



Geomega Resources Inc.

Unaudited Condensed Interim Consolidated Financial Statements

For the Nine months ended February 29, 2024

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 February 29, 2024 \$	As at May 31, 2023 \$
Assets			
Current assets			
Cash and cash equivalents	4	2,900,637	3,799,111
Accounts receivable	8	532,703	594,963
Tax credits and government grants receivable	9	605,014	453,376
Investments	5	22,000	522,000
Investment in a listed company	6	180,757	67,574
Prepaid expenses and others	10	355,675	56,051
Inventories		20,555	18,561
Current assets		4,617,341	5,511,636
Non-current assets			
Investment in an associate	7	337,143	842,857
Deposits on acquisition of property and equipment, net of government grants		307,817	283,559
Property and equipment, net of government grants	11	680,720	427,893
Right-of-use assets	12	2,044,903	2,298,752
Non-current assets		3,370,583	3,853,061
Total assets		7,987,924	9,364,697
Liabilities			
Current liabilities			
Trade and other payables		422,895	626,007
Deferred grants	13	904,624	680,650
Deferred revenues		280,163	338,668
Current portion of the lease liabilities	14	14,023	74,646
Current portion of the long-term debt	15	-	76,809
Current liabilities		1,621,705	1,796,780
Non-current liabilities			
Lease liabilities	14	2,223,413	2,289,819
Non-current liabilities		2,223,413	2,289,819
Total liabilities		3,845,118	4,086,599
Equity			
Share capital		38,778,372	38,515,697
Reserves	18	1,067,265	1,152,537
Contributed surplus		4,587,730	4,524,149
Deficit		(40,290,561)	(38,914,285)
Total equity		4,142,806	5,278,098
Total liabilities and equity		7,987,924	9,364,697

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

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

	Note	Three months ended		Nine months ended	
		February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
		\$	\$	\$	\$
Research fees		57,479	184,078	401,323	381,314
Revenues		57,479	184,078	401,323	381,314
Operating expenses					
Salaries, employee benefits and share-based compensation		151,534	75,782	364,416	200,538
Exploration and evaluation expenses, net of tax credits	19	755,000	383,143	1,856,890	977,587
Professional fees		2,389	2,843	126,033	50,485
Travel, conference and investor relations		19,172	38,910	91,614	198,295
Administration		26,294	25,345	61,557	53,203
Filing fees		9,075	13,071	57,199	47,570
Rent		9,117	25,492	62,826	72,963
Depreciation of right-of-use assets		35,530	20,073	142,835	60,219
Insurance, taxes and permits		22,772	6,150	47,919	17,588
Government grants on operating expenses		(580,169)	(114,696)	(1,284,106)	(480,395)
Operating loss		(375,001)	(292,035)	(1,125,860)	(816,739)
Other income (expenses)					
Investment income		25,381	36,658	92,476	73,874
Gain (loss) on foreign exchange		(3,518)	(910)	(12,636)	17,204
Finance costs		(70,515)	(12,471)	(223,865)	(38,249)
Gain on disposal of exploration and evaluation assets		195,826	136,833	239,687	136,833
Net gain on settlement of a lease agreement		-	-	171,242	-
Unrealized gain (loss) in fair value of investments in a listed company		49,738	26,179	(12,027)	26,179
Share of loss of associate		(49,232)	(77,627)	(41,222)	(171,348)
Net loss on dilution of investment in an associate		-	(19,203)	-	(19,041)
Reversal of (impairment) of an investment in an associate		133,547	349,688	(464,493)	(170,229)
		281,198	439,147	(250,416)	(144,777)
Net and comprehensive (loss) profit		(93,803)	147,112	(1,376,276)	(961,516)
Basic income (loss) per share		(0.001)	0.001	(0.009)	(0.007)
Diluted income (loss) per share		(0.001)	0.001	(0.009)	(0.007)
Weighted average number of basic shares outstanding		143,048,224	141,769,521	142,372,050	141,585,638
Weighted average number of diluted shares outstanding		143,048,224	147,657,021	142,372,050	141,585,638

