



Geomega Resources Inc.

Management's Discussion and Analysis

May 31, 2024

Geomega Resources Inc.

Table of content

Table of Content

1. NATURE OF ACTIVITIES	3
2. CORPORATE UPDATE	4
3. OUTLOOK ON THE MAJOR ONGOING PROJECTS	7
4. EXPLORATION AND VALIDATION OF THE SEPARATION TECHNOLOGY ACTIVITIES	8
5. RESEARCH AND DEVELOPMENT ACTIVITIES	11
6. FINANCIAL HIGHLIGHTS	14
7. SUMMARY OF QUARTERLY RESULTS	17
8. LIQUIDITY AND CAPITAL RESOURCES	17
9. COMMITMENTS	18
10. OFF-BALANCE SHEET ARRANGEMENTS	18
11. RELATED PARTY TRANSACTIONS	18
12. FINANCIAL INSTRUMENTS	19
13. OMNIBUS INCENTIVE PLAN	19
14. RISK AND UNCERTAINTIES	19
15. CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ERRORS ...	23
16. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION	25

Geomega Resources Inc.
Management Discussion & Analysis
For the year ended May 31, 2024

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, 2024. This MD&A should be read in conjunction with the Corporation’s audited consolidated financial statements as at May 31, 2024 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 <http://www.sedarplus.ca>.

Abbreviation	Period
Q1-23	June 1, 2022 to August 31, 2022
Q2-23	September 1, 2022 to November 30, 2022
Q3-23	December 2022 to February 28, 2023
Q4-23	March 1, 2023 to May 31, 2023
Fiscal 23	June 1, 2022 to May 31, 2023
Q1-24	June 1, 2023 to August 31, 2023
Q2-24	September 1, 2023 to November 30, 2023
Q3-24	December 1, 2023 to February 29, 2024
Q4-24	March 1, 2024 to May 31, 2024
Fiscal 24	June 1, 2023 to May 31, 2024

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”) and under the symbol GOMRF on the OTCQB market.

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 wholly owned subsidiary of Geomega that holds all the separation rights and laboratory equipment. The primary goal of Innord is to successfully develop and scale-up its proprietary technologies. All research and development initiatives of Geomega are conducted by Innord.

2. CORPORATE UPDATE

2.1 Corporate Overview

Geomega develops innovative technologies for extraction and separation of rare earth elements and other critical metals essential for a sustainable future. It has a diversified portfolio of projects and technologies at various readiness levels such as rare earths magnet recycling, bauxite residues valorization, rare earths extraction from mineral ores such as bastnaesite from the Montviel project, sulphide minerals processing to recover gold, base and bulk metals from refractory ores and tailings, synthetic calcite production for the cement industry and several others.

The two most advanced projects for the Corporation remain the rare earth magnet recycling and bauxite residues processing and valorization. The magnet recycling project is now in the demonstration plant stage. This project will be implemented in Saint-Hubert, QC and the Corporation has received several grants over the last few years to support this development. The bauxite residues processing and valorization project is now in the piloting phase and is being executed in Geomega's laboratory facilities in Boucherville, QC. The project has been funded by several grants over the past few years and industry.

2.2 Demonstration Plant

During Fiscal 24, the Corporation was dedicated to completing the procurement and engineering for the batch design demonstration plant in order to begin construction activities in February 2024. Due to sewer system capacity limitations at the Saint-Hubert municipality, the Corporation had to undertake a design change from batch process to continuous 24 hours operation in March 2024.

Since then, Geomega's engineering team focused on the main equipment and the long lead items which were ordered in May and June 2024. More equipment will be ordered from August to November based on their respective lead times and sequence in assembly. Other engineering activities continued in parallel to procurement including the support for site preparation which needs to be complete before equipment deliveries begin at the end of 2024. Demonstration plant assembly will begin once the main equipment is delivered on site. Selling of the equipment that is no longer needed for the continuous operation remained an ongoing activity.

Permitting activities continued with data being collected on Geomega's process and the continuous plant design before a final submission for environmental permitting with the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs (MELCCFP) is done. Documentation for the various municipal permits continues to be prepared by engineering and the construction contractors.

