



## **Geomega Resources Inc.**

Unaudited Condensed Interim Consolidated Financial Statements

For the Nine months ended February 28, 2025

*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 28, 2025 \$	As at May 31, 2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	221,991	2,051,333
Accounts receivable	8	433,001	814,413
Tax credits and government grants receivable	9	3,386,381	1,224,420
Investments	5	22,000	22,000
Investment in a listed company	6	-	74,665
Prepaid expenses and others	10	301,859	331,227
Inventories		22,464	21,759
Current assets		4,387,696	4,539,817
<b>Non-current assets</b>			
Investment in an associate	7	337,143	421,429
Deposits on equipment		160,379	191,602
Property, plant and equipment	11	1,525,282	753,674
Right-of-use assets	12	1,900,293	2,011,755
Non-current assets		3,923,097	3,378,460
<b>Total assets</b>		<b>8,310,793</b>	<b>7,918,277</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		2,248,366	801,124
Deferred grants	13	1,246,338	1,051,542
Deferred revenues		154,856	217,297
Current portion of the lease liabilities	14	27,036	18,343
Current liabilities		3,676,990	2,088,306
<b>Non-current liabilities</b>			
Lease liabilities	14	2,200,786	2,222,485
Non-current liabilities		2,200,786	2,222,485
<b>Total liabilities</b>		<b>5,877,776</b>	<b>4,310,791</b>
<b>Equity</b>			
Share capital		38,778,372	38,778,372
Reserves	15	1,139,196	990,705
Contributed surplus		4,969,036	4,775,095
Deficit		(42,453,587)	(40,936,686)
<b>Total equity</b>		<b>2,433,017</b>	<b>3,607,486</b>
<b>Total liabilities and equity</b>		<b>8,310,793</b>	<b>7,918,277</b>

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

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

		Three months ended		Nine months ended	
	Note	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
		\$	\$	\$	\$
<b>Operating expenses</b>					
Salaries, employee benefits and share-based compensation		203,052	151,534	569,199	364,416
Exploration and evaluation expenses, net of tax credits	16	5,424	114,441	405,814	198,327
Research and development expenses, net of tax credits	17	519,341	640,559	1,288,855	1,658,563
Professional fees		79,425	2,389	241,085	126,033
Travel, conference and investor relations		11,709	19,172	60,490	91,614
Administration		34,039	26,294	129,320	61,557
Filing fees		24,367	9,075	55,608	57,199
Rent		17,204	(9,117)	70,010	62,826
Depreciation of right-of-use assets		37,155	35,530	111,466	142,835
Insurance, taxes and permits		22,945	22,772	65,223	47,919
Government grants on operating expenses		(369,072)	(580,169)	(1,260,217)	(1,284,106)
<b>Operating loss</b>		<b>(585,983)</b>	<b>(432,480)</b>	<b>(1,736,852)</b>	<b>(1,527,183)</b>
<b>Other income (expenses)</b>					
Research income		52,569	57,479	228,304	401,323
Investment income		590	25,381	27,547	92,476
Loss on foreign exchange		(11,929)	(3,518)	(26,965)	(12,636)
Finance costs		(71,012)	(70,515)	(213,232)	(223,865)
Gain on disposal of exploration and evaluation assets		-	195,826	-	239,687
Net gain on settlement of a lease agreement		-	-	-	171,242
Gain (loss) in fair value of investments in a listed company		189,870	49,738	288,583	(12,027)
Share of loss of associate		(69,664)	(49,232)	(102,203)	(41,222)
Recovery (impairment) of an investment in an associate		238,236	133,547	17,917	(464,493)
		<b>328,660</b>	<b>338,677</b>	<b>219,951</b>	<b>150,907</b>
<b>Net and comprehensive loss</b>		<b>(257,323)</b>	<b>(93,803)</b>	<b>(1,516,901)</b>	<b>(1,376,276)</b>
Basic loss per share		(0.002)	(0.001)	(0.011)	(0.009)
Weighted average number of basic shares outstanding		<b>143,048,224</b>	<b>143,048,224</b>	<b>143,048,224</b>	<b>142,372,050</b>

