



## **Geomega Resources Inc.**

Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended November 30, 2023

*The accompanying financial statements have been prepared by the management of Geomega Resources Inc. and have not been reviewed by the auditors*

**Geomega Resources Inc.**  
**Consolidated Statements of Financial Position**  
(unaudited, in Canadian Dollars)

	Note	As at November 30, 2023 \$	As at May 31, 2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	2,025,369	3,799,111
Accounts receivable	8	561,074	594,963
Tax credits and government grants receivable	9	701,214	453,376
Investments	5	500,000	522,000
Investment in a listed company	6	26,216	67,574
Prepaid expenses and others	10	299,526	56,051
Inventories		20,441	18,561
<b>Current assets</b>		<b>4,133,840</b>	<b>5,511,636</b>
<b>Non-current assets</b>			
Investment in an associate	7	252,857	842,857
Deposits on acquisition of property and equipment, net of government grants		345,019	283,559
Property and equipment, net of government grants	11	604,718	427,893
Right-of-use assets	12	2,086,063	2,298,752
<b>Non-current assets</b>		<b>3,288,657</b>	<b>3,853,061</b>
<b>Total assets</b>		<b>7,422,497</b>	<b>9,364,697</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		349,948	626,007
Deferred grants	13	290,296	680,650
Deferred revenues		337,642	338,668
Current portion of the lease obligations	14	13,097	74,646
Current portion of the long-term debt	15	79,537	76,809
<b>Current liabilities</b>		<b>1,070,520</b>	<b>1,796,780</b>
<b>Non-current liabilities</b>			
Lease obligations	14	2,232,281	2,289,819
<b>Non-current liabilities</b>		<b>2,232,281</b>	<b>2,289,819</b>
<b>Total liabilities</b>		<b>3,302,801</b>	<b>4,086,599</b>
<b>Equity</b>			
Share capital		38,671,196	38,515,697
Stock options	18	1,057,529	1,152,537
Contributed surplus		4,587,730	4,524,149
Deficit		(40,196,759)	(38,914,285)
<b>Total equity</b>		<b>4,119,696</b>	<b>5,278,098</b>
<b>Total liabilities and equity</b>		<b>7,422,497</b>	<b>9,364,697</b>

The accompanying notes are an integral part of these consolidated Financial Statements.

**Geomega Resources Inc.**  
**Consolidated Statements of Income and Comprehensive Income**  
(unaudited, in Canadian Dollars)

	Note	Three months ended November 30		Six months ended November 30	
		2023	2022	2023	2022
		\$	\$	\$	\$
Research fees		214,404	114,343	343,844	196,688
<b>Revenues</b>		<b>214,404</b>	<b>114,343</b>	<b>343,844</b>	<b>196,688</b>
<b>Operating expenses</b>					
Salaries, employee benefits and share-based compensation		107,105	63,171	212,882	124,756
Exploration and evaluation expenses, net of tax credits	19	452,278	331,631	1,101,890	587,525
Professional fees		27,196	3,674	123,644	47,275
Travel, conference and investor relations		36,404	103,078	72,442	159,385
Administration		20,929	12,492	35,895	22,427
Filing fees		35,796	26,409	48,124	34,578
Rent		48,193	11,945	71,943	48,721
Depreciation of right-of-use assets		45,522	20,073	107,305	40,146
Insurance, taxes and permits		18,600	5,719	25,147	11,438
Government grants on operating expenses		(237,636)	(328,109)	(703,937)	(365,699)
<b>Operating loss</b>		<b>(339,983)</b>	<b>(135,740)</b>	<b>(751,491)</b>	<b>(513,864)</b>
<b>Other income (expenses)</b>					
Investment income		28,126	18,102	67,095	31,810
Gain (loss) on foreign exchange		2,929	4,679	(9,118)	16,333
Finance costs		(74,617)	(12,737)	(152,928)	(25,778)
Gain on disposal of exploration and evaluation assets		-	-	44,492	-
Net gain on settlement of a lease agreement		171,242	-	171,242	-
Unrealized loss in fair value of investments in a listed company		(23,571)	-	(61,765)	-
Share of gain (loss) of associate		8,858	(43,253)	8,039	(93,721)
Net gain on dilution of investment in an associate		-	162	-	162
Impairment of an investment in an associate		(346,001)	(125,481)	(598,040)	(519,917)
		<b>(233,034)</b>	<b>(158,528)</b>	<b>(530,983)</b>	<b>(591,111)</b>
<b>Net and comprehensive loss</b>		<b>(573,017)</b>	<b>(294,269)</b>	<b>(1,282,474)</b>	<b>(1,104,975)</b>
Basic and diluted loss per share		(0.004)	(0.002)	(0.009)	(0.008)
Weighted average number of basic & diluted shares outstanding		142,247,400	141,612,378	142,035,811	141,495,204