2.3 Bauxite Residues Valorization Technology

The bauxite residues valorization technology pilot plant entered the commissioning stage Fiscal 2024. During the year, the team continued the pilot plant commissioning, testing and operation as the technology is being tested at a larger scale. Piloting campaigns were performed regularly with various adjustments, modifications and regular maintenance done in between the campaigns. The modifications are often done in order to attain the required product specifications and process economics. Progressive commissioning, testing and pilot operation will continue until the entire technology is demonstrated at the pilot scale. Product samples are collected as needed for end user and overall technology validation. All the ordered analytical equipment for the operation of the pilot plant has been received and the technical staff are undergoing training on the equipment. Other analytical equipment might be ordered based on future needs. More information will be provided as piloting is progressing and milestones are achieved.

Geomega Resources Inc.
Management Discussion & Analysis
For the year ended May 31, 2024

2. CORPORATE UPDATE (CONT'D)

2.4 New Sources of Financing

During Fiscal 24, 1,575,000 options were exercised for total proceeds of \$163,375.

Options payments on its Pomme and Montviel-Sud properties totalling \$113,000 in cash and \$143,000 in shares of MTM were received during Fiscal 2024, as described in section 2.5 and 2.6.

On November 27, 2023, the Corporation announced that it obtained a \$2.04M grant from Next Generation Manufacturing Canada (NGen) for the construction of Geomega's rare earths recycling demonstration plant in Saint-Hubert, Quebec. The funding is part of a total envelope of \$2.96 million awarded to Geomega and a private Quebec based R&D company to perform the project titled "Recycling and Production of Rare-Earth Oxides from Permanent Magnet Scrap":

	\$
Payment received (net of financing fees)	10,728
Accrued as at May 31, 2024	344,037

On the grants secured during previous fiscal years, the following were recorded in the financial statements:

For the \$493K grant from the Program to Support Research and Development for the Extraction, Transformation and Recycling of Critical and Strategic metals, administered by Consortium de recherche et d'innovation en transformation métallique (CRITM), towards the development of a process for recycling of hydrochloric acid (HCl) from several metal chlorides which can be used for rare earth elements (REE) and scandium (Sc) recovery from multiple sources the following has been recorded to the financial statements so far:

	\$
Payment received	69,085
Accrued as at May 31, 2024	165,708

For the \$3M in funding from the Government of Canada's Critical Minerals Research, Development and Demonstration (CMRDD) Program, administered by Natural Resources Canada (NRCan), towards the construction of the magnet recycling demonstration plant, the following has been recorded to the financial statements so far:

	\$
Payment received	1,214,283
Accrued as at May 31, 2024	1,172,299

For the \$3M grant from the Technoclimat Program, administered by the Ministry of the Environment and the Fight Against Climate Change, Wildlife and Parks (MELCCFP) towards the construction of the magnet recycling demonstration plant, the following has been recorded to the financial statements so far:

	\$
Payment received	750,000
Accrued as at May 31, 2024	1,132,214

For the \$1.691M grants from the Sustainable Development Technology Canada (SDTC) and the Quebec Ministry of Economy and Innovation – Innovation Program, towards the development of a technology to reduce the bauxite residues:

	\$
Payment received	868,200
Accrued as at May 31, 2024	1,173,431

Geomega Resources Inc.
Management Discussion & Analysis
For the year ended May 31, 2024

2. CORPORATE UPDATE (CONT'D)

For the \$400K grant from the Ministry of Energy and Natural resources of Quebec (MERN) towards the development of bench scale technology for the treatment of Montviel REE deposit.

	\$
Payment received	160,000
Accrued as at May 31, 2024	256,480

2.5 Option Agreement on Pomme Property

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 2,366 hectares as at May 31, 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

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.

2.6 Option Agreement on Montviel-Sud Property

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, was optioned out to MTM for its REE-Nb mineralization potential.

The terms of the option agreement with MTM for Montviel-Sud were 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

2. CORPORATE UPDATE (CONT'D)

On August 5, 2024, MTM sent a notice to the Corporation to opt out of the option agreement for this property. Therefore, Geomega still owns 100% of the rights to this property.

2.7 Various

On October 2, 2023, the Corporation signed an agreement with the owner of the premises at 1123 Marie-Victorin in St-Bruno-de-Montarville to vacate the premises in exchange for a lump sum of \$175,000. Since the signature binding LOI in Saint-Hubert in April 2023 (lease agreement in August 2023), the premises in St-Bruno-de-Montarville served no purpose for the Corporation. The right-of-use asset and the underlying lease were reversed, and the difference was recorded against the gain in the statement of profit and loss.

At the Annual General and Special Meeting (the "AGSM") that took place on October 25, 2023, Karine Emond was named to the Board of Directors of the Corporation. Mrs Emond resigned from her position on June 12, 2024.

