Geomega Resources Inc.

Management's Discussion and Analysis

May 31, 2025

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The following management discussion and analysis (the "MD&A") of the financial condition and results of the operations of Geomega Resources Inc. (the "Corporation" or "Geomega") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the year ended May 31, 2025. This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements as at May 31, 2025 prepared in accordance with the International Financial Reporting Standards ("IFRS Accounting Standards") 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
Q1-25	June 1, 2024 to August 31, 2024
Q2-25	September 1, 2024 to November 30, 2024
Q3-25	December 2024 to February 28, 2025
Q4-25	March 1, 2025 to May 31, 2025
Fiscal 25	June 1, 2024 to May 31, 2025
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 processing technologies for the metal and mining industries which includes extraction, separation and recycling technologies for bulk, base, precious and critical and strategic metals. Geomega's core technologies include integrated reagent recycling that offers minimal effluents and a reduction of GHG emissions, critical metal extraction, iron recovery, CO2 utilization and others. These technologies are then applied to various primary and secondary feeds to help reduce waste from mining and industrial operations while valorizing the metals found in them. Geomega is working on several projects that incorporate these technologies 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 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 in the small-scale piloting phase and is entering the larger demonstration scale with piloting being done at Geomega's laboratory facilities in Boucherville, QC while the demonstration scale will be done directly on-site where bauxite residues are produced. The project has been funded by several grants and partnerships with alumina refineries over the past few years.

2.2 Demonstration Plant

During Q4-25, the Corporation provided an update on the construction of the rare earth magnet recycling continuous demonstration plant on June 4, 2025. Procurement of the long lead items is now complete, and the majority of equipment has now been received including the kiln and the packaging station. The remaining two main reactors were shipped in August. The conveyors design has been finalized and ordered in July.

The engineering team continued work on plant instrumentation and valves which are all expected to be ordered in August. An external contractor is working with Geomega's team on the control and automation system which will then be integrated into the plant. The start up and commissioning procedures are being prepared in parallel as well. Pipe rack design is ongoing while piping design is expected to start in the coming months.

All the process equipment that has been received, has already been assembled, placed in position and are being leveled and anchored in place. The electrical cables installation is ongoing throughout the plant. The electrical inlet to receive the increased power supply from Hydro Quebec has been completed and the powering up of the new supply line was successful. All the utility units have been received with installation and commissioning planned in the upcoming months. The chiller unit requires some repairs and modifications which are expected to take place during the same period as well.

Environmental permitting request has been submitted and the file is currently being reviewed. Based on the current schedule of equipment arrival and the remaining steps, plant construction should be completed towards the end of 2025. Testwork is expected to begin on the various sections of the plant based on the approval from the environmental permitting authorities.

2.3 Bauxite Residues Valorization Technology

During Q4-25, Geomega and Rio Tinto provided an update on April 16, 2025 on the technology. Details on each of the three circuits involved in the process and update on the work completed to date were provided.

2. CORPORATE UPDATE (CONT'D)

Pilot testwork has been completed for C1 and C2 which allowed Geomega to produce a representative sample of the residue needed for piloting of C3. That work is planned for later in 2025 and is expected to be finished in 2026. Over the last three years, many rounds of bench scale and then pilot scale testwork were completed to validate the key process parameters, and to produce samples throughout the process for product validation and optimization. Rio Tinto provided Geomega with a specific range of parameters for purities and particle sizes which have now been successfully confirmed and validated by Rio Tinto's team.

Geomega and Rio Tinto have signed an extension to their collaboration agreement to continue the work on C3 as part of the project that was launched in March 2022. In parallel, Geomega and Rio Tinto began planning the next phase for C1 and C2 based on the positive results received to date. More details on the next steps, on-site demonstration plant, will be provided once an agreement is finalized.

Bench and pilot testwork continued on feed material from other alumina refineries around the world to demonstrate the versatility of the technology.

2.4 Pyrrhotite tailings valorization Technology

On September 24, 2024, Innord's technological solution was selected as one of the laureates of the circular mining innovation challenge by Vale Base Metals. The competition objectives were to identify novel technological solutions to enhance the recovery of valuable metals and minerals contained in low-grade pyrrhotite tailings, a residue remaining from mineral processing of sulphide ore. The Corporation is waiting on Vale to begin the testwork and is seeking other potential partnerships to advance this technology.