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

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

	Note	Number of shares outstanding	Share Capital	Stock-options	Contributed Surplus	Deficit	Total Equity
			\$	\$	\$	\$	\$
<b>Balance at May 31, 2023</b>		<b>141,826,521</b>	<b>38,515,697</b>	<b>1,152,537</b>	<b>4,524,149</b>	<b>(38,914,285)</b>	<b>5,278,098</b>
Net and comprehensive loss		-	-	-	-	(1,282,474)	(1,282,474)
Exercised stock options		1,150,000	155,499	(59,750)	-	-	95,749
Expired options		-	-	(63,581)	63,581	-	-
Share-based compensation		-	-	28,323	-	-	28,323
<b>Balance at November 30, 2023</b>		<b>142,976,521</b>	<b>38,671,196</b>	<b>1,057,529</b>	<b>4,587,730</b>	<b>(40,196,759)</b>	<b>4,119,696</b>

	Note	Number of shares outstanding	Share Capital	Broker warrants	Stock-options	Contributed Surplus	Deficit	Total Equity
			\$	\$	\$	\$	\$	\$
<b>Balance at May 31, 2022</b>		<b>141,369,521</b>	<b>38,435,625</b>	<b>27,477</b>	<b>1,069,608</b>	<b>4,424,649</b>	<b>(37,513,413)</b>	<b>6,443,946</b>
Net and comprehensive loss		-	-	-	-	-	(1,104,975)	(1,104,975)
Exercised stock options		400,000	66,177	-	(25,301)	-	-	40,876
Expired options		-	-	-	(23,919)	23,919	-	-
Expired broker options		-	-	(27,477)	-	27,477	-	-
Share-based compensation		-	-	-	108,002	-	-	108,002
<b>Balance at November 30, 2022</b>		<b>141,769,521</b>	<b>38,501,802</b>	<b>-</b>	<b>1,128,390</b>	<b>4,476,045</b>	<b>(38,618,388)</b>	<b>5,487,849</b>

The accompanying notes are an integral part of these consolidated Financial Statements.