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
			\$	\$	\$	\$	\$
<b>Balance at May 31, 2024</b>		<b>143,401,521</b>	<b>38,778,372</b>	<b>990,705</b>	<b>4,775,095</b>	<b>(40,936,686)</b>	<b>3,607,486</b>
Net and comprehensive loss		-	-	-	-	(1,516,901)	(1,516,901)
Expired options		-	-	(193,941)	193,941	-	-
Share-based compensation		-	-	342,432	-	-	342,432
<b>Balance at February 28, 2025</b>		<b>143,401,521</b>	<b>38,778,372</b>	<b>1,139,196</b>	<b>4,969,036</b>	<b>(42,453,587)</b>	<b>2,433,017</b>

	Note	Number of shares outstanding	Share Capital	Reserves	Contributed Surplus	Deficit	Total Equity
			\$	\$	\$	\$	\$
<b>Balance at May 31, 2023</b>		<b>141,826,521</b>	<b>38,515,697</b>	<b>1,152,537</b>	<b>4,524,149</b>	<b>(38,914,285)</b>	<b>5,278,098</b>
Net and comprehensive loss		-	-	-	-	(1,376,276)	(1,376,276)
Exercised options		1,575,000	262,675	(99,301)	-	-	163,374
Expired options		-	-	(63,581)	63,581	-	-
Share-based compensation		-	-	77,610	-	-	77,610
<b>Balance at February 29, 2024</b>		<b>143,401,521</b>	<b>38,778,372</b>	<b>1,067,265</b>	<b>4,587,730</b>	<b>(40,290,561)</b>	<b>4,142,806</b>

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)

		Nine months ended	
	Note	February 28, 2025	February 29, 2024
		\$	\$
<b>Operating activities</b>			
Net and comprehensive loss		(1,516,901)	(1,376,276)
Adjustments for:			
Share-based compensation		342,432	77,610
Unrealized (gain) loss on foreign exchange rate		(567)	1,230
Depreciation of property, plant and equipment		164,068	87,264
Impairment of deposits on property, plant and equipment		1,252	-
Depreciation of right-of-use assets		111,462	142,835
Finance costs for the accretion of long-term debt		-	3,191
Share of loss of an associate		102,203	41,221
Impairment of an investment in an associate	7	(17,917)	464,493
(Gain) loss on variation of value of an investment in a listed company		(288,583)	12,027
Gain on disposal of exploration and evaluation assets – non-cash portion		-	(126,440)
Net gain on settlement of a lease agreement		-	(171,242)
Changes in non-cash working capital items	18	280,600	(325,643)
<b>Cash flows from operating activities</b>		<b>(821,951)</b>	<b>(1,169,730)</b>
<b>Investing activities</b>			
Variation of deposits on property, plant and equipment		14,898	(6,052)
Disposal of investments		-	500,000
Disposal of investment in a listed company		363,815	-
Additions of property, plant and equipment		(1,502,482)	(102,142)
Settlement of a lease agreement		-	175,000
Variation of deferred grants for the purchase of property, plant and equipment	13	129,384	(359,151)
<b>Cash flows from investing activities</b>		<b>(994,385)</b>	<b>207,655</b>
<b>Financing activities</b>			
Exercise of stock options		-	163,374
Repayments of lease liability		(13,006)	(19,773)
Repayment of long-term debt		-	(80,000)
<b>Cash flows from financing activities</b>		<b>(13,006)</b>	<b>63,601</b>
<b>Net change in cash</b>		<b>(1,829,342)</b>	<b>(898,474)</b>
Cash and cash equivalents – beginning		2,051,333	3,799,111
<b>Cash and cash equivalents – ending</b>		<b>221,991</b>	<b>2,900,637</b>

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

# Geomega Resources Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited, in Canadian dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Geomega Resources Inc. (the "Corporation") is incorporated under the *Canada Business Corporations Act* and is engaged in the acquisition, exploration and evaluation of mining properties in Canada. Through its private and wholly owned subsidiary Innord, the Corporation is developing innovative technologies for extraction and separation of rare earth elements and other critical and strategic metals from its mining properties and other mining and industrial waste, in an environmentally sustainable way. The Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under symbol GMA. The address of the Corporation's registered office and principal place of business is 75, de Mortagne Boulevard, Boucherville, Quebec, Canada, J4B 6Y4. These unaudited condensed consolidated financial statements (the "Financial Statements") were approved by the Corporation's Board of Directors on April 29, 2025.