Also at the AGSM, 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") with the objective to attract, retain and motivate employees, directors, executive officers and consultants of the Corporation. 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.

On February 29, 2024, the VP of Exploration, Alain Cayer, has resigned from his role.

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 have 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 Demonstration plant

- Continue engineering of the continuous design
- Continue procurement activities:
 - Selling non required equipment from the batch design
 - Ordering of equipment for the continuous design
- Continue environmental and municipal permitting
- Continue site preparation activities at Saint-Hubert facility
- Receive equipment for continuous design and begin plant assembly
- Various complimentary tests on process, final products and by-products (as needed)
- Feed sourcing (regular ongoing activity)
- Discussions with potential oxide buyers

Geomega Resources Inc.
Management Discussion & Analysis
For the year ended May 31, 2024

3. OUTLOOK ON THE MAJOR ONGOING PROJECTS (CONT'D)

Bauxite Residue Valorization Technology

- Continue bench scale testwork, modeling, process design and optimization
- Progressive commissioning of pilot plant and required modifications as needed
- Pilot testing of the core of the transformation process
- Produce kilograms of material of the main product streams for testing by end users

Montviel REE Deposit – Bench Scale

- Bench scale testwork, modeling, process design and optimization required to complete the current ongoing R&D project

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

- HCl recycling process – Continue bench scale testwork as per the ongoing R&D project
- R&D on different feeds (mining and industrial waste)

Corporate

- Discussions with various major companies regarding Geomega’s various processing technologies
- Continue hiring for select key positions as needed

4. EXPLORATION AND VALIDATION OF THE SEPARATION TECHNOLOGY ACTIVITIES

Pierre-Luc Lalonde, P. Geo., a qualified person as defined by NI 43-101, supervised and approved the preparation of the technical information in sections 4.1, 4.2 and 4.3.

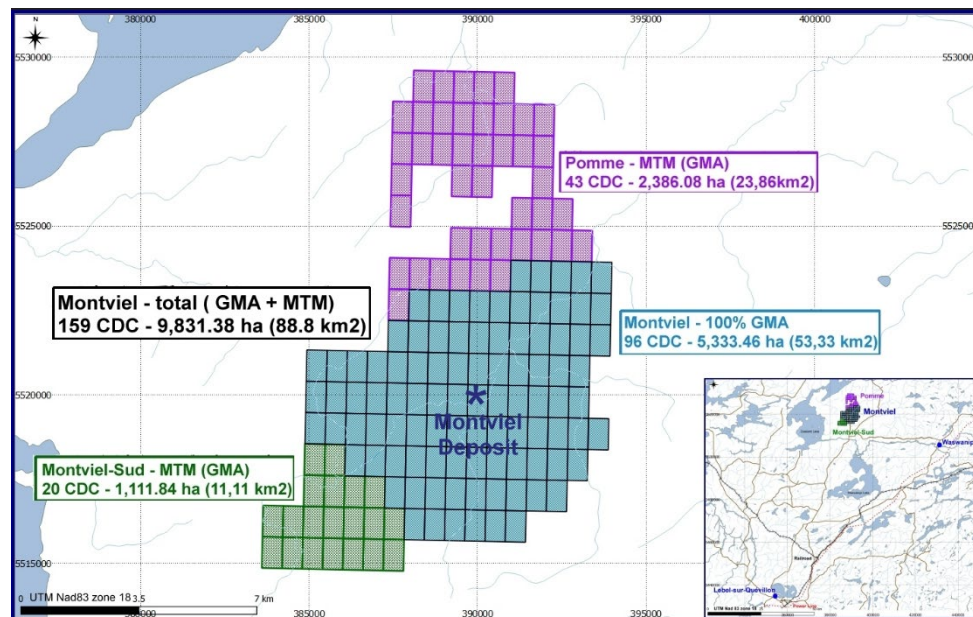
4.1 Expenses Summary - Montviel Property

	Fiscal 24	Fiscal 23
	\$	\$
Acquisition and maintenance	-	1,925
Exploration		
Salaries and benefits	-	460
Share-based compensation	727	6,915
Supplies	1,963	2,618
Taxes, permits and insurances	413	324
Total exploration	3,103	10,317
Evaluation		
Salaries and benefits	271,912	52,562
Material and furnitures	11,268	-
General and administration	2,492	430
Depreciation of property, plant and equipment	8,792	8,792
Total Evaluation	294,464	61,784
Total gross E&E expenses	297,567	74,026
Tax credits	(131)	(1,298)
Net E&E expenses	297,436	72,728

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 May 31, 2024.

