Geomega Resources Inc.

Management's Discussion and Analysis

May 31, 2017

The following management discussion and analysis (the "MD&A") of the financial condition and results of the operations of GéoMegA Resources Inc. (the "Corporation" or "GéoMégA") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the year ended May 31, 2017. This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements as at May 31, 2017 prepared in accordance with the International Financial Reporting Standards ("IFRS"). 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 report, our 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 precious 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 www.sedar.com.

Abbreviation	Period
Q1-16	June 1, 2015 to August 31, 2015
Q2-16	September 1, 2015 to November 30, 2015
Q3-16	December 1, 2015 to February 29, 2016
Q4-16	March 1, 2016 to May 31, 2016
Fiscal 16	June 1, 2015 to May 31, 2016
Q1-17	June 1, 2016 to August 31, 2016
Q2-17	September 1, 2016 to November 30, 2016
Q3-17	December 1, 2016 to February 28, 2017
Q4-17	March 1, 2017 to May 31, 2017
Fiscal 17	June 1, 2016 to May 31, 2017
Fiscal 18	June 1, 2017 to May 31, 2018

1. NATURE OF ACTIVITIES

GéoMégA is a mineral exploration and evaluation Corporation focused on the discovery and sustainable development of economic deposits of metals in Quebec. GéoMégA 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 Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol GMA.

As society moves from consumption of fossil fuels to more sustainable energy sources, GéoMégA 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 GéoMégA 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 subsidiary of GéoMégA that holds all the separation rights and laboratory equipment previously held by GéoMégA. The primary goal of Innord is to successfully scale-up its proprietary REE separation process. Looking towards the future, all research and development initiatives of GéoMégA will be conducted by Innord.

2. CORPORATE UPDATE

2.1 Private placement

On August 11, 2017, the Corporation closed a first tranche of $235,000 of a non-brokered private placement of units, each unit is comprised of one unsecured convertible debenture in the principal amount of $1,000 and 5,000 warrants. The convertible debentures have a two-year maturity date and bear an interest of 10% per annum, compounded quarterly and payable quarterly in arrears. The Corporation has the option to pay such interest by delivering such number of common shares as may be required, at an issue price per share based upon the 20-day volume weighted average price ("VWAP") of the Corporation's common shares on the Exchange on the due date of the quarterly interest payment. Any such interest payment in common shares shall be subject to the approval of the TSXV.

Each warrant will entitle the holder to purchase one common share at a price of $0.10 per share for a period of twelve months from the closing and thereafter at a price of $0.12 per share until the date which is twenty-four months from the closing.

The convertible debentures will be convertible into common shares at the option of the holder at any time prior to the maturity date based on the following conversion price, subject to adjustment in certain events: (i) at a price of $0.10 per common share if converted during the period of twelve months from the closing of the Offering; and (ii) at a price of $0.12 per common share if converted during period following the twelve month anniversary of the closing until the date which is twenty-four months from the closing.

The convertible debentures will be subject to redemption, in whole or in part, by the Corporation should the Corporation realize gross proceeds from a subsequent private placement of securities or as a result of the exercise of the warrants in an amount equal to the gross proceeds of the Offering at any time following the closing of the Offering upon giving the holders of the Convertible Debentures not less than 30 and not more than 60 days' prior written notice, at a price equal to the then outstanding principal amount of the convertible debentures plus all accrued and unpaid interest up to and including the redemption date plus a redemption premium as follows: (i) 10% during the first six months following the closing of the Offering; (ii) 5% from the six month anniversary of the closing to the twelve month anniversary following the closing; (iii) 3% following the twelve month anniversary following the closing until the Maturity Date. A holder of convertible debentures may elect to convert its convertible debentures by providing the Corporation with a written notice to that effect within five business days of the receipt by the holder of the redemption notice.

Certain members of the board and executive management of the Corporation have participated in this first closing in the aggregate amount of $60,000.