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 28, 2025, the Corporation recorded a net loss of \$1,516,901 and accumulated a deficit of \$42,453,587 as of that date. As of February 28, 2025, the Corporation had a working capital of \$1,388,716.

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, 2024, 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, 2024.

# Geomega Resources Inc.

## Notes to the Condensed Interim Financial Statements

(unaudited, in Canadian Dollars)

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

The preparation of the Financial Statements in conformity with IFRS requires the Corporation's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the Financial Statements and related notes to the Financial Statements. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates.

In preparing the Financial Statements, the main judgments made by management in applying the Corporation'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, 2024.

### 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.

There was no short-term investment in cash and cash equivalents as of February 28, 2025.

### 5. INVESTMENTS

The investment as at February 28, 2025 consist of guaranteed investment certificates that are non-cashable prior to maturity. The certificates totalize \$22,000 in nominal value, bear interest at 3% and expire on October 2, 2025.

### 6. INVESTMENT IN A LISTED COMPANY

The Corporation held marketable securities, which were listed on the Exchange and valued at fair value based on quoted market prices. These securities were completely sold during the current exercise. The total amount of the investment can be summarized as follows:

	As at February 28, 2025 \$	As at May 31, 2024 \$
<u>Classified as current asset</u>		
MTM Critical Metals Ltd. – no common shares (666,667 as at May 31, 2024)	-	74,665
<b>Investment in a listed company</b>	<b>-</b>	<b>74,665</b>

# Geomega Resources Inc.

## Notes to the Condensed Interim Financial Statements

(unaudited, in Canadian Dollars)

### 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 28, 2025 is \$337,143 (16,857,143 shares at \$0.02, closing price on the Exchange). Considering the fair value of the investment is lower than its carrying value as at February 28, 2025, an impairment loss has been recorded in the consolidated statement of losses in order to reduce the investment to its estimated recoverable value, in this case its fair market value. Its fair value was \$421,429 as at May 31, 2024. The Corporation categorized the fair value measurement as Level 1, as it is derived from quoted prices in active markets. There was no change in the percentage of shares owned by Geomega from May 31, 2024 to February 28, 2025, which was stable at 13.11%.

#### *Determination of significant influence*

Management determines its ability to exercise significant influence over an investment in shares of other companies by looking at its percentage interest and other qualitative factors including but not limited to its voting rights, representation on the board of directors, participation in policy-making processes, material transactions between the Corporation and the associate, interchange of managerial personnel, provision of essential technical information and operating involvement. Considering these factors, Geomega is considered to have significant influence over Kintavar.

	Nine months ended February 28, 2025	Year ended May 31, 2024
	\$	\$
Balance at beginning of period	421,429	842,857
Share of net and comprehensive loss	(102,203)	(74,535)
Impairment to fair market value	17,917	(346,893)
<b>Balance at end of period</b>	<b>337,143</b>	<b>421,429</b>

### 8. ACCOUNTS RECEIVABLE

	As at February 28, 2025	As at May 31, 2024
	\$	\$
Trade receivables	50,728	44,150
Sales taxes receivable	370,048	356,906
Interest receivables	4	13,972
Other accounts receivables	12,221	399,385
<b>Accounts receivable</b>	<b>433,001</b>	<b>814,413</b>



# Geomega Resources Inc.

## Notes to the Condensed Interim Financial Statements

(unaudited, in Canadian Dollars)

### 9. TAX CREDITS AND GOVERNMENT GRANTS RECEIVABLE

	As at February 28, 2025	As at May 31, 2024
	\$	\$
Refundable tax credits	6,266	1,003
Government grants receivable	3,380,115	1,223,417
<b>Tax credits and government grants receivable</b>	<b>3,386,381</b>	<b>1,224,420</b>