4. EXPLORATION AND VALIDATION OF THE SEPARATION TECHNOLOGY ACTIVITIES (CONT'D)

The following figure shows the different properties in the Montviel area:



4.2 Environmental Geochemistry

Several environmental studies on Montviel were launched between 2012 and 2015. Various data has been collected until 2017 by various research groups. No sampling is being done at the moment. Results of these studies could be used in the future for environmental permitting and baseline studies.

4.3 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, 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.

4. EXPLORATION AND VALIDATION OF THE SEPARATION TECHNOLOGY ACTIVITIES (CONT'D)

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

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.

4.4 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 May 31, 2024.

On February 22, 2023, the Corporation concluded an agreement with MTM Critical Metals Limited (ASX:MTM, "MTM") to option out the Pomme property. Refer to section 2.5 for more information on this transaction.

4.5 Montviel-Sud

The Montviel-Sud REE project is located adjacent to the south of the Montviel deposit. In the past years, the Montviel-Sud and the Montviel property were considered as one property. 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.

Geomega Resources Inc.
Management Discussion & Analysis
For the year ended May 31, 2024

4. EXPLORATION AND VALIDATION OF THE SEPARATION TECHNOLOGY ACTIVITIES (CONT'D)

On August 31, 2023, the Corporation concluded an agreement with MTM to option out the Montviel-South property. MTM then elected to opt out of this option agreement on August 5, 2024. Refer to section 2.6 for more information on this transaction.

5. RESEARCH AND DEVELOPMENT ACTIVITIES

5.1 Expenses Summary

	Fiscal 24	Fiscal 23
	\$	\$
Salaries and benefits	1,045,805	813,095
Share-based compensation	43,672	14,754
Professional fees	607,667	130,808
Material and furniture	197,128	102,816
General and administration	253,707	122,377
Depreciation of property, plant and equipment	115,443	25,319
Impairment of property, plant and equipment	108,131	-
	2,371,554	1,209,168
Tax credits	(51,653)	-
Net E&E expenses	2,319,901	1,209,168

5.2 Rare Earths Recycling Technology Development

Dr. Pouya Hajjani, 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 technologies while working directly with the main players in these industries to recycle the magnets that power all those technologies.

Geomega has been advancing engineering towards the construction of the demonstration plant that will be using its 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 batch design was 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 demonstrated a 4.5X increase.

That engineering work confirmed that the processing technology that was developed by Innord, a subsidiary of Geomega, 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 remained 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 inhouse engineers on detailed engineering. In fall 2021, the Corporation began hiring additional senior engineers in various disciplines to accelerate the work and to become fully independent of external engineering firms for process engineering.

5. RESEARCH AND DEVELOPMENT ACTIVITIES (CONT'D)

In March 2022, the Corporation published the initial layout of the rare earths recycling demonstration plant to be located in Saint-Bruno-de-Montarville, Quebec. Following the decision in April 2023 to move the demonstration plant to Saint-Hubert, a layout redesign was initiated. A baseline environmental study has been performed at the Saint-Hubert facility including the installation of 3 monitoring water wells around the site.

With an expanded team of engineers since the end of 2021, Geomega advanced on many aspects of the engineering such as process design for the batch process plant, equipment and packages, auxiliary items, layout and more. Equipment ordering began in May 2022 while the external engineering firm BBA was engaged in December 2022 to complete the final phase of detailed engineering and pre-construction activities. From May 2023 to January 2024, work focused on process and layout adjustments for the Saint-Hubert facility. The updated plant 3D layout reached around 80% completion. Various equipment were purchased and received and several Factory Acceptance Tests (FAT) performed.

As of September 2023, the team has been dedicated to bringing engineering to a sufficient level of completion that it could be tendered to the construction contractors for execution and completion of the rare earths recycling demonstration project. Procurement also progressed and various items were ordered while others were received at the Saint Hubert facility during this period. In parallel, permitting activities have been ongoing at both the municipal and provincial levels. The objective was to be able to start the construction activities in February 2024. As a result of providing all the requested data to the governmental authorities, Geomega was notified by the municipality of Saint-Hubert, that the sewer system capacity is not currently able to accommodate the water discharges from the cooling tower that was to be installed for the demonstration plant. After reviewing various potential solutions, Geomega had to undertake a design change from batch process to continuous 24 hours operation with smaller equipment and lower demand for utilities, most importantly in regard to the cooling requirements. Despite the design change, the demonstration plant throughput capacity is planned to remain unchanged at 1.5 tonnes of feed material per day. More details on the design change, including the advantages and the risks are presented in the [March 19, 2024 press release](#).