2.5 Sources of Financing

New sources of financing

During Fiscal 25, no options or warrants were exercised, but 4,854,667 warrants and 500,000 options were exercised between the year end and the issuing of the Financial Staments and MD&A, for total proceeds of $735,060.

In March 2025, the Corporation completed a private placement of unsecured convertible debentures (the "Debentures") for aggregate gross proceeds of $2,022,762. The Debentures bear interest at a rate of 12% per annum, payable annually, and mature in March 2028, unless converted earlier in accordance with their terms. The Debentures are convertible into common shares of the Corporation at a price of $0.12 per share at any time prior to maturity at the option of the holder. The Debentures are unsecured and subordinated to all current and future senior indebtedness of the Corporation. The Corporation incurred transaction costs of $28,535 in connection with the offering. In accordance with IAS 32 and IFRS 9, the Debentures were evaluated as a compound financial instrument and bifurcated into:

- A liability component, representing the contractual obligation to pay interest and principal, and
- An equity component, representing the holder's conversion right.

Follow-up on grants recieved

During the previous fiscal years, the Corporation also secured different grants to help finance its R&D activities:

For the $2.04M grant from Next Generation Manufacturing Canada (NGen) towards the construction of the magnet recycling demonstration plant, the following has been recorded to the financial statements so far:

	$
Payment received (net of financing fees)	623,920
Accrued as at May 31, 2025	1,186,028

2. CORPORATE UPDATE (CONT'D)

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	244,264
Accrued as at May 31, 2025	434,556

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	2,699,989
Accrued as at May 31, 2025	2,076,553

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	1,650,000
Accrued as at May 31, 2025	2,128,027

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	1,232,947
Accrued as at May 31, 2025	1,479,361

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	400,000
Accrued as at May 31, 2025 (project completed in October 2024)	400,000

2.6 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 55 mining claims totalling 3,052 hectares as at May 31, 2025 (43 of the 55 claims are under the option agreement).

2. CORPORATE UPDATE (CONT'D)

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 follows:

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 (extended to November 30, 2025) [1]	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**

1. On March 31, 2025, following a notice sent by the Corporation for the expiry of the 4th milestone, a nine-months extension was given to MTM in exchange of a $75,000 lump sum payment. This payment does not act as an option payment. All other conditions of the farm-in agreement remain unchanged.

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.

2.7 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.

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.

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.

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

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

Rare Earths Recycling Demonstration plant

- Process engineering of the continuous design to continue, as needed only
- Civil engineering to continue, as needed only
- Procurement activities:
  - Continue receiving utilities and process equipment
  - Order any remaining equipment, as needed only
  - Sell non required equipment from the batch design
- Environmental and municipal permitting to continue
- On site work at the Saint-Hubert facility
  - Complete any remaining civil work (HVAC, fire protection, etc.)
  - Installation and commissioning of the utilities
  - Installation and commissioning of the process equipment
- Test work – Perform various complimentary tests on process, final products, by products (as needed)
- Feed sourcing (regular ongoing activity)
- Discussions with potential oxide buyers

Bauxite Residue Sustainable Processing

- Continue bench scale testwork, modeling, process design and optimization on feeds from various alumina refineries around the world.
- Commission pilot plant equipment and modifications, as required
- Pilot testing of the core of the transformation process, as required

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

- 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.