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

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

### 10. PREPAID EXPENSES AND OTHERS

	As at February 28, 2025	As at May 31, 2024
	\$	\$
Prepaid on operation expenses	114,832	144,200
Advance payment on inventories	187,027	187,027
<b>Prepaid expenses and others</b>	<b>301,859</b>	<b>331,227</b>

### 11. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Leasehold Improvements	Equipment <sup>1</sup>	Total
	\$	\$	\$	\$
<b>Nine months ended February 28, 2025</b>				
Opening net book value	-	84,134	669,540	753,674
Additions	-	1,574,180	1,476,590	3,050,771
Government grants	-	(1,076,722)	(1,038,373)	(2,115,095)
Depreciation	-	-	(164,068)	(164,068)
Closing net book value	-	581,593	943,689	1,525,282
<b>As at February 28, 2025</b>				
<b>Cost</b>	<b>14,984</b>	<b>581,593</b>	<b>1,514,344</b>	<b>2,110,921</b>
<b>Accumulated depreciation</b>	<b>(14,984)</b>	<b>-</b>	<b>(570,655)</b>	<b>(585,639)</b>
<b>Closing net book value</b>	<b>-</b>	<b>581,593</b>	<b>943,689</b>	<b>1,525,282</b>

- <sup>1</sup>. The equipment category includes equipment used in E&E activities and R&D activities. Depreciation of property plant and equipment related to E&E properties is being recorded within E&E expenses whiles depreciation related to other R&D projects is recorded within R&D expenses. An amount of \$6,594 was recorded as E&E expenses and \$157,474 as R&D expenses during the nine months ended February 28, 2025.

# Geomega Resources Inc.

## Notes to the Condensed Interim Financial Statements

(unaudited, in Canadian Dollars)

### 11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office Equipment	Leasehold Improvements	Equipment	Total
	\$	\$	\$	\$
<b>Fiscal 2024</b>				
Opening net book value	-	-	427,893	427,893
Additions	-	241,439	1,474,084	1,715,523
Disposal	-	-	(155,000)	(155,000)
Loss on disposal	-	-	(56,581)	(56,581)
Government grants	-	(157,305)	(555,390)	(712,695)
Depreciation	-	-	(241,787)	(241,787)
Impairment	-	-	(223,679)	(223,679)
Closing net book value	-	84,134	669,540	753,674
<b>As at May 31, 2024</b>				
<b>Cost</b>	<b>14,984</b>	<b>84,134</b>	<b>1,076,127</b>	<b>1,175,245</b>
<b>Accumulated depreciation</b>	<b>(14,984)</b>	<b>-</b>	<b>(406,587)</b>	<b>(421,571)</b>
<b>Closing net book value</b>	<b>-</b>	<b>84,134</b>	<b>669,540</b>	<b>753,674</b>

### 12. RIGHT-OF-USE ASSETS

	Equipment	Industrial buildings	Total
	\$	\$	\$
<b>Nine months ended February 28, 2025</b>			
Opening net book value	23,275	1,988,480	2,011,755
Depreciation	(4,275)	(107,187)	(111,462)
Closing net book value	19,000	1,881,293	1,900,293
<b>As at February 28, 2025</b>			
<b>Cost</b>	<b>28,500</b>	<b>2,143,732</b>	<b>2,172,232</b>
<b>Accumulated depreciation</b>	<b>(9,500)</b>	<b>(262,439)</b>	<b>(271,939)</b>
<b>Closing net book value</b>	<b>19,000</b>	<b>1,881,293</b>	<b>1,900,293</b>

	Equipment	Industrial buildings	Total
	\$	\$	\$
<b>Fiscal 2024</b>			
Opening net book value	-	2,298,752	2,298,752
Additions	28,500	-	28,500
Disposal	-	(133,883)	(133,883)
Depreciation	(5,225)	(176,389)	(181,614)
Closing net book value	23,275	1,988,480	2,011,755
<b>As at May 31, 2024</b>			
<b>Cost</b>	<b>28,500</b>	<b>2,143,732</b>	<b>2,172,232</b>
<b>Accumulated depreciation</b>	<b>(5,225)</b>	<b>(155,252)</b>	<b>(160,477)</b>
<b>Closing net book value</b>	<b>23,275</b>	<b>1,988,480</b>	<b>2,011,755</b>