2.2 Patent ownership and royalty agreement

On August 11, 2017, the Corporation and Innord entered into a patent ownership and royalty agreement ("Agreement") with its Chief Technology Officer ("CTO") to insure the long-term development and commercialization of the Corporation's proprietary rare earths extraction and separation technologies. The Agreement will replace the 2013 agreement that granted the CTO 1,000,000 warrants in exchange for the transfer by the CTO of certain intellectual property rights to the Corporation, and with the being cancelled pursuant to the Agreement. The entering into of the Agreement will be subject to the Exchange approval and the majority of the shareholders.

The Extraction Royalty and the Separation Royalty (the "Royalties") to be granted to the CTO on commercialization under the Agreement may be summarized as follows:

- Extraction Royalty of 1.5% of the Net Profits for the extraction products. The royalty will increase to 2% if the gross profit margin of the operation ("GPM"), before subtracting the Royalties, is greater than 40% and it will be reduced to 1% if the GPM, before subtracting the Royalties, is less than 15%.
- Separation Royalty of 3% of the Net Sales Revenue for the separation products. The royalty will increase to 4% if the GPM, before subtracting the Royalties, is greater than 40% and it will be reduced to 2.5% if the GPM, before subtracting the Royalties, is less than 15%.

2. CORPORATE UPDATE (CONT'D)

Pursuant to the Agreement, commercialization is deemed to occur at the earliest of:

- Oxide separation at a rate of 50 kg/day of Separation Products in oxide form for at least (i) 10 consecutive business days or (ii) 20 business days during any 2 month period, and the receipt by the Corporation of the full payment of a first order relating to such production.
- Montviel production – if the Corporation's Montviel project has reached 100% of nameplate capacity or 12 months after reaching 60% capacity or after reaching 60% of capacity and no longer ramping up to 100%.

In addition, and in order to secure the long term commitment of the CTO, the Agreement provides that development work not currently covered by the patents that the Corporation has already filed, will be jointly owned by the CTO and the Corporation (for the extraction work) and Innord (for the separation work) until commercialization at which point such rights shall be assigned to the Corporation and Innord, as the case may be. Notwithstanding the CTO's joint ownership rights in respect of new development work described above, the CTO shall not have any right to make, use, sell, dispose, offer for sale, grant licenses, import, export or otherwise distribute products or practice processes covered by one or more claims of the patents or any intellectual property without the prior written consent of the Corporation and/or Innord, which may be withheld in their sole discretion. Nevertheless, if there is a change of control or if there is no commercialization, the CTO would be granted a non-exclusive commercialization licence.

2.3 Innord financing

On March 3, 2016, the Corporation announced that the Société du Plan Nord ("SPN"), the Société de développement de la Baie-James ("SDBJ") and the Administration régionale Baie-James ("ARBJ"), will be investing in Innord. With this injection of funds, Innord should receive a total of $500,000 from the SPN, the SDBJ and the ARBJ. An initial portion of $150,000 out of a total potential grant of $250,000 was received from the SPN during the year ended May 31, 2016. The remaining balance of the government grant to be received is subject to meeting certain conditions.

A total equity investment of $250,000 was received from SDBJ and ARBJ in June 2016, when the transaction closed. Following this investment, the Corporation now holds 96.16% of Innord. SDBJ and ARBJ have different exchange options that are dependent on the conclusion, positive or negative, of the phase 1A, which is to reach one kilogram per day capacity for the REE separation process. Not controlling the outcome of phase 1A, the Corporation recorded a $500,000 liability related to share exchange rights corresponding to the option where the investors would exchange their shares in Innord against shares of the Corporation. This $500,000 liability was actualised and as at May 31, 2017 the liability related to share exchange rights is $477,840. Also, under certain conditions, the investors can exchange their share for a 0.05% royalty on the net profits resulting from the commercial production of the separation plant or for a 0.1% net smelter return royalty on the Anik property.