**Geomega Resources Inc.**  
**Consolidated Statements of Cash Flow**  
(Unaudited, in Canadian dollars)

		<b>Six months ended November 30</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Operating activities</b>			
Net and comprehensive loss		(1,282,474)	(1,104,975)
Adjustments for:			
Share-based compensation		28,323	108,002
Unrealized gain on foreign exchange rate		434	-
Depreciation of property and equipment		48,092	13,370
Depreciation of right-of-use assets		107,304	40,147
Finance costs for the accretion of long-term debt		2,728	2,544
Share of (revenue) loss of an associate		(8,040)	93,721
Net gain on dilution of investment in an associate		-	(162)
Impairment of an investment in an associate	7	598,040	519,917
Unrealized loss on variation of value of an investment in a listed company		60,897	-
Gain on disposal of exploration and evaluation assets – noncash portion	19.3	(19,972)	-
Net gain on settlement of a lease agreement		(171,242)	-
Changes in non-cash working capital items	20	(801,290)	(234,965)
<b>Cash flows from operating activities</b>		<b>(1,437,201)</b>	<b>(562,401)</b>
<b>Investing activities</b>			
Variation of deposits on property and equipment		(233,987)	(581,924)
Disposal of investments		22,000	-
Additions of property and equipment		(464,900)	(4,444)
Settlement of a lease agreement		175,000	-
Government grants received for the purchase of property and equipment	13	87,057	75,180
<b>Cash flows from investing activities</b>		<b>(414,830)</b>	<b>(511,188)</b>
<b>Financing activities</b>			
Exercise of stock options		95,749	40,876
Repayments of lease liability		(17,460)	(32,607)
<b>Cash flows from financing activities</b>		<b>78,289</b>	<b>8,269</b>
<b>Net change in cash</b>		<b>(1,773,742)</b>	<b>(1,065,320)</b>
Cash and cash equivalents – beginning		3,799,111	5,084,902
<b>Cash and cash equivalents – ending</b>		<b>2,025,369</b>	<b>4,019,582</b>

The accompanying notes are an integral part of these 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") is incorporated under the *Canada Business Corporations Act* and is engaged in the acquisition, exploration and evaluation of mining properties in Canada. Through its private and wholly owned subsidiary Innord, the Corporation is developing innovative technologies for extraction and separation of rare earth elements and other critical and strategic metals from its mining properties and other mining and industrial waste, in an environmentally sustainable way. 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 consolidated Financial Statements (the "Financial Statements") were approved by the Corporation's Board of Directors on January 25, 2024.

The Financial Statements have been prepared in accordance with valid accounting principles in a context of going concern which provides that the Company will be able to realize its assets and pay its debts in the normal course of its activities. In assessing the validity of the going concern principle, management considers all available data regarding the future, which represents at least, but is not limited to, the twelve months following the end of the reporting period. For the six months ended November 30, 2023, the Corporation recorded a net loss of \$1,282,474 and accumulated a deficit of \$40,196,759 as of that date. As of November 30, 2023, the Company had a working capital of \$3,063,320.

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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Declaration of conformity

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("International Financial Reporting Standards" or "IFRS") as published by the International Accounting Standards ("IAS") and which are applicable for the preparation of interim consolidated financial statements, in particular International Accounting Standard 34 ("International Accounting Standard 34" or "IAS 34") - Interim financial information. The Financial Statements therefore do not include all the information and notes required under IFRS for the purposes of annual financial statements.

#### 2.2 Basis of Presentation

The Financial Statements should be read in conjunction with the audited annual financial statements for the year ended May 31, 2023, which have been prepared in accordance with IFRS. The accounting conventions and the calculation and presentation methods used in the preparation of the Financial Statements comply with the conventions and methods used for the previous financial year ended May 31, 2023.

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

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

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions that affect the amounts reported as assets and liabilities, the presentation of assets and at the date of the Financial Statements as well as the amounts presented as income and expenses during the reporting period. The Company also makes estimates and assumptions for the future. The determination of estimates requires the exercise of judgment based on various assumptions as well as other factors such as historical experience and current and expected economic conditions. Actual results could differ from these estimates.

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

In preparing the Financial Statements, the main judgments made by management in applying the Company's accounting policies and the main sources of estimation uncertainty were the same as those that applied to the annual financial statements for the fiscal year ended May 31, 2023.

### 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include available cash, bank balances and short-term liquid investments with an original maturity of up to 3 months or redeemable at any time without penalty.

The short-term investments held as of November 30, 2023 and classified as cash equivalents include the following investments:

- Guaranteed investments certificates totaling \$1,547,386 with rates from 4.50% to 5.15% and maturity dates ranging from January 31, 2024 to October 7, 2024. The short-term investments classified as cash equivalents are either cashable at anytime without penalty or invested for a period of 3 months or less.
- Investment of US \$161,875 (CAD \$219,492) in a high interest exchange trading fund. Investment is cashable at any time without penalty.