Following a thorough review of the required construction activities and the ongoing design change, the engineering team was able to select several items that are not being impacted by the design change to continuous operation. Geomega has secured the services of a local construction company that started executing the required work in March 2024. The site preparation activities that have begun at the Saint Hubert facility include some of the civil work that is not being affected by the design change, electrical work, installation of the required fire protection system and the HVAC system for the rare earths recycling demonstration plant. Engineering and procurement work continued in parallel to these site preparation activities.

The most recent update can be found in section 2.2 above.

5.3 Bauxite Residue Valorization Technology Development

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.

5. RESEARCH AND DEVELOPMENT ACTIVITIES (CONT'D)

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% Fe₂O₃
- Loss of critical and strategic metals in the tailings (rare earth elements, scandium, gallium, 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.

Bench scale testwork on the BR technology began in 2020. Funding from industrial partners and governmental grants in 2021 helped complete the initial bench scale work and bring the project towards piloting. On March 31, 2021, Geomega announced a \$4M funding for a 24-month pilot plant and feasibility study of its sustainable and complete valorization of BR processing technology. The project was funded by Rio Tinto, SDTC, Quebec Government and Geomega. The pilot project is to demonstrate the scalability of the technology while testing and validating various technical parameters before completing a feasibility study.

On April 25, 2022, in parallel to the BR technology, Rio Tinto and Innord have agreed to begin evaluating various opportunities to monetize the iron compounds produced by Innord's Bauxite Residues Technology (IBRT). As part of the 12 months project, 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 only 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 potentially 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)

Bench scale lab work continued to investigate more paths to monetize diverse streams of products throughout 2022 and 2023. Layout and equipment selection for the initial phase of the pilot plant covering the core of the transformation process was performed in late 2022 and in 2023. Installation began in January 2023 and commissioning began in August 2023 with Figure 1 and 2 showing the pilot plant at the Boucherville facility. Since then, progressive commissioning, testing and pilot operation has been ongoing and will continue until the entire technology is demonstrated at the pilot scale. Product samples are collected as needed for end user and overall technology validation. The continuous pilot plant is expected to deliver kilograms of material of the main product streams which will be used for testing by end users. The most recent update can be found in section 2.3 above.

5. RESEARCH AND DEVELOPMENT ACTIVITIES (CONT'D)



Figure 1: [Pilot plant setup at the Boucherville facility](#)



Figure 2: [Pilot plant setup at the Boucherville facility](#)

6. FINANCIAL HIGHLIGHTS

Geomega has \$2,051,333 in cash and cash equivalents (\$2,073,333 including the short-term investments) as of May 31, 2024 and a working capital of \$2,451,511 (working capital of \$3,714,856 as at May 31, 2023).

6. FINANCIAL HIGHLIGHTS (CONT'D)

In Fiscal 24, the Corporation recorded a net loss of \$2,022,401 compared to a net loss of \$1,400,872 in Fiscal 23. Excluding the effects of fluctuations from the investment in an associate, a net loss of \$1,600,973 was realized in Fiscal 24 compared to a net loss of \$871,681 in Fiscal 23. The main variations are as follows:

- Exploration and evaluation expenses, net of tax credits of \$297,436 (\$72,728 in Fiscal 23). There is actually no fieldwork on the Montviel but Geomega is currently performing bench-scale testwork to improve its previously patented extraction process with objectives of simplifying the operations, increasing profitability and improving sustainability. More resources have been allocated to this project in Fiscal 24.
- Research and development expenses, net of tax credits of \$2,319,901 (\$1,209,168 in Fiscal 23). The detailed engineering of the demonstration plant was progressing and coming close to readiness for construction before it had to be stopped in order to modify the process to continuous instead of batch due to permitting issues, as described in section 2.2. The costs in this category also include expenses incurred on other major research projects of the Corporation, which have been progressing significantly during Fiscal 24. Refer to section 5 for more details on the progress made in research and development.
- Salaries, employee benefits and share-based compensation of \$547,966 (\$281,910 in Fiscal 23). Share-based compensation attributed to administration went from \$78,574 in Fiscal 23 to \$119,956 in Fiscal 24 following the issuance of award in January 2024 after 2 years of no issuances. New employees were also added to the accounting and administration department to support the growth and the increased number of projects.
- Depreciation of right-of-use assets of \$181,614 (\$94,305 during Fiscal 23). In April 2023, the Corporation signed a new lease agreement in Saint-Hubert, Quebec. Following IFRS 16 guidelines, a right-of-use asset and a lease liability were created based on the actual market interest rates. This lease has a bigger footprint, higher cost and longer duration, which explains the increase in depreciation of the right-of-use assets as well as the increase in finance costs (\$295,101 in Fiscal 24 from \$72,298 in Fiscal 23).
- Government grants on operating expenses of \$1,768,247 (\$642,345 during Fiscal 23). This increase is directly linked to the increase in the R&D expenses. The Corporation has secured different grants to help develop its technologies and the projects have been progressing, explaining the increase in those two categories. More details are showed in section 2.4.
- Research income of \$464,188 (\$598,470 in Fiscal 23). Innord is performing a research project to apply its technology to the extraction of critical metals from processing bauxite residues. Part of the funding for this project comes from a partner in the aluminum sector. This research project had two phases of which one phase ended during Fiscal 24, Refer to section 2.5 for more information on the work performed on the development of this technology.
- Option income on exploration and evaluation assets of \$162,399 (\$136,833 in Fiscal 23). On August 31, 2023, the Corporation has optioned out the Montviel-Sud Property in exchange of a cash and share-based considerations. Refer to section 2.6 for more information on this transaction. The corporation also received an option payment on its Pomme property, as described in section 4.4.

Geomega Resources Inc.
Management Discussion & Analysis
For the year ended May 31, 2024

6. FINANCIAL HIGHLIGHTS (CONT'D)

- Net gain on settlement of a lease agreement of \$171,242 (nil in Fiscal 23). On October 2, 2023, the Corporation signed an agreement with the owner of the premises at 1123 Marie-Victorin in St-Bruno-de-Montarville to vacate the premises in exchange for a lump sum amount of \$175,000. Since the signature of a binding term sheet for the Saint-Hubert facility in April 2023 and a lease agreement in August 2023, the premises in St-Bruno-de-Montarville served no purpose for the Corporation. The right-of-use asset and the underlying lease were reversed, and the difference was recorded against the statement of loss and comprehensive loss.
- Loss on disposal of property, plant and equipment of \$56,581 (nil in Fiscal 23). This loss comes from the sale of an equipment following the process redesign of the magnet recycling demonstration plant. Other equipment that are not to be used in the new design have been put for sale and an impairment expense has been recorded as a research and development expense.
- Impairment of an investment in an associate of \$346,893 (\$316,363 in Fiscal 23). With the decline observed on the financial markets, the fair value of the investment in Kintavar Exploration Inc. continued to fall during Fiscal 24. Since the fair market value is lower than the cost of the investment, an impairment expense is booked in the financial statements. This impairment comes despite a better performance in Kintavar's books considering the share of loss of an associate decreased from \$193,787 in Fiscal 23 to \$74,535 in Fiscal 24)

6.1 Selected Annual Information

	Fiscal 24	Fiscal 23	Fiscal 22
	\$	\$	\$
Operating loss	(2,114,404)	(1,657,379)	(1,594,697)
Other income	92,003	256,507	151,923
Net loss	(2,022,401)	(1,400,872)	(1,442,774)
Basic and diluted loss per share	(0.014)	(0.010)	(0.011)
Total Assets	7,918,277	9,364,697	7,511,744
Non-Current Liabilities	(2,222,485)	(2,289,819)	(681,430)

6.2 Equity Instruments Outstanding

	As at May 31, 2024	As at May 31, 2023
	Number of shares	Number of shares
Shares	143,401,521	141,826,521
Stock options	7,220,500	10,295,500
Deferred Shares Units	971,000	-
Restricted Shares Units	1,116,000	-
Warrants	16,517,788	16,517,788
Shares - Fully diluted	169,226,809	168,639,809

Geomega Resources Inc.
Management Discussion & Analysis
For the year ended May 31, 2024

7. SUMMARY OF QUARTERLY RESULTS

For the eight most recent quarters:

	Q4-24	Q3-24	Q2-24	Q1-24
	\$	\$	\$	\$
Operating loss	(585,288)	(432,480)	(554,387)	(542,249)
Other income	(59,536)	338,677	(18,630)	(168,508)
Net and comprehensive loss	(644,824)	(93,803)	(573,017)	(710,757)
Basic and diluted loss per share	(0.004)	(0.001)	(0.004)	(0.004)
Total assets	7,918,277	7,987,924	7,422,497	8,520,013