The accompanying notes are an integral part of these unaudited 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	Reserves	Contributed Surplus	Deficit	Total Equity
			\$	\$	\$	\$	\$
Balance at May 31, 2023		141,826,521	38,515,697	1,152,537	4,524,149	(38,914,285)	5,278,098
Net and comprehensive loss		-	-	-	-	(1,376,276)	(1,376,276)
Exercised stock options		1,575,000	262,675	(99,301)	-	-	163,374
Expired options		-	-	(63,581)	63,581	-	-
Share-based compensation		-	-	77,610	-	-	77,610
Balance at February 29, 2024		143,401,521	38,778,372	1,067,265	4,587,730	(40,290,561)	4,142,806

	Note	Number of shares outstanding	Share Capital	Broker warrants	Reserves	Contributed Surplus	Deficit	Total Equity
			\$	\$	\$	\$	\$	\$
Balance at May 31, 2022		141,369,521	38,435,625	27,477	1,069,608	4,424,649	(37,513,413)	6,443,946
Net and comprehensive loss		-	-	-	-	-	(961,516)	(961,516)
Exercised stock options		400,000	66,177	-	(25,301)	-	-	40,876
Expired options		-	-	-	(72,023)	72,023	-	-
Expired broker options		-	-	(27,477)	-	27,477	-	-
Share-based compensation		-	-	-	152,764	-	-	152,764
Balance at February 28, 2023		141,769,521	38,501,802	-	1,125,048	4,524,149	(38,474,929)	5,676,070

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

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

	Note	Nine months ended	
		February 29, 2024	February 28, 2023
		\$	\$
Operating activities			
Net and comprehensive loss		(1,376,276)	(961,516)
Adjustments for:			
Share-based compensation		77,610	152,764
Unrealized loss on foreign exchange rate		1,230	844
Depreciation of property and equipment		87,264	23,699
Depreciation of right-of-use assets		142,835	60,219
Finance costs for the accretion of long-term debt		3,191	3,850
Share of loss of an associate		41,221	171,348
Net loss on dilution of investment in an associate		-	19,041
Impairment of an investment in an associate	7	464,493	170,229
Unrealized loss (gain) on variation of value of an investment in a listed company		12,027	(26,179)
Gain on disposal of exploration and evaluation assets – non-cash portion		(126,440)	(69,567)
Net gain on settlement of a lease agreement		(171,242)	-
Changes in non-cash working capital items	20	(325,643)	46,865
Cash flows from operating activities		(1,169,730)	(408,403)
Investing activities			
Variation of deposits on property and equipment		(6,052)	(647,826)
Disposal of investments		500,000	(522,000)
Additions of property and equipment		(102,142)	(3,644)
Settlement of a lease agreement		175,000	-
Variation of deferred grants for the purchase of property and equipment	13	(359,151)	107,715
Cash flows from investing activities		207,655	(1,065,755)
Financing activities			
Exercise of stock options		163,374	40,876
Repayments of lease liability		(19,773)	(49,341)
Repayment of long-term debt		(80,000)	-
Cash flows from financing activities		63,601	(8,465)
Net change in cash		(898,474)	(960,623)
Cash and cash equivalents – beginning		3,799,111	5,084,902
Cash and cash equivalents – ending		2,900,637	4,124,279

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

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

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 unaudited condensed consolidated financial statements (the "Financial Statements") were approved by the Corporation's Board of Directors on April 24, 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 nine months ended February 29, 2024, the Corporation recorded a net loss of \$1,376,276 and accumulated a deficit of \$40,290,561 as of that date. As of February 29, 2024, the Company had a working capital of \$2,995,636.

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, except as follows:

Equity-settled share-based compensation

The Corporation offers an equity settled share-based compensation plan for its eligible directors, officers, employees and consultants. Each award is considered a separate award with its own vesting periods and fair value. Fair value is measured at the date of grant using the Black-Scholes option pricing model or the share market price where applicable.

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

All equity settled share-based compensation (except broker warrants) are ultimately recognized as an expense in the statement of (loss) income with a corresponding credit to reserves (within shareholders' equity on the consolidated statement of financial position). Equity settled share-based compensation to broker, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to broker warrants in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the instruments that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of instruments expected to vest differs from previous estimates. Any cumulative restatement prior to vesting is recognized in the current period.