# Geomega Resources Inc.

## Notes to the Condensed Interim Financial Statements

(unaudited, in Canadian Dollars)

### 13. DEFERRED GRANTS

	As at February 28, 2025	As at May 31, 2024
	\$	\$
Deferred grants attributable to operations	1,100,473	1,035,061
Deferred grants attributable to property, plant and equipment	145,865	16,481
<b>Deferred grants</b>	<b>1,246,338</b>	<b>1,051,542</b>

### 14. LEASE LIABILITIES

	Nine months ended February 28, 2025	Year ended May 31, 2024
	\$	\$
Balance, at opening	2,240,828	2,364,465
Addition	-	28,500
Disposal	-	(130,125)
Repayments of lease liabilities	(13,006)	(22,012)
Balance	2,227,822	2,240,828
Balance, current	(27,036)	(18,343)
<b>Balance, non-current</b>	<b>2,200,786</b>	<b>2,222,485</b>

### 15. RESERVES

#### 15.1 Warrants

The Corporation's warrants were as follows:

	Nine months ended February 28, 2025		Year ended May 31, 2024	
	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
<b>Balance, end</b>	<b>16,517,788</b>	<b>0.27</b>	<b>16,517,788</b>	<b>0.27</b>

Warrants outstanding as at February 28, 2025 are as follows:

Number of warrants	Exercise price	Expiry date
	\$	
4,354,667	0.32	May 3, 2025
11,459,093	0.25	November 6, 2025 <sup>1</sup>
704,028	0.40	February 6, 2026
<b>16,517,788</b>		

<sup>1</sup> These warrants were expiring on November 6, 2024. On October 29, 2024, they were extended for a period of 1 year until November 6, 2025. All other conditions stayed unchanged. This change had no impact on the financial statements.

# Geomega Resources Inc.

## Notes to the Condensed Interim Financial Statements

(unaudited, in Canadian Dollars)

### 15. RESERVES (CONT'D)

#### 15.2 Share-based Compensation

On November 20, 2024, the shareholders of the Corporation renewed the omnibus equity incentive plan (the "Omnibus Plan"), which offers incentive awards including stock options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs"), and deferred share units ("DSUs") (collectively, the "Awards").

The aggregate number of common shares reserved for issuance pursuant to awards of Options granted under the Omnibus 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.

#### A) Stock Options

A summary of the Corporation's Options outstanding is as follows:

	Nine months ended February 28, 2025		Year ended May 31, 2024	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, opening	7,220,500	0.22	10,295,500	0.21
Issued	2,300,000	0.10	845,000	0.22
Exercised	-	-	(1,575,000)	0.10
Expired	(1,870,500)	0.18	(2,040,000)	0.26
Forfeited	(75,000)	0.22	(305,000)	0.22
<b>Balance, end</b>	<b>7,575,000</b>	<b>0.19</b>	<b>7,220,500</b>	<b>0.22</b>
Balance, end, exercisable	4,990,000	0.23	6,680,500	0.22

The number of Options outstanding as of February 28, 2025 are as follows:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry date
		\$	
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
250,000	250,000	0.18	October 21, 2025
800,000	800,000	0.34	January 27, 2026
1,310,000	1,310,000	0.305	October 27, 2026
440,000	110,000	0.215	January 25, 2029
2,200,000	-	0.10	November 20, 2029
100,000	-	0.11	December 1, 2029
<b>7,575,000</b>	<b>4,945,000</b>		

# Geomega Resources Inc.

## Notes to the Condensed Interim Financial Statements

(unaudited, in Canadian Dollars)

### 15. RESERVES (CONT'D)

On November 20, 2024, the Corporation granted 2,200,000 Options to employees at a price of \$0.10, 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 3.1471%, expected volatility of 67.93%, no dividend per share and expected duration of 3.75 years options. The Options vest over a period of 3 years in increments of 25% in the first two years and 50% in the last year.