The Corporation also has access to a credit facility of \$3,046,044. The loan is interest-free, has an 8-year term, with an annual principal repayment commencing 24 months after the first withdrawal, which has not yet taken place as of November 2023.

### 5. INVESTMENT

The investment as at November 30, 2023 consist of a guaranteed investment certificate of \$500,000 that is non-cashable prior to maturity. The certificate bears interest at 5.10% to 5.15% and expires January 31, 2024.

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 6. INVESTMENT IN LISTED COMPANY

The Corporation holds marketable securities. The shares are listed on the Exchange. The total amount of the investment is as follows:

	As at November 30 2023	As at May 31 2023
	\$	\$
<u>Classified as current asset</u>		
MTM Critical Metals Ltd. – 1,123,700 common shares (666,667 as at May 31, 2023) - \$0.026 AUD (\$0.115 AUD as at May 31, 2023)	26,216	67,574
<b>Investment in a listed company</b>	<b>26,216</b>	<b>67,574</b>

### 7. INVESTMENT IN AN ASSOCIATE

Kintavar Exploration Inc. (“Kintavar”) is the Corporation’s only associate. Kintavar’s share capital consists solely of ordinary shares, which are held directly by the Corporation. Kintavar is incorporated in Canada where its exploration and evaluation activities on bearing properties 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 November 30, 2023 is \$252,857 (16,857,143 shares at \$0.015, closing price on the Exchange). Considering the fair value of the investment is lower than its carrying value as at November 30, 2023, an impairment loss of \$598,040 has been recorded in the consolidated statement of losses in order to reduce the investment to its estimated recoverable value, in this case its fair market value. Its fair value was \$842,857 as at May 31, 2023. The Corporation categorized the fair value measurement as Level 1, as it is derived from quoted prices in active markets. No shares were issued in the first six months of fiscal 2024, thus the Corporation’s interest in Kintavar was not diluted and remains at 13.11%.

#### *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.

	Six months ended November 30, 2023	Year ended May 31, 2023
	\$	\$
Balance at beginning of period	842,857	1,372,048
Share of net and comprehensive gain (loss)	8,040	(193,787)
Net gain from dilution of the interest	-	(19,041)
Impairment to fair market value	(598,040)	(316,363)
<b>Balance at end of period</b>	<b>257,857</b>	<b>842,857</b>



# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 8. ACCOUNTS RECEIVABLE

	As at November 30, 2023	As at May 31, 2023
	\$	\$
Trade receivables	66,975	343,010
Sales taxes receivable	185,607	110,293
Interest receivables	32,487	43,258
Other accounts receivables	276,005	98,402
<b>Accounts receivable</b>	<b>561,074</b>	<b>594,963</b>

### 9. TAX CREDITS AND GOVERNMENT GRANTS RECEIVABLE

	As at November 30, 2023	As at May 31, 2023
	\$	\$
Refundable tax credits	4,053	2,173
Government grants receivable	697,161	451,203
<b>Tax credits and government grants receivable</b>	<b>701,214</b>	<b>453,376</b>

Refundable tax credits are related to eligible mining exploration expenses incurred in the province of Quebec and the refundable portion of the research and development tax credits.

The government grants are related to expenditures on research and development incurred by the corporation and its subsidiary.

