACTIONS

10.1 Transactions with related parties

In the normal course of business:

- A firm in which a director was a partner charged professional fees amounting to $20,318 ($42,982 in Fiscal 21).

10. RELATED PARTY TRANSACTIONS (CONT'D)

Out of the normal course of business:

- Directors and Officers of the Corporation participated in a private placement in February 2022. 97,000 shares of the Corporation were bought at a price of $0.27, for a total value of $26,190.
- Officers and directors of the Corporation exercised 1,300,000 options during Fiscal 22 for a total value of $122,625 (500,000 options for $35,000 in Fiscal 21).
- Officers and directors of the Corporation also exercised 153,625 warrants during Fiscal 22 for a total value of $30,725 (nil in Fiscal 21).
- On January 27, 2021, a director and an officer together received 25,928 shares in a shares for debt transaction for a value of $8,816. See note 13.2 for more details on the transaction.

10.2 Billing according to agreement with Kintavar and its subsidiary

	Fiscal 22	Fiscal 21
	$	$
Salaries, employee benefits and share-based compensation	(800)	-
Exploration and evaluation, net of tax credits	(1,481)	(9,545)
Travel, conventions and investor relations	11,925	15,464
Administration	(203)	-
Rent	11,100	12,025
Total	**20,541**	**17,944**

As of May 31, 2022, the amount receivable from Kintavar was $18,744 ($3,558 as of May 31, 2021).

10.3 Allowance for Termination or Change of Control

There are certain employment agreements between key management and the Corporation that contain a termination provision and a change of control provision. If the provision for termination without cause or change of control involving adverse changes to duties assigned to key management had occurred as of May 31, 2022, the amounts payable for the executive team would have totalled $337,025 and $1,098,100 respectively. In the case of termination for cause, no compensation will be paid.

11. FINANCIAL INSTRUMENTS

The Corporation is exposed to various financial risks resulting from both its activities and investments. The Corporation manages the financial risks. The Corporation does not use transactions in financial instruments, including derivative financial instruments for speculative purposes. Exposure of the Corporation to key financial risks and financial policies in this area are described in the annual financial statements of May 31, 2022 in Note 22.

12. STOCK OPTION PLAN

The purpose of the stock option plan is to serve as an incentive for the directors, officers and service providers who will be motivated by the Corporation's success as well as to promote ownership of common shares of the Corporation by these people. There is no performance indicator relating to profitability or risk attached to the plan. The maximum number of common shares in the capital of the Corporation that may be reserved for issuance under the plan is limited to a maximum of 10% of the common shares outstanding.

13. RISK AND UNCERTAINTIES

An investment in the securities of the Corporation 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 Corporation and its financial position.

The following discussion reviews a number of important risks which management believes could impact the Corporation's business. There are other risks, not identified below, which currently, or may in the future, exist in the Corporation's operating environment.

13.1 Volatility risk of the financial markets

During the last few years, the securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in price will not occur. It may be anticipated that the price of the Corporation's common shares will be subject to market trends generally, notwithstanding any potential success of the Corporation in creating value in its exploration assets, and its price will be affected by such volatility.

As a result of the extreme volatility occurring in the financial markets, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Geomega are considered risky assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Corporation to access the capital markets to raise the capital it will need to fund its current level of expenditures.

13.2 Dilution risk of common shares

During the life of the Corporation's outstanding stock options, warrants, convertible debentures and share exchange rights, the holders are given an opportunity to profit from an increase in the market price of the common shares with a resulting dilution in the interest of shareholders. The holders may exercise such securities at a time when the Corporation may have been able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding options. The increase in the number of common shares in the market, if all or part of these outstanding options were exercised, and the possibility of sales of these additional shares may have a depressive effect on the price of the common shares.

Furthermore, the Corporation will require additional funds to fund further exploration. If the Corporation raises additional funding by issuing additional equity securities, such financing may dilute the holdings of the Corporation's shareholders.

13.3 Risks inherent to the industry

Mineral exploration and development involve several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs and the operation of mines.

13. RISK AND UNCERTAINTIES (CONT'D)

The commercial viability of exploiting any metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Corporation's properties to justify commercial operation.