	Q4-23	Q3-23	Q2-23	Q1-23
	\$	\$	\$	\$
Operating loss	(485,449)	(450,240)	(259,810)	(461,880)
Other income	20,844	622,352	(36,362)	(350,327)
Net and comprehensive loss	(464,605)	172,112	(296,172)	(812,207)
Basic and diluted loss per share	(0.003)	0.001	(0.002)	(0.006)
Total assets	9,364,697	7,101,973	7,004,119	7,307,601

As indicated in section 1, the Corporation is still in the exploration and evaluation phase of its Montviel property and in the research and development phase of its other critical minerals processing technologies. 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 construction of its demonstration plant for recycling of rare earth magnets as well as ongoing research and development on the bauxite residue valorization technology.

8. LIQUIDITY AND CAPITAL RESOURCES

As of May 31, 2024, the Corporation had \$2,051,333 in cash and cash equivalents (\$3,799,111 as of May 31, 2023). The Corporation had a working capital of \$2,451,511 (\$3,714,856 as of May 31, 2023).

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 adjusts 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 2024, the Corporation received proceeds from exercise of options for \$163K, and secured grants for \$1.9M. The Corporation's capital is composed of equity and the 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.

Geomega Resources Inc.
Management Discussion & Analysis
For the year ended May 31, 2024

9. COMMITMENTS

As at May 31, 2024, 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	801,124	-	-	801,124
Lease Liabilities – Current contractual maturities ¹	304,252	940,114	-	1,244,366
Lease Liabilities – Future renewal options ¹	-	362,528	3,464,928	3,827,456
	1,105,376	1,302,642	3,464,928	5,872,946

¹ The amount presented as a liability in the consolidated statement of financial position is based on an expected duration of 15 years for the Saint-Hubert lease (including two terms of 5 years renewals).

10. OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

11. RELATED PARTY TRANSACTIONS

11.1 Transactions with related parties

In the normal course of business:

- ◆ A firm in which a director was a partner charged professional fees amounting to \$48,074 during Fiscal 24 (\$61,554 in Fiscal 23).

Out of the normal course of business:

- ◆ Officers and directors of the Corporation exercised 1,250,000 options during Fiscal 24 for a total value of \$106,250 (325,000 options for a value of \$29,250 in Fiscal 23).

11.2 Billing according to agreement with Kintavar and its subsidiary

	Fiscal 24	Fiscal 23
	\$	\$
Salaries, employee benefits and share-based compensation	4,312	460
Exploration and evaluation, net of tax credits	(1,863)	1,382
Research and development, net of tax credits	(6,379)	-
Travel, conventions and investor relations	14,975	8,841
Administration	-	14,234
Rent	11,100	11,100
Total	22,145	36,017

As of May 31, 2024, the amount receivable from Kintavar was \$14,450 (\$32,772 as of May 31, 2023).

11. RELATED PARTY TRANSACTIONS (CONT'D)

11.3 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, 2024, the amounts payable for the executive team would have totalled \$380,000 and \$1,160,000 respectively. In the case of termination for cause, no compensation will be paid.

12. 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, 2024 in Note 25.

13. OMNIBUS INCENTIVE PLAN

The purpose of the Omibus Plan is to serve as an incentive for the directors, officers, employees 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 aggregate number of common shares reserved for issuance pursuant to awards of stock options 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 shall not exceed 5,000,000 common shares.

14. 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.

14.1 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.

14. RISK AND UNCERTAINTIES

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.

14.2 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.

14.3 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.

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.

14.4 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.

14. RISK AND UNCERTAINTIES (CONT'D)

14.5 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.

14.6 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.

14.7 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.

14.8 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.

Although the Corporation continues to ensure that its exploration projects receive support from concerned municipalities 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.

14.9 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.

14. RISK AND UNCERTAINTIES (CONT'D)

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.

14.10 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.

14.11 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.

14.12 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.

14.13 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.

14. RISK AND UNCERTAINTIES (CONT'D)

14.14 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.

14.15 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.

14.16 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.

15. MATERIAL 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, 2024, Notes 1, 2, 3 and 4.

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, 2023, except for the new policies described below.

15.1 New accounting standards

Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) – On February 12, 2021, the IASB issued amendments to IAS 1 to assist entities in determining which accounting policies to disclose in the financial statements. The amendments to IAS 1 require that an entity disclose its material accounting policies instead of its material accounting policies and explain how an entity can identify a material accounting policy to produce financial statement disclosures for the benefit of the primary users of the financial statements. The amendments apply to annual reporting periods beginning on or after January 1, 2023. There was no material impacts on the Corporation's consolidated financial statements.