### 10. PREPAID EXPENSES AND OTHERS

	As at November 30, 2023	As at May 31, 2023
	\$	\$
Prepaid on operation expenses	112,499	56,051
Advance payment on Inventories	187,027	-
<b>Prepaid expenses and others</b>	<b>299,526</b>	<b>56,051</b>

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 11. PROPERTY AND EQUIPMENT

	Office equipment	E&E Equipment	Total
	\$	\$	\$
<b>Six months ended November 30, 2023</b>			
Opening net book value	-	427,893	427,893
Additions	-	464,900	464,900
Government grants	-	(239,983)	(239,983)
Depreciation	-	(48,092)	(48,092)
Closing net book value	-	604,718	604,718
<b>As at November 30, 2023</b>			
<b>Cost</b>	<b>14,984</b>	<b>935,159</b>	<b>950,143</b>
<b>Accumulated depreciation</b>	<b>(14,984)</b>	<b>(330,441)</b>	<b>(345,425)</b>
<b>Closing net book value</b>	<b>-</b>	<b>604,718</b>	<b>604,718</b>

	Office equipment	E&E Equipment	Total
	\$	\$	\$
<b>Fiscal 2023</b>			
Opening net book value	-	100,532	100,532
Additions	-	764,100	764,100
Government grants	-	(402,628)	(402,628)
Depreciation	-	(34,111)	(34,111)
Closing net book value	-	427,893	427,893
<b>As at May 31, 2023</b>			
<b>Cost</b>	<b>14,984</b>	<b>710,244</b>	<b>725,228</b>
<b>Accumulated depreciation</b>	<b>(14,984)</b>	<b>(282,351)</b>	<b>(297,335)</b>
<b>Closing net book value</b>	<b>-</b>	<b>427,893</b>	<b>427,893</b>

### 12. RIGHT-OF-USE ASSETS

	Equipment	Industrial buildings	Total
	\$	\$	\$
<b>Six months ended November 30, 2023</b>			
Opening net book value	-	2,298,752	2,298,752
Additions	28,500	-	28,500
Disposition	-	(133,885)	(133,885)
Depreciation	(2,375)	(104,929)	(107,304)
Closing net book value	26,125	2,059,938	2,086,064
<b>As at November 30, 2023</b>			
<b>Cost</b>	<b>28,500</b>	<b>2,143,732</b>	<b>2,172,232</b>
<b>Accumulated depreciation</b>	<b>(2,375)</b>	<b>(83,794)</b>	<b>(86,169)</b>
<b>Closing net book value</b>	<b>26,125</b>	<b>2,059,938</b>	<b>2,086,063</b>

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 12. RIGHT-OF-USE ASSETS (CONT'D)

	Industrial buildings
	\$
<b>Fiscal 2023</b>	
Opening net book value	612,243
Additions	2,220,600
Revaluation	(439,786)
Depreciation	(94,305)
Closing net book value	2,298,752
<b>As at May 31, 2023</b>	
<b>Cost</b>	<b>2,319,456</b>
<b>Accumulated Depreciation</b>	<b>(20,704)</b>
<b>Closing net book value</b>	<b>2,298,752</b>

### 13. DEFERRED GRANTS

	As at November 30, 2023	As at May 31, 2023
	\$	\$
Deferred grants attributable to the purchase of property and equipment	241,171	534,385
Deferred grants attributable to operations	49,125	146,265
<b>Deferred grants</b>	<b>290,296</b>	<b>680,650</b>

### 14. LEASE OBLIGATIONS

	Six months ended November 30, 2023	Year ended May 31, 2023
	\$	\$
Balance, at opening	2,364,465	676,170
Addition	28,500	2,172,600
Disposition	(130,127)	-
Revaluation	-	(439,786)
Repayments of lease obligations	(41,460)	(44,519)
Balance	2,245,378	2,364,465
Balance, current	(13,097)	(74,646)
<b>Balance, non-current</b>	<b>2,232,281</b>	<b>2,289,819</b>

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 15. LONG-TERM DEBT

	As at November 30, 2023	As at May 31, 2023
	\$	\$
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 if paid before December 31, 2023. <sup>1</sup>	79,537	76,809
<b>Long-term debt - non-current</b>	<b>79,537</b>	<b>76,809</b>

<sup>1</sup> The Corporation elected to pay the loan in totality before the original deadline, December 31, 2023.