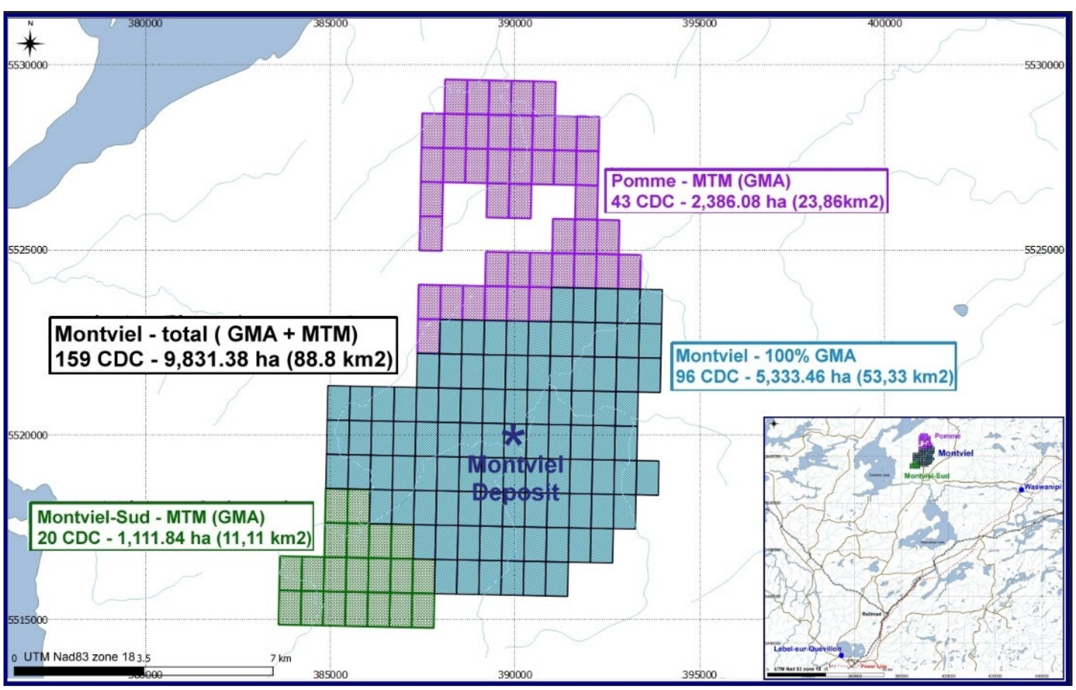
4. EXPLORATION AND VALIDATION OF THE SEPARATION TECHNOLOGY ACTIVITIES (CONT'D)

4.1 Expenses Summary - Montviel Property

	Fiscal 2025	Fiscal 2024
	$	$
Acquisition and maintenance	**924**	**-**
Exploration		
Salaries and benefits	361	-
Share-based compensation	1,329	727
Geology	13,103	-
Supplies	-	1,963
General and administration	692	-
Taxes, permits and insurances	426	413
Total exploration	**15,911**	**3,103**
Evaluation		
Salaries and benefits	251,212	271,912
Professional fees	3,720	-
Material and furniture	49,285	11,268
General and administration	82,656	2,492
Depreciation of property, plant and equipment	8,348	8,792
Total Evaluation	**395,221**	**294,464**
Total gross E&E expenses	**412,056**	**297,567**
Tax credits	(6,995)	(131)
Net E&E expenses	**405,061**	**297,436**

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, 2025.

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



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

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.

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

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

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.

5. RESEARCH AND DEVELOPMENT ACTIVITIES

5.1 Expenses Summary

	2025	2024
	$	$
Salaries and benefits	1,164,993	1,045,805
Share-based compensation	123,494	43,672
Professional fees	60,701	607,667
Material and furniture	299,497	197,128
General and administration	177,665	253,707
Depreciation of property, plant and equipment	186,391	115,443
Impairment of deposits on equipment	15,093	-
Impairment of property, plant and equipment	71,379	108,131
	2,099,213	**2,371,554**
Tax credits	(145,050)	(51,653)
Net R&D expenses	**1,954,163**	**2,319,901**

5.2 Rare Earths Recycling Technology Development

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

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

5. RESEARCH AND DEVELOPMENT ACTIVITIES (CONT'D)

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.

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 design change, the engineering team was able to select several items that were not 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 civil work including the new concrete floors, drainage system, new water access, grounding, structural reinforcements, concrete pads for outdoors equipment and the civil infrastructure to bring the increased power supply to the facility were completed by January 2025.

Procurement of the long lead items was mostly completed and the majority delivered by April 2025. And mechanical installation started together with other work on site. Figure 1 shows the progress of the demonstration plant progress as of June 4, 2025. The most recent update can be found in section 2.2 above.

5. RESEARCH AND DEVELOPMENT ACTIVITIES (CONT'D)

Figure 1: View of the rare earth recycling demonstration plant assembly

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.