Numerous external factors influence and may have significant impacts on the operations of the Corporation and its financing needs. Furthermore, exploiting REE deposits is dependent on risk factors that are specific to the REE market, including the complexity and costliness of the REE separation process, potential difficulties in finding buyers and the potential for buyers to develop replacement technologies that use less or no REEs.

13.4 Titles to Property

Although the Corporation has taken steps to verify title to the property on which it is conducting exploration and in which it is acquiring an interest in accordance with industry standards for the current stage of exploration and evaluation of such property, these procedures do not guarantee the Corporation's title. Property title may be subject to unregistered prior agreements, aboriginal claims and noncompliance with regulatory requirements.

13.5 Permits and Licenses

The Corporation's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

13.6 Environmental and Other Regulations

Current, possible or future environmental legislation, regulations and measures may entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Corporation's activities. The requirements of the environmental regulations and standards are constantly re-evaluated and may be considerably increased, which could seriously hamper the Corporation or its ability to develop its properties economically. Before a property can enter into production, the Corporation must obtain regulatory and environmental approvals. There can be no assurance that such approvals will be obtained or that they will be obtained in a timely manner. The cost related to assessing changes in government regulations may reduce the profitability of the operation or altogether prevent a property from being developed. The Corporation maintains an environmental management system including operational plans and practices and considers that it is in material compliance with the existing environmental legislation.

13.7 Research and Development Goals and Progress Frames

The Corporation sets goals for and makes public statements regarding the results of its research and development in its separation technology, and the expected timing of these results. Future results, and the timing of these results, are material to the success of the Corporation, but are uncertain and can vary due to factors such as delays or failures in the Corporation's contemplated financings, uncertainties inherent in the research and development process, reliance on key personnel and other factors. There can be no assurance that the Corporation will be able to adhere to its current schedule for achieving desired research and development results.

13.8 Mining Law and Governmental Regulation

The Corporation's activities entail compliance with the applicable legislation or review processes and the obtaining of land use and all other permits, and similar authorizations of future overall mining operations are subject to the constraints contained in such legislation. The Corporation believes that it is in compliance in all material respects with such existing laws. Changing government regulations may, however, have an adverse effect on the Corporation.

13. RISK AND UNCERTAINTIES (CONT'D)

Although the Corporation continues to ensure that its exploration projects receive support from concerned municipals authorities and other stakeholders, amendments to various governmental regulations might affect its exploration projects. In particular, the exploration projects of the Corporation are located in Quebec on which some are located on Eeyou Istchee James Bay territory. The creation of the Eeyou Istchee James Bay Regional Government and recent changes to the categories I, II and III lands might affect the exploration and evaluation of the Corporation's properties.

In addition, political and social debates on the distribution of mining wealth in Quebec and elsewhere may result in increased mining taxes and royalties, which could adversely affect the Corporation's business and mining operations.

13.9 Internal controls over financial reporting

The Corporation is responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. However, management is not required to obtain an attestation in regards of the evaluation of internal controls and did not perform such evaluation.

The Corporation has assessed the design of the internal controls over financial reporting, and during this process the Corporation identified certain weaknesses in internal controls over financial reporting which are due to the limited number of staff at the Corporation, making it unfeasible to achieve complete segregation of incompatible duties. Corporation's management is limited in its ability to put internal controls in place at reasonable cost. This could increase risks related to quality, reliability, transparency and deadlines for interim, annual and others reports in respect with securities laws.

These weaknesses in the Corporation's internal controls over financial reporting may result in a more than remote likelihood that a material misstatement would not be prevented or detected. Management and the Board of Directors work to mitigate the risk of a material misstatement in financial reporting; however, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

13.10 Territories and First Nations claims

Although the Corporation has the rights to explore its mining properties, it must consider the potential claims of the First Nations communities surrounding its properties. The Corporation strives to maintain good relations with the First Nations communities.

13.11 Taxes

The refundable credit for resources and credit on duties refundable for losses (the "tax credits") for the current period and prior periods are measured at the amount the Corporation expects to recover from the tax authorities as at the closing date. However, uncertainties remain as to the interpretation of tax rules and the amount and timing of the recovery of such tax credits. Accordingly, there may be a significant difference between the recorded amount of tax credits receivable and the actual amount of tax credits received following the tax authorities' review of issues whose interpretation is uncertain. However, given the uncertainty inherent in obtaining the approval of the relevant tax authorities, the amount of tax credits that will actually be recovered or the amount to be repaid, as well as the timing of such recovery or repayment, could differ materially from the accounting estimates, which would affect the Corporation's financial position and cash flows.