### 16. WARRANTS

The Corporation's warrants were as follows:

	Six months ended November 30, 2023		Year ended May 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Opening	16,517,788	0.25	16,517,788	0.25
<b>Balance, end</b>	<b>16,517,788</b>	<b>0.25</b>	<b>16,517,788</b>	<b>0.25</b>

Warrants outstanding as at November 30, 2023 are as follows:

Number of warrants	Exercise price	Expiry date
	\$	
704,028	0.40	February 7, 2024
4,354,667	0.32	May 23, 2025
11,459,093	0.25	November 6, 2025 <sup>1</sup>
<b>16,517,788</b>		

<sup>1</sup> These warrants were originally expiring on November 9, 2024. On October 26, 2024, they were extended for a period of 1 year until November 6, 2025. All other conditions stayed unchanged. This change had no impact on the financial statements.

### 17. BROKER WARRANTS

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

	Six months ended November 30, 2023		Year ended May 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Opening	-	-	370,456	0.22
Expired	-	-	(370,456)	(0.22)
<b>Balance, end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 18. STOCK OPTIONS

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

	Six months ended November, 2023		Year ended May 31, 2023	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, opening	10,295,500	0.21	11,461,250	0.18
Exercised	(1,150,000)	0.08	(457,000)	0.09
Expired	(425,000)	0.31	(596,250)	0.25
Forfeited	-	-	(112,500)	0.32
<b>Balance, end</b>	<b>8,720,500</b>	<b>0.22</b>	<b>10,295,500</b>	<b>0.21</b>
Balance, end, exercisable	7,720,500	0.22	8,903,000	0.20

The number of options outstanding as of November 30, 2023 are as follows:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry date
		\$	
1,400,000	400,000	0.24	May 3, 2024
250,000	250,000	0.175	July 29, 2024
1,330,500	1,330,500	0.155	October 23, 2024
200,000	200,000	0.155	December 28, 2024
75,000	75,000	0.185	January 19, 2025
1,450,000	1,450,000	0.165	April 16, 2025
450,000	450,000	0.165	April 21, 2025
250,000	250,000	0.155	June 3, 2025
500,000	500,000	0.175	August 13, 2025
45,000	45,000	0.205	August 31, 2025
250,000	250,000	0.18	October 21, 2025
950,000	950,000	0.34	January 27, 2026
1,545,000	1,545,000	0.305	October 27, 2026
<b>8,720,500</b>	<b>7,720,500</b>		

On October 25, 2023, a new omnibus equity incentive plan was implemented to replace the actual stock option plan that was last reconducted on October 26, 2022. The omnibus plan offers a wider range of incentive awards, including stock options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs"), and deferred share units ("DSUs"). The options issued under the previous plan are still eligible. No option or other awards were issued under the new omnibus plan as at November 30, 2023.

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 19. EXPLORATION AND EVALUATION EXPENSES

#### 19.1 Montviel

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 96 mining claims totalling 5,333 hectares as at November 30, 2023.

Montviel	Three months ended November 30		Six months ended November 30	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Acquisition and maintenance</b>	-	-	-	-
<b>Exploration</b>				
Share-based compensation	291	2,046	727	4,780
Supplies	1,308	654	1,962	1,308
Taxes, permits and insurances	-	-	-	360
<b>Total Exploration</b>	<b>1,599</b>	<b>2,700</b>	<b>2,689</b>	<b>6,448</b>
<b>Evaluation</b>				
Salaries and benefits	332,913	201,803	605,710	374,310
Separation process	43,688	35,572	142,514	90,856
Depreciation of property and equipment	28,564	11,185	48,092	13,370
Engineering	46,086	80,655	356,267	103,266
<b>Total Evaluation</b>	<b>451,251</b>	<b>329,215</b>	<b>1,152,583</b>	<b>581,804</b>
<b>Gross E&amp;E expenses</b>	<b>452,850</b>	<b>331,915</b>	<b>1,152,272</b>	<b>588,252</b>
Tax credits	(572)	(284)	(53,352)	(727)
<b>Net E&amp;E expenses - Montviel</b>	<b>452,278</b>	<b>331,631</b>	<b>1,101,890</b>	<b>587,524</b>