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

- High iron (Fe) content – in BR >40% Fe_2O_3
- Loss of critical and strategic metals in the tailings (rare earth elements, scandium, 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.

5. RESEARCH AND DEVELOPMENT ACTIVITIES (CONT'D)

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 2 and 3 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.

On April 16, 2025, the Corporation provided both a technical update on the technology and results confirmation from Rio Tinto of successful results. The technology is divided into three consecutive circuits which are being tested and scaled up individually. A refinery client might license Circuit 1, Circuits 1 and 2 or the complete package of Circuits 1, 2 and 3 depending on the grades of the various metals found in its bauxite residues and the corporate objectives.

Circuit 1 (C1) focuses on alkalinity removal and production of several important offtake streams such as sodium, calcium, aluminium and silica products. This circuit is responsible for 10% to 30% of waste volume reduction.

Circuit 2 (C2) deals with iron extraction and removal. One potential high value and critical product is DRI (Direct Reduced Iron) grade ore material, a high-purity iron feedstock that enables lower-carbon steelmaking. Circuits 1 and 2 are responsible for more than 70% of cumulative waste volume reduction.

5. RESEARCH AND DEVELOPMENT ACTIVITIES (CONT'D)

Circuit 3 (C3) deals with the remaining high value metals. Geomega is currently developing a cost-efficient circuit to extract and purify a rare earths (REE) concentrate, and a titanium concentrate while regenerating and recycling the reagent. Other potential products in Circuit 3 include scandium, gallium, alumina, and silica.

Each circuit has its own reagent recycling, resulting in minimal effluents and no additional hazardous waste being produced by the process. One of the main advantages of the technology is that more than 95% of the main reagents for C1 and C2 are being recycled, having a major impact on the operating costs of the process. Figure 4 below summarizes the bauxite residue valorization technology.

More details on the most recent update can be found in section 2.3 above.

Figure 2: Pilot plant setup at the Boucherville facility

Figure 3: Pilot plant setup at the Boucherville facility

5. RESEARCH AND DEVELOPMENT ACTIVITIES (CONT'D)

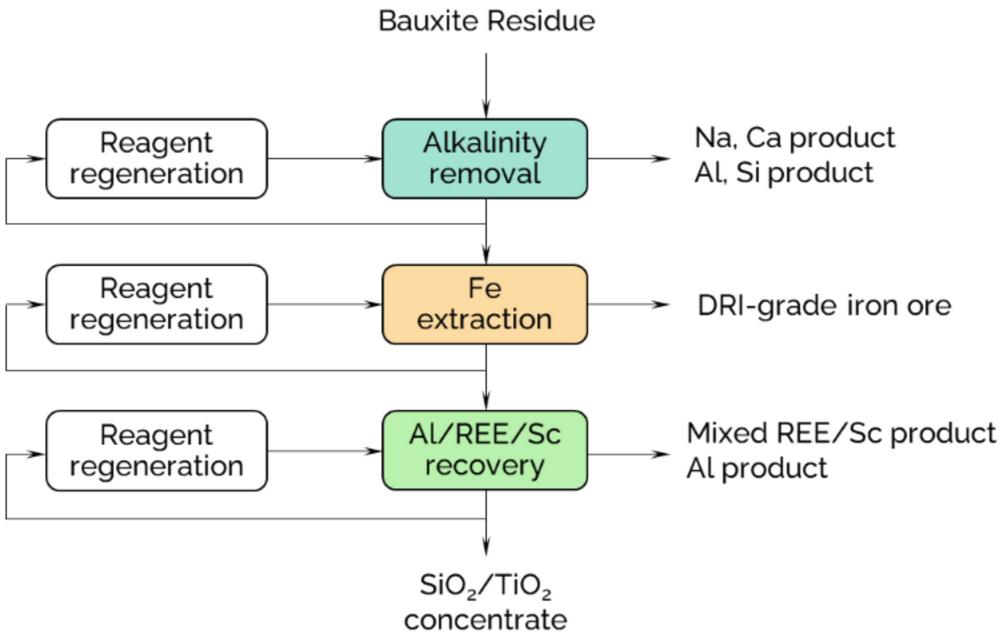


Figure 4: Bauxite residue valorization process overview

6. FINANCIAL HIGHLIGHTS

Geomega has $999,043 in cash and cash equivalents ($1,021,043 including the short-term investments) as of May 31, 2025 and a working capital of $1,039,660 (working capital of $2,451,511 as at May 31, 2024).