Any consideration paid on exercise of share options is credited to share capital. The accumulated expenses resulting from stock options are transferred to share capital when the options are exercised.

Expenses recognized for forfeited awards are reversed. Where the terms of an equity settled award are modified, as a minimum, an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of the modification, over the remainder of the vesting period.

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.

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

4. CASH AND CASH EQUIVALENTS (CONT'D)

The short-term investments held as of February 29, 2024 and classified as cash equivalents include the following investments:

- Guaranteed investments certificates totaling \$2,440,610 with rates from 4.50% to 5.15% and maturity dates ranging from May 6, 2024 to February 13, 2025. 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 \$163,642 (CAD \$222,305) in a high interest exchange trading fund. Investment is cashable at any time without penalty.

5. INVESTMENTS

The investments as at February 29, 2024 consist of guaranteed investment certificates totalling \$22,000 that are non-cashable prior to maturity. The certificates bear interest at 3.00% and expires on October 3, 2024.

6. INVESTMENT IN A 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 February 29, 2024	As at May 31, 2023
	\$	\$
<u>Classified as current asset</u>		
MTM Critical Metals Ltd. – 2,327,273 common shares (666,667 as at May 31, 2023) - \$0.088 AUD (\$0.115 AUD as at May 31, 2023)	180,757	67,574
Investment in a listed company	180,757	67,574

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 February 29, 2024 is \$337,143 (16,857,143 shares at \$0.02, closing price on the Exchange). Considering that the fair value of the investment is lower than its carrying value as at February 29, 2024, an impairment loss of \$780,856 has been recorded to reduce the investment to its estimated recoverable value, in this case its fair market value. Its fair value was of \$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 nine months of fiscal 2024, thus the Corporation’s interest in Kintavar was not diluted and remains at 13.11%.

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

7. INVESTMENT IN AN ASSOCIATE (CONT'D)

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.

	Nine months ended February 29, 2024	Year ended May 31, 2023
	\$	\$
Balance at beginning of period	842,857	1,372,048
Share of net and comprehensive loss	(41,221)	(193,787)
Net gain from dilution of the interest	-	(19,041)
Impairment to fair market value	(464,493)	(316,363)
Balance at end of period	337,143	842,857

8. ACCOUNTS RECEIVABLE

	As at February 29, 2024	As at May 31, 2023
	\$	\$
Trade receivables	52,311	343,010
Sales taxes receivable	252,313	110,293
Interest receivables	12,232	43,258
Other accounts receivables	215,847	98,402
Accounts receivable	532,703	594,963

9. TAX CREDITS AND GOVERNMENT GRANTS RECEIVABLE

	As at February 29, 2024	As at May 31, 2023
	\$	\$
Refundable tax credits	4,193	2,173
Government grants receivable	600,821	451,203
Tax credits and government grants receivable	605,014	453,376

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.

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

10. PREPAID EXPENSES AND OTHERS

	As at February 29, 2024	As at May 31, 2023
	\$	\$
Prepaid on operation expenses	168,648	56,051
Advance payment on inventories	187,027	-
Prepaid expenses and others	355,675	56,051

11. PROPERTY AND EQUIPMENT

	Office equipment	E&E Equipment	Total
	\$	\$	\$
Nine months ended February 29, 2024			
Opening net book value	-	427,893	427,893
Additions	-	794,886	794,886
Government grants	-	(454,795)	(454,795)
Depreciation	-	(87,264)	(87,264)
Closing net book value	-	680,720	680,720
As at February 29, 2024			
Cost	14,984	1,050,336	1,065,320
Accumulated depreciation	(14,984)	(369,616)	(384,600)
Closing net book value	-	680,720	680,720
Fiscal 2023			
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
As at May 31, 2023			
Cost	14,984	710,244	725,228
Accumulated depreciation	(14,984)	(282,351)	(297,335)
Closing net book value	-	427,893	427,893