On December 1, 2024, the Corporation granted 100,000 Options to an employee at a price of \$0.11, 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 2.8751%, expected volatility of 78.52%, no dividend per share and expected duration of 3.75 years options. The Options vest over a period of 3 years in increments of 25% in the first two years and 50% in the last year.

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.

#### B) Restricted Share Units

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

	Nine months ended February 28, 2025	Year ended May 31, 2024
Balance, opening	1,116,000	-
Granted	1,200,000	1,302,000
Forfeited	-	(186,000)
<b>Balance, end</b>	<b>2,316,000</b>	<b>1,116,000</b>

On November 20, 2024, the Corporation granted 1,200,000 RSUs to the management team for a total value of \$126,000. From the granting, the RSUs vest in increments of 50% every 12 months. The RSUs can be settled after 3 years.

#### C) Deferred Share Units

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

	Nine months ended February 28, 2025	Year ended May 31, 2024
Balance, opening	971,000	-
Granted	900,000	971,000
Forfeited	(93,000)	-
<b>Balance, end</b>	<b>1,778,000</b>	<b>971,000</b>

On November 20, 2024, an aggregate of 900,000 DSUs were issued to the members of the Board of Directors with a total fair value of \$94,500. The DSUs vest in a single installment one year from the date of grant.

# Geomega Resources Inc.

## Notes to the Condensed Interim Financial Statements

(unaudited, in Canadian Dollars)

### 16. EXPLORATION AND EVALUATION EXPENSES

#### 16.1 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 28, 2025.

Montviel	Three months ended		Nine months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
	\$	\$	\$	\$
<b>Acquisition and maintenance</b>	<b>924</b>	<b>-</b>	<b>924</b>	<b>-</b>
<b>Exploration</b>				
Salaries and benefits	361	-	361	-
Share-based compensation	630	-	699	727
Geology	2,631	-	13,103	-
Supplies	691	654	692	2,616
Taxes, permits and insurances	-	-	426	-
<b>Total Exploration</b>	<b>4,313</b>	<b>654</b>	<b>15,281</b>	<b>3,343</b>
<b>Evaluation</b>				
Salaries and benefits	-	98,103	251,212	175,640
Professional fees	-	-	8,137	-
Material and furniture	-	11,268	49,285	11,268
General and administration	-	2,492	80,963	2,492
Depreciation of property, plant and equipment	2,198	2,198	6,594	6,594
<b>Total Evaluation</b>	<b>2,198</b>	<b>114,061</b>	<b>396,191</b>	<b>195,994</b>
<b>Gross E&amp;E expenses</b>	<b>7,435</b>	<b>114,715</b>	<b>412,396</b>	<b>199,337</b>
Tax credits	(2,011)	(274)	(5,582)	(1,010)
<b>Net E&amp;E expenses</b>	<b>5,424</b>	<b>114,441</b>	<b>405,814</b>	<b>198,327</b>

#### 16.2 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. The Pomme property comprises 43 mining claims totalling 2,366 hectares as at February 28, 2025.

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

To earn these interests, MTM would make common shares and cash payments to the Corporation and incur certain exploration expenses as shown in the table below. In February 2025, Geomega provided MTM a 9-month extension to the milestone that was coming due on February 22, 2025 in exchange of a \$75,000 lump sum payment. This payment does not act as an option payment.

# Geomega Resources Inc.

## Notes to the Condensed Interim Financial Statements

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

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

All amounts are in AUD	Cash Payments \$	Issuance of common shares \$	Work \$
<b>Option to earn 100%</b>			
At the signature of the LOI (completed)	20,000	Nil	Nil
At the signature of the final agreement (completed)	50,000	50,000	Nil
On or before February 22, 2024 (completed)	100,000	100,000	300,000
On or before February 22, 2025 (extended for 9 months)	100,000	100,000	700,000
On or before February 22, 2026	Nil	Nil	1,000,000
<b>Total for a maximum participation of 100%</b>	<b>270,000</b>	<b>250,000</b>	<b>2,000,000</b>

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

#### 16.3 Option agreement on Montviel-Sud Property

On August 31, 2023, the Corporation concluded an agreement with MTM Critical Metals Ltd. ("MTM") to option out the Montviel-Sud property.