In Fiscal 25, the Corporation recorded a net loss of $2,584,724 compared to a net loss of $2,022,401 in Fiscal 24. Excluding the effects of fluctuations from the investment in an associate, a net loss of $2,416,152 was realized in Fiscal 25 compared to a net loss of $1,600,973 in Fiscal 24. The main variations are as follows:

- Exploration and evaluation expenses, net of tax credits of $405,061 ($297,436 in Fiscal 24). There is actually no significant fieldwork on the Montviel property, but Geomega was 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 during the summer and fall 2024.

- Research and development expenses, net of tax credits of $1,954,163 ($2,319,901 in Fiscal 24). Work on magnet recycling, bauxite residue and other technologies are progressing. Refer to section 5 for more details on the progress made on these projects.

- Salaries, employee benefits and share-based compensation of $722,050 ($547,966 in Fiscal 24). There was no increase in headcount from Fiscal 24 to Fiscal 25 in the administration department, but the variation comes from the share-based compensation expense of $297,926 (vs $119,400 in Fiscal 24) following the issuance of options and other equity awards in January and November 2024.

6. FINANCIAL HIGHLIGHTS (CONT'D)

- Travel, conference and investor relations of $80,262 ($113,191 in Fiscal 24). An amount of $19,689 of 2024's balance comes from a share-based compensation allocated to a consultant, which was completely vested before Fiscal 25. The balance is due to travel expenses for conferences for which Geomega attended during Fiscal 24. There was less travel in Fiscal 25 as the Corporation has been focussing on the delivery of its R&D projects.

- Professional fees of $307,765 ($140,329 in Fiscal 24). With its technologies being more mature and advanced, the Corporation spent more in Fiscal 2025 for IP filing. There was also an increase in audit and tax fees in Fiscal 25, this increase being due to an increase in activities, but also due to special reports being required for the reporting on certain grants. Finally, with the team growing and with the increase in activities, the Corporation used some external services in different domains, including HR, architecture, engineering, etc.

- Rent expense of $131,351 ($92,971 in Fiscal 24). In Fiscal 24, an adjustment was made for taxes that were claimed backward. This represented a credit amount of 24k.

- Depreciation of right-of-use assets of $148,615 ($181,614 during Fiscal 24). In April 2023, the Corporation signed a lease agreement in Saint-Hubert and negotiated its exit from its previous premise in Saint-Bruno-de-Montarville. The Corporation assumed the 2 leases until September 2023 and 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, which explains the nonrecurring net gain on settlement of a lease agreement of $171,242 recorded in Fiscal 24.

- Government grants on operating expenses of $1,179,378 ($1,768,247 during Fiscal 24). The Corporation has secured different grants to help develop its technologies and the projects have been progressing. More details are showed in section 2.5.

- Research income of $230,208 ($464,188 in Fiscal 24). Innord is performing research projects to apply its technology to the extraction of critical metals from processing bauxite residues. Part of the funding for these projects comes from partners in the aluminum sector. The research income is recorded based on the estimated progress made on the projects.

- Investment income of $32,383 ($120,555 in Fiscal 24). The corporation has less cash invested as the construction of the demonstration plant is advancing. Moreover, interest rates on GICs and other low-risk investments have gradually gone down for the past 2 years.

- Option income on exploration and evaluation properties of $75,000 ($162,399 in Fiscal 24). The Corporation optioned out two properties in the past years. While it did not receive any option payment in Fiscal 25, a nine-months extension was given to MTM Critical Metals on the Pomme property in exchange of a $75,000 lump sum payment. Refer to section 2.6 and 2.7 for more information on the option income.

- Loss on disposal of property, plant and equipment of $nil ($56,581 in Fiscal 24). This loss comes from the sale of an equipment in Fiscal 24 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.

- Gain on fair value variation of investments in a listed company of $288,583 (loss of $42,888 in Fiscal 24). The Corporation had shares of MTM critical metals that were received as part of the options payments on its properties in the Montviel area (see section 2.6 and 2.7). The shares were recorded at the fair value and the Corporation sold them gradually during Fiscal 25.