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

12. RIGHT-OF-USE ASSETS

	Equipment	Industrial buildings	Total
	\$	\$	\$
Nine months ended February 29, 2024			
Opening net book value	-	2,298,752	2,298,752
Additions	28,500	-	28,500
Disposal	-	(133,883)	(133,883)
Revaluation	-	(5,631)	(5,631)
Depreciation	(3,800)	(139,035)	(142,835)
Closing net book value	24,700	2,020,203	2,044,903
As at February 29, 2024			
Cost	28,500	2,073,445	2,101,945
Accumulated depreciation	(3,800)	(77,942)	(81,742)
Closing net book value	24,700	2,020,203	2,044,903

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

13. DEFERRED GRANTS

	As at February 29, 2024	As at May 31, 2023
	\$	\$
Deferred grants attributable to operations	729,389	146,265
Deferred grants attributable to the purchase of property and equipment	175,235	534,385
Deferred grants	904,624	680,650

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

14. LEASE LIABILITIES

	Nine months ended February 29, 2024	Year ended May 31, 2023
	\$	\$
Balance, at opening	2,364,465	676,170
Addition	28,500	2,172,600
Disposal	(130,125)	-
Revaluation	(5,631)	(439,786)
Repayments of lease liabilities	(19,773)	(44,519)
Balance	2,237,436	2,364,465
Balance, current	(14,023)	(74,646)
Balance, non-current	2,223,413	2,289,819

15. LONG-TERM DEBT

	As at February 29, 2024	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 was payable in full if paid before December 31, 2023. ¹	-	76,809
Long-term debt	-	76,809

¹ 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:

	Nine months ended February 29, 2024		Year ended May 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Opening	16,517,788	0.27	16,517,788	0.27
Balance, end	16,517,788	0.27	16,517,788	0.27

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

16. WARRANTS (CONT'D)

Warrants outstanding as at February 29, 2024 are as follows:

Number of warrants	Exercise price	Expiry date
	\$	
11,459,093	0.25	November 6, 2024 ¹
4,354,667	0.32	May 23, 2025
704,028	0.40	February 6, 2026 ²
16,517,788		

¹ These warrants were originally expiring on November 9, 2023. On October 26, 2023, they were extended for a period of 1 year until November 6, 2024. All other conditions stayed unchanged. This change had no impact on the financial statements.

² These warrants were originally expiring on February 6, 2024. On January 26, 2024, they were extended for a period of 2 years until February 9, 2026. 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:

	Nine months ended February 29, 2024		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)
Balance, end	-	-	-	-

18. SHARE-BASED COMPENSATION

A) Omnibus Incentive Plan

On October 25, 2023, a new omnibus equity incentive plan (the "Omnibus Plan") was implemented to replace the previous stock option plan (the "Legacy Option Plan"). 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") (collectively, the "Awards"). The options issued under the Legacy Option Plan are still eligible and are governed by the Legacy Option Plan.

The aggregate number of common shares reserved for issuance pursuant to awards of Options granted under the Omnibus Plan (including the options currently outstanding under the Legacy Option Plan) shall not exceed 8% of the Corporation's total issued and outstanding common shares from time to time. In respect of DSUs, RSUs or PSUs, the aggregate number of common shares reserved for issuance pursuant to Awards other than for Options granted under the Omnibus Plan shall not exceed 5,000,000 common shares.

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

18. SHARE-BASED COMPENSATION (CONT'D)

B) Stock Options

A summary of the Corporation's Options outstanding under both the Omnibus Plan and the Legacy Option Plan is as follows:

	Nine months ended February 29, 2024		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
Issued	845,000	0.22	-	-
Exercised	(1,575,000)	0.08	(457,000)	0.09
Expired	(425,000)	0.31	(596,250)	0.25
Forfeited	-	-	(112,500)	0.32
Balance, end	9,140,500	0.22	10,295,500	0.21
Balance, end, exercisable	7,295,500	0.22	8,903,000	0.20

The number of Options outstanding as of February 29, 2024 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
1,080,500	1,080,500	0.155	October 23, 2024
200,000	200,000	0.155	December 28, 2024
75,000	75,000	0.185	January 19, 2025
1,275,000	1,275,000	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
1,570,000	1,570,000	0.305	October 27, 2026
845,000	-	0.215	January 25, 2029
9,140,500	7,295,500		

On January 25, 2024, the Corporation granted 845,000 Options to employees at a price of \$0.215, 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 2.9479%, expected volatility of 76.21%, no dividend per share and expected duration of 3.75 years options. From the granting, options are earned in increments of 25% every 6 months.