Definition of accounting estimates (Amendments to IAS 8) – On February 12, 2021, the IASB issued amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to assist entities to distinguish between accounting policies and accounting estimates. The amendments introduce a definition of "accounting estimates" and confirm that a change in an accounting estimate that results from new information or new developments is not the correction of an error, while also helping entities distinguish a change in an accounting estimate from a change in accounting policy. The amendments apply to annual reporting periods beginning on or after January 1, 2023. There was no material impacts from the adoption of this standard on the Corporation's consolidated financial statements.

15. MATERIAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ERRORS (CONT'D)

IAS 1, Presentation of Financial Statements (“IAS 1”), was amended in January 2020. The IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or noncurrent. The amendments clarify the definition of a right to defer settlement and specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments are effective for annual periods beginning on or after January 1, 2024. The amendments must be applied retrospectively in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Earlier application is permitted. There was no significant impact from the implementation of these amendments on the Corporation’s balance sheet presentation.

In June 2023 the ISSB issued IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*, which requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, its access to finance or cost of capital. At the same time the ISSB issued IFRS S2 *Climate-related Disclosures*, with the same disclosure requirements as IFRS S1 but for climate-related risks and opportunities. For Canadian entities, there is currently no mandatory requirement to comply with the ISSB Standards. Canadian authorities including the CSSB and the CSA will decide on application in Canada. The Corporation will continue to assess the potential impact of these two new disclosure requirements which are not expected to have a significant impact on the Corporation’s consolidated financial statements.

15.2 Comparative Figures

Certain comparative figures have been reclassified in accordance with the current period’s presentation. The following changes have been made to the May 31, 2023 financial statement comparative period.

The Corporation determined that Research fees previously recorded as revenues in the statement of loss and comprehensive loss should be recorded as other income since these revenues represent incidental income to finance its research project and not the core activity of the Corporation.

The Corporation also determined that, for a better understanding of its activities, the expenses previously recorded as exploration and evaluation expenses should be divided in two categories:

Exploration and evaluation expenses: activities directly associated to exploration work and research work performed specifically to develop the Montviel rare earth deposit.

Research and development expenses: activities performed on R&D for other technologies such as rare-earth recycling from permanent magnet waste, bauxite residues processing, HCl recycling from metal chloride streams and other research projects not directly applicable to the Montviel deposit.

The adjustments made to the May 31, 2023 financial statements are as follow:

	As previously reported	Adjustements	As restated
Statement of loss and comprehensive loss	\$	\$	\$
Research fees (classified as revenues)	598,470	(598,470)	-
Research income (classified as other income)	-	598,470	598,470
Exploration and evaluation expenses, net of tax credits	1,281,896	(1,209,168)	72,728
Research and development, net of tax credits	-	1,209,168	1,209,168

16. 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.

August 21, 2024

(s) Kiril Mugerma

Kiril Mugerma
President and CEO

(s) Mathieu Bourdeau

Mathieu Bourdeau
CFO

Geomega Resources Inc.
Management Discussion & Analysis
For the year ended May 31, 2024

Management

Kiril Mugerma, President & CEO
Mathieu Bourdeau, CFO
Pouya Hajiani, CTO

Board of directors

Gilles Gingras, President of the Audit Committee ¹⁾
Kosta Kostic ²⁾
Matt Silvestro, President of the Governance Committee ^{1) 2)}
Nick Nickoletopoulos^{1) 2)}
Kiril Mugerma

Notes:

- 1) *Member of the Audit Committee*
- 2) *Member of Corporate Governance, Nomination and Compensation Committee*

Head office

75 boul. de Mortagne
Boucherville (Quebec)
J4B 6Y4
Tel.: (450) 641-5119
Website: <https://ressourcesgeomega.ca>

Lawyers

Fasken Martineau DuMoulin S.E.N.C.R.L., s.r.l.
800, rue du Square-Victoria, bureau 3500
Montréal, Québec
H4Z 1E9

Auditors

MNP LLP
1155, boul. René-Lévesque O., 23th floor
Montreal (Quebec)
H3B 2K2

Transfer agents

Computershare Inc.
1500, rue Robert-Bourassa, bureau 700
Montréal (Quebec)
H3A 3S8
Tel.: (514) 982-7888