6. FINANCIAL HIGHLIGHTS (CONT'D)

- Recovery of an investment in an associate of $7,828 (impairment of $346,893 in Fiscal 24). Since the fair value of the investment in Kintavar was lower than its book value as at May 31, 2024, an impairment expense was booked in the financial statements to reflect its fair value. The share price of the investment as of May 31, 2025 is lower than at May 31, 2024 ($0.015 vs $0.025), but the share of the loss ($176,400 in Fiscal 25) is greater than the variation of fair value, which explains the recovery.

- Deferred tax recovery of $96,912 ($nil in Fiscal 24). A deferred tax recovery was recognized with the equity component of the convertible debentures. The deferred tax recovery represents the future tax benefit arising from the temporary difference between the carrying amount of the liability component of the convertible debentures under IFRS and its tax base. Because the equity component has no tax base, the related deferred tax effect is recognized directly in equity.

6.1 Selected Annual Information

	Fiscal 25	**Fiscal 24**	**Fiscal 23**
	$	**$**	**$**
Operating loss	(2,765,851)	(2,114,404)	(1,657,379)
Other income	84,215	92,003	256,507
Net and comprehensive loss	(2,584,724)	(2,022,401)	(1,400,872)
Basic and diluted loss per share	(0.018)	(0.014)	(0.010)
Total Assets	7,680,224	7,918,277	9,364,697
Non-Current Liabilities	(3,631,772)	(2,222,485)	(2,289,819)

6.2 Equity Instruments Outstanding

	As at August 19, 2025	**As at May 31, 2025**	**As at May 31, 2024**
	Number of shares	Number of shares	Number of shares
Shares	148,756,188	143,401,521	143,401,521
Stock options	6,160,000	6,660,000	7,220,500
Deferred Shares Units	1,778,000	1,778,000	971,000
Restricted Shares Units	2,316,000	2,316,000	1,302,000
Warrants	11,663,121	16,517,788	16,517,788
Convertible debentures – Equity component	16,856,350	16,856,350	-
Shares - Fully diluted	**187,529,659**	**187,529,659**	**169,412,809**

7. SUMMARY OF QUARTERLY RESULTS

For the eight most recent quarters:

	Q4-25	**Q3-25**	**Q2-25**	**Q1-25**
	$	**$**	**$**	**$**
Operating loss	(1,026,984)	(585,983)	(585,714)	(567,170)
Other income (loss)	(162,303)	328,660	(50,828)	(31,314)
Net and comprehensive loss	(1,092,375)	(257,323)	(636,542)	(598,484)
Basic and diluted loss per share	(0.007)	(0.002)	(0.004)	(0.004)
Total assets	7,680,224	8,310,793	7,500,196	7,225,683

7. SUMMARY OF QUARTERLY RESULTS (CONT'D)

	Q4-24	Q3-24	Q2-24	Q1-24
	$	$	$	$
Operating loss	(585,288)	(432,480)	(554,387)	(542,249)
Other income (loss)	(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

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, 2025, the Corporation had $999,043 in cash and cash equivalents ($2,051,333 as of May 31, 2024). The Corporation had a working capital of $1,039,660 ($2,451,511 as of May 31, 2024).

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 2025, the Corporation issued convertible debentures for $2.022M. 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.

9. COMMITMENTS

As at May 31, 2025, 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, excluding salaries and vacations payable	834,359	-	-	834,359
Lease Liabilities – Current contractual maturities[1]	313,174	599,928	-	913,102
Lease Liabilities – Future renewal options[1]	-	734,287	3,120,181	3,854,468
Convertible debentures	242,731	2,508,225	-	2,750,956
	1,390,264	**3,842,440**	**3,120,181**	**8,352,885**

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 $24,842 during Fiscal 25 ($48,074 in Fiscal 24).

Out of the normal course of business:

- No officers or directors of the Corporation exercised options or participated in a private placement during Fiscal 25 (1,250,000 options exercised for a value of $106,250 in Fiscal 24).