13. RISK AND UNCERTAINTIES (CONT'D)

13.12 Litigation

All industries, including mining, are subject to legal claims that can be with and without merit. Defense and settlement costs can be substantial, even for claims that have no merit. Potential litigation may arise with respect to a property in which the Corporation is in the process of evaluating as a strategic investment and/or holds an interest directly or indirectly in an exploring, developing and/or operating mineral property now or in the future.

Geomega might not generally have any influence on the litigation nor will it necessarily have access to data. In case where that litigation results in the cessation or reduction of production from a property (whether temporary or permanent), it could have a material and adverse effect on the Corporation's results of operations and financial condition. The litigation process is inherently uncertain, so there can be no assurance that the resolution of a legal proceeding will not have a material adverse effect on our future cash flow, results of operations or financial condition.

13.13 Dependence on key personnel

The development of the Corporation's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Corporation faces competition for personnel from other mining companies.

13.14 Metal Prices

Even if the Corporation's exploration programs are successful, factors beyond the control of the Corporation may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Corporation's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

13.15 Competition

The mining industry is intensely competitive in all its phases. The Corporation competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

13.16 Conflicts of interest

Certain directors of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Corporation are required by law to act honestly and in good faith to the best interests of the Corporation, and to disclose any interest which they may have in any project or opportunity of the Corporation. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

14. CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ERRORS

The preparation of financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. There is a full disclosure and description of the Corporation's critical accounting policies, estimates, judgments, and assumptions in the consolidated financial statements as of May 31, 2022, Notes 1, 2, 3 and 4.

14. CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ERRORS (CONT'D)

The accounting policies, methods of computation and presentation applied in the consolidated financial statements are consistent with those of the previous financial year ended May 31, 2022, except for the new policies described below.

14.1 New accounting standards

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 Corporation. Management anticipates that all of the pronouncements will be adopted in the Corporation's accounting policy for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Corporation'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 Corporation's financial statements.

In May 2020, the IASB issued a package of narrow-scope amendments to three standards (IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets") as well as the IASB's Annual Improvements to IFRS Standards 2018 - 2020. These amendments to existing IFRS standards are to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights. These amendments are effective for annual periods beginning on or after January 1, 2022. The Company is assessing the potential impact of these narrow-scope amendments.

14.2 Government grants

The Corporation receives financial assistance under government incentive programs for research and development. Government grants are recognized initially as government grants receivable at fair value when there is reasonable assurance that it will be received and Innord will comply with the conditions associated with the grant. Grants that compensate Innord are recognized as a reduction of the related expenditures (in the statements of financial position or statements of income (loss) depending on the nature of the expenditures).

Grants are recognized in proportion to the total costs expected to the contract. Any payment received before the associated work is performed are recorded as deferred grants in the statement of financial position.

14.3 Revenue recognition

Revenues correspond to research fees for collaborative research work with third parties in the valuation of mining and industrial residues as the critical and strategic metals sectors.

Fees received are recognized in the statement of comprehensive loss as the work is performed, all obligations under the contract are satisfied and the corresponding consideration is received or there is reasonable assurance of collection.

Revenues are measured at the fair value of the consideration received or to be received. Revenue is recognized in proportion to the total costs expected to the contract. Any payment received from customers before the work is performed are recorded as deferred revenues in the statement of financial position while any amounts recognized in excess of amounts invoiced are recognized as a work in progress.

15. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Corporation's financial statements are the responsibility of the Corporation's management. The financial statements were prepared by the Corporation'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 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.

September 13, 2022

(s) Kiril Mugerman
Kiril Mugerman
President and CEO

(s) Mathieu Bourdeau
Mathieu Bourdeau
CFO

Management

Kiril Mugerman, President & CEO
Alain Cayer, VP Exploration
Mathieu Bourdeau, CFO
Pouya Hajiani, CTO

Board of directors

Gilles Gingras, President of the Audit Committee 1)
Kosta Kostic
Mario Spino 1)
Matt Silvestro
Nick Nickoletopoulos1)
Kiril Mugerman

Notes:
1) Member of the Audit Committee

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