The 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.

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

18. SHARE-BASED COMPENSATION (CONT'D)

C) *Restricted Share Units*

A summary of the Corporation's RSUs outstanding under the Omnibus Plan is as follows:

	Number of RSUs
Balance, June 1, 2022	-
Balance, May 31, 2023	-
Granted	1,302,000
Balance, February 29, 2024	1,302,000

On January 25, 2024, the Company granted 1,302,000 RSUs to the management team for a total value of \$279,930. From the granting, the RSUs vest in one increment of 50% after 12 months and 25% every 6 months for the following 12 months. The RSUs can be settled after 3 years.

D) *Deferred Share Units*

A summary of the Corporation's DSUs outstanding under the Omnibus Plan is as follows:

	Number of DSUs
Balance, June 1, 2022	-
Balance, May 31, 2023	-
Granted	971,000
Balance, February 29, 2024	971,000

On January 25, 2024, an aggregate of 971,000 DSUs were issued to the members of the Board of Directors with a total fair value of \$208,765. The DSUs vest in a single installment one year from the date of grant.

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 February 29, 2024.

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

19. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

Montviel	Three months ended		Nine months ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
	\$	\$	\$	\$
Acquisition and maintenance	-	413	-	1,926
Exploration				
Share-based compensation	-	1,314	727	6,094
Geology	654	654	2,616	1,962
Taxes, permits and insurances	-	-	-	360
Total Exploration	654	1,968	3,343	8,416
Evaluation				
Salaries and benefits	345,305	239,129	945,499	618,277
Share-based compensation	10,616	9,021	16,132	8,496
Separation process	146,472	97,226	288,984	189,179
Depreciation of property and equipment	39,172	25,342	87,264	128,608
Engineering	213,055	10,329	569,324	23,699
Total Evaluation	754,620	381,047	1,907,203	968,258
Gross E&E expenses	755,274	383,428	1,910,546	978,600
Tax credits	(274)	(285)	(53,656)	(1,013)
Net E&E expenses - Montviel	755,000	383,143	1,856,890	977,587

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 February 29, 2024.

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

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
	\$	\$	\$
Option to earn 100%			
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 (completed)	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
Total for a maximum participation of 100%	270,000	250,000	2,000,000

Geomega Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in Canadian Dollars)

19. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

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)

In August 2023, 10 claims at the southwestern limits of Montviel property were acquired by map designation and combined with 10 existing claims to form the Montviel-Sud. This second split-out property, totalling 20 claims and 1111 hectares, just like Pomme, was optioned out to MTM for its REE-Nb mineralization potential.

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

	Cash Payments	Issuance of common shares	Work
	\$ CAD	\$ AUD	\$ CAD
Option to earn 100%			
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
Total for a maximum participation of 100%	150,000	150,000	700,000

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.

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

Change in non-cash working capital items

	Nine months ended	
	February 29, 2024	February 28, 2023
	\$	\$
Accounts receivable	62,260	(294,340)
Work in progress	-	71,868
Tax credits and government grants receivable	(413,560)	15,662
Prepaid expenses and others	(299,624)	23,123
Inventories	3,773	(2,335)
Trade and other payables	(203,112)	45,426
Deferred grants attributable to operations	583,125	124,352
Deferred revenues	(58,505)	63,109
	(325,643)	46,865

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 (CONT'D)

Non-cash Transactions

	Nine months ended	
	February 29, 2024	February 28, 2023
	\$	\$
Government grants receivables for the acquisition of inventories	5,767	-
Government grants receivables for deposits made on the purchase of property and equipment	18,206	261,275
Government grants receivables for the purchase of property and equipment	237,949	-
Acquisition of a right-of-use asset against a lease obligation	28,500	-
Revaluation of a right-of-use asset and a lease obligation	5,631	-
Disposal of a right-of-use asset and a lease obligation	130,125	-