11.2 Billing according to agreement with Kintavar

	2025	2024
	$	$
Salaries, employee benefits and share-based compensation	2,946	4,312
Exploration and evaluation, net of tax credits	(15,080)	(1,863)
Research and development, net of tax credits	-	(6,379)
Travel, conventions and investor relations	12,673	14,975
Administration	8,550	-
Rent	11,100	11,100
Total	**20,189**	**22,145**

As of May 31, 2025, there was an amount of $7,770 payable to Kintavar (a receivable of $14,450 as of May 31, 2024).

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, 2025, 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, 2025 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 and R&D initiatives. 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 municipals authorities and other stakeholders, amendments to various governmental regulations might affect its exploration projects. In particular, the exploration projects of the Corporation are located in Quebec on which some are located on Eeyou Istchee James Bay territory. The creation of the Eeyou Istchee James Bay Regional Government and recent changes to the categories I, II and III lands might affect the exploration and evaluation of the Corporation's properties.

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

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 Accounting Standards 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 material accounting policies, estimates, judgments, and assumptions in the consolidated financial statements as of May 31, 2025, 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, 2024, except for the new policies described below.

15.1 Amendments and interpretations of existing standards that are not yet in force and that the Corporation has not adopted early

At the date these financial statements were authorized for issue, several new interpretations and amendments to existing standards had been published by the IASB but were not yet effective. The Corporation did not early adopted any of these standards or amendments to existing standards.

Management expects that all relevant pronouncements will be adopted in the first reporting period following their effective date. The new standards, amendments and interpretations that have not been adopted and have not been presented below are not expected to have a material impact on the Corporation's financial statements.

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

IFRS 18 - Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB published IFRS 18 "Presentation and Disclosure of Financial Statements" to improve the communication of financial performance. IFRS 18 replaces IAS 1 "Presentation of Financial Statements". It incorporates many of the requirements of IAS 1 without modification. This new accounting standard makes significant changes to the structure of a company's income statement, reinforces rigor and transparency in the presentation of management performance indicators (commonly referred to as "non-GAAP indicators"), and reduces the grouping of items into single figures. The main impacts of this new accounting standard are as follows:

- The introduction of a newly defined sub-total for "operating income" and the requirement to allocate all income and expenses to three new distinct categories based on the company's main activities (operating, investing and financing);
- Require the publication of information on management performance indicators (MPD); and
- Add new principles for aggregating and disaggregating information.
- IFRS 18 applies to annual periods beginning on or after January 1, 2027. Earlier application is permitted. The extent of the impact of adopting this new IFRS standard has not yet been determined, and the Corporation has not yet determined whether early adoption will be considered.

15.2 Compound financial instruments (Financial Instrument)

When the Corporation issues a financial instrument that contains both a liability and an equity component (e.g., convertible debentures), it is classified as a compound financial instrument under IAS 32. The liability component is initially measured at the fair value of a comparable instrument without a conversion feature, using a market interest rate. The equity component is determined as the residual amount, after deducting the fair value of the liability component from the total proceeds. Transaction costs are allocated to each component proportionally based on their initial carrying values.

15.3 Convertible Debenture Discount Rate – Critical Judgment

The Corporation issued unsecured convertible debentures during the year, which were classified as compound financial instruments in accordance with IAS 32. The proceeds were allocated between a liability component and an equity component representing the holder's conversion option.

A key area of judgment involved determining the appropriate market discount rate to apply in valuing the liability component. The Corporation used a 19% market interest rate, representing its best estimate of the rate that would apply to a comparable non-convertible borrowing instrument with similar terms, credit risk, and market conditions.

- This estimate required significant judgment and was based on:
- The Corporation's credit risk profile as a junior mining and R&D issuer;
- Market data for comparable instruments issued by similar TSXV-listed companies;
- Observed yield spreads on unsecured debt for high-risk issuers in similar sectors.

The selected rate directly affects the initial allocation between debt and equity and the resulting amortization of the liability over the term. Changes to the assumed market rate would have a material impact on the financial statements.

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 Accounting Standards. 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 19, 2025

(s) Kiril Mugerman
Kiril Mugerman
President and CEO

(s) Mathieu Bourdeau
Mathieu Bourdeau
CFO

Management

Kiril Mugerman, 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 Mugerman

Notes:

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

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