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.

### 17. RESEARCH AND DEVELOPMENT EXPENSES

	Three months ended		Nine months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
	\$	\$	\$	\$
Salaries and benefits	327,273	247,202	799,281	769,859
Share-based compensation	42,020	10,616	92,943	16,132
Professional fees	3,323	217,305	37,459	571,343
Material and furniture	81,876	74,330	279,915	143,138
General and administration	12,135	54,132	65,581	130,067
Depreciation of property, plant and equipment	52,714	36,974	157,474	80,670
Impairment of property, plant and equipment	-	-	1,252	-
<b>Total R&amp;D expenses</b>	<b>519,341</b>	<b>640,559</b>	<b>1,433,905</b>	<b>1,711,209</b>
Tax credits	-	-	(145,050)	(52,646)
<b>Net R&amp;D expenses</b>	<b>519,341</b>	<b>640,559</b>	<b>1,288,855</b>	<b>1,658,563</b>

# Geomega Resources Inc.

## Notes to the Condensed Interim Financial Statements

(unaudited, in Canadian Dollars)

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

*Change in non-cash working capital items*

	Nine months ended	
	February 28, 2025	February 29, 2024
	\$	\$
Accounts receivable	381,412	62,260
Tax credits and government grants receivable	(416,064)	(413,560)
Prepaid expenses and others	29,368	(299,624)
Inventories	(2,544)	3,773
Trade and other payables	285,457	(203,112)
Deferred grants attributable to operations	65,412	583,125
Deferred revenues	(62,441)	(58,505)
	<b>(821,951)</b>	<b>(325,643)</b>

*Non-cash Transactions*

	Nine months ended	
	February 28, 2025	February 29, 2024
	\$	\$
Government grants receivable for the acquisition of inventories	1,839	5,767
Government grants receivable for deposits made on the purchase of property, plant and equipment	15,073	18,206
Government grants receivables for the purchase of property, plant and equipment	1,728,985	237,949
Property, plant and equipment acquired in accounts payables	1,162,179	-
Acquisition of a right-of-use asset against a lease liability	-	28,500
Revaluation of a right-of-use asset and a lease liability	-	5,631
Disposal of a right-of-use asset and a lease liability	-	130,125

### 19. SUBSEQUENT EVENTS

On March 24, 2025, the Corporation closed a non-brokered private placement of 12% unsecured convertible debentures for an aggregate principal amount of \$2,022,761. The convertible debentures have a three (3) year maturity date and bear an interest of 12% per annum, with interest payable annually in arrears. The principal amount of the convertible debentures will be convertible, for no additional consideration, into common shares of the Corporation at the option of the holder at any time prior to the maturity date at a price of \$0.12 per share. The Corporation may satisfy interest owing on the convertible debentures from time to time by the issuance of common shares at a price per common share of no less than the 20 day volume weighted average trading price (VWAP) of its common shares on the TSXV at the time the interest becomes payable or upon a change of control, the whole in accordance with applicable TSXV rules. The convertible debentures shall be senior unsecured debt obligations of the Corporation in that they shall be senior to all other unsecured indebtedness of the Corporation and subject only to such permitted indebtedness and permitted liens in accordance with the terms of the convertible debentures.



# **Geomega Resources Inc.**

## **Notes to the Condensed Interim Financial Statements**

(unaudited, in Canadian Dollars)

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### **19. SUBSEQUENT EVENTS (CONT'D)**

On March 25, 2025, the Corporation announced the extension and repricing of 4,354,667 warrants for one (1) year. These warrants, priced at \$0.32, were expiring on May 3, 2025. The new exercise price is \$0.12 and an acceleration clause was added stipulating that if the share price of the Corporation on the TSXV trades higher than 25% above the modified exercise Price for 10 consecutive days during the term of the warrants, the exercise period will be reduced to 30 days beginning no more than seven calendar days after the tenth Premium Trading Day.