#### 19.2 Pomme (under option agreement)

The Pomme REE project ("Pomme"), also known as Montviel-Nord, is located adjacent to the north of the Montviel REE-Nb deposit that was discovered by Geomega in 2011. In the past years, the Pomme property and the Montviel property were considered as one property. During the year 2023, the 2 projects were divided in order to option Pomme. The Pomme property comprises 43 mining claims totalling 2,386 hectares as at November 30, 2023.

On February 22, 2023, the Corporation concluded an agreement with MTM Critical Metals Limited (ASX:MTM, "MTM") to option out the Pomme property.

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 19. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

The terms of the option agreement with MTM for Pomme are as followed:

All amounts are in AUD	Cash Payments \$	Issuance of common shares \$	Work \$
<b>Option to earn 100%</b>			
At the signature of the LOI (completed)	20,000	Nil	Nil
At the signature of the final agreement (completed)	50,000	50,000	Nil
On or before February 22, 2024	100,000	100,000	300,000
On or before February 22, 2025	100,000	100,000	700,000
On or before February 22, 2026	Nil	Nil	1,000,000
<b>Total for a maximum participation of 100%</b>	<b>270,000</b>	<b>250,000</b>	<b>2,000,000</b>

Pursuant to the agreement MTM will grant to the Corporation a 2% NSR on the property and the Corporation will grant MTM the right to buy-back at any time 1% for AUD \$1,000,000.

#### 19.3 Montviel-Sud (under option agreement)

On August 31, 2023, the Corporation concluded an agreement with MTM to option out the Montviel-Sud property.

The terms of the option agreement with MTM for Montviel-Sud are as followed:

	Cash Payments \$ CAD	Issuance of common shares \$ AUD	Work \$ CAD
<b>Option to earn 100%</b>			
At the signature of the final agreement (completed)	25,000	25,000	Nil
On or before August 31, 2024	50,000	50,000	50,000
On or before August 31, 2025	75,000	75,000	200,000
On or before August 31, 2026	Nil	Nil	450,000
<b>Total for a maximum participation of 100%</b>	<b>150,000</b>	<b>150,000</b>	<b>700,000</b>

Pursuant to the agreement, MTM will grant the Corporation a 2% NSR on the property and the Corporation will grant MTM the right to buy back at any time 1% for AUD \$1,000,000.

The Corporation received 457,033 shares of MTM during the semester, equivalent to \$19,972 CAD, and total option payments of \$25,000 CAD, resulting in a gain on disposal of exploration and evaluation assets of \$44,492.

# Geomega Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, in Canadian dollars)

### 20. ADDITIONAL INFORMATION RELATING TO THE CONSOLIDATED STATEMENT OF CASH FLOW

#### *Change in non-cash working capital items*

	Six months ended November 30	
	2023	2022
	\$	\$
Accounts receivable	33,889	(432,017)
Work in progress	-	71,868
Tax credits and government grants receivable	(221,367)	(204,505)
Prepaid and other expenses	(243,475)	29,688
Inventories	3,887	(3,079)
Trade and other payables	(276,059)	60,929
Deferred grants – portion attributable to operating expenses	(97,139)	(5,588)
Deferred revenues	(1,026)	247,735
	<b>(801,290)</b>	<b>227,956</b>

#### *Non-cash Transactions*

	Six months ended November 30	
	2023	2022
	\$	\$
Government grants on the acquisition of inventories	38,262	1,124
Government grants on deposits made on the purchase of property and equipment	412,510	244,242
Acquisition of a right-of-use asset against a lease obligation	28,500	-