2.4 Sale of the gold properties

On December 8, 2016 the Corporation signed a Gold Claims Sale Agreement (the "Sale Agreement") with a privately owned corporation, Groupe Ressources Géomines Inc. ("Géomines"). The Sale Agreement, closed on March 24, 2017, concerns all the non-rare earth elements ("non-REE") related assets held by the Corporation and are comprised of the Anik, Rivière à l'Aigle, McDonald, Gaspard, Comptois, Lac Storm, 3G and Maryse properties (the "Gold Asset Sale"). The Gold Asset Sale was done in conjunction with the closing of a transaction between Géomines and Black Springs Capital Corp. ("BSC") pursuant to which BSC acquired all of the outstanding shares of Géomines (the "Acquisition"). Géomines has an exploration portfolio, comprised of the WHN and Boisvert properties located in the Province of Québec (the "Géomines Properties"). Upon completion of the Acquisition, BSC and Géomines were amalgamated and continued the operations under the Kintavar Exploration Inc. ("Kintavar") name.

2. CORPORATE UPDATE (CONT'D)

Under the terms of the Sale Agreement, an all share transaction, the Corporation received 17,857,143 Kintavar shares at a deemed price of $0.14 per share representing a value of $2,500,000.

Effective on January 1, 2017, Géomines signed an agreement to hire the Corporation as subcontract to execute the exploration work on the non-REE properties after January 1, 2017.
On March 24, 2017, the Corporation holds 38.75% of 46,079,160 shares issued and outstanding of Kintavar. The management of Kintavar is composed of Kiril Mugerman, President, Chief Executive Officer and Director, Alain Cayer, Vice-President Exploration and Ingrid Martin, Chief Financial Officer. It should be noted that these three persons hold similar positions in the Corporation.

On April 10, 2017, the Corporation approved the distribution, in the form of a return of capital, of 4,888,003 (subject to usual rounding adjustments) Kintavar shares to the Corporation's shareholders. Each shareholder of the Corporation, will receive 0.0625 Kintavar shares for each common share of the Corporation held. This distribution will be submitted for approval at the next annual shareholders meeting of the Corporation. Once this approval is obtained, the Corporation will hold 12,969,140 of the Kintavar shares, representing 28.15% of 46,079,160 shares issued and outstanding of Kintavar.

2.5 AMF investigation

On July 14, 2016, the Corporation announced that an investigation, focusing on one of the Corporation's employees in regards to trading activities in GéoMégA securities while in possession of information and for providing that information to others, was being conducted by the Autorité des marchés financiers ("AMF"), the securities regulatory authority in the Province of Quebec. In light of these allegations, the Corporation has put in place operational safeguards to protect its interests and those of its shareholders. The Corporation is continuing to monitor the investigation as it proceeds.

3. NEXT 12 MONTHS OUTLOOK

Validation of the separation technology through processing industrial residues was and remains GéoMégA's main objective since 2015. The Corporation is focusing on producing rare earth oxides, which are used in the production of permanent magnets, from high grade industrial residues.

The Corporation's objectives over the next 12 months include:

- Produce commercial grade oxides of Neodymium (Nd) and Dysprosium (Dy);
- Provide material for testing with end users;
- Secure supply of residues;
- Produce salable quantities of separated rare earth oxides;
- Produce by-products from residues; and
- Diversify supply of residues in order to produce other rare earth oxides (Pr, Tb, Sm, etc…).

4. MONTVIEL PROPERTY

4.1 Expense summary - Montviel property

Montviel	Fiscal 2017	Fiscal 2016
	$	$
Acquisition and maintenance	**5,305**	**5,928**
Exploration		
Salaries and benefits	110,251	119,599
Share-based compensation	19,967	2,658
Geology	4,212	19,200
Assays and drilling	9,142	9,760
Transport and lodging	38,570	48,227
Geophysics and Geochemistry	28,805	13,540
Depreciation of property and equipment	12,070	60,043
Taxes, permits and insurances	7,018	13,124
Total exploration	**230,035**	**286,151**
Evaluation		
Mine design	-	47,953
Hydrogeology, Geochemistry,geotechnical and geomechanical	-	4,413
Metallurgy and processing	8,595	65,893
Salaries and benefits - Metallurgy and processing	272,760	192,439
Separation process	79,983	31,278
Depreciation of property and equipment	45,273	-
Other	-	14,916
Total Evaluation	**406,611**	**356,892**
Gross E&E expenses	641,951	648,971
Government grants	(128,379)	(198,496)
Mining credits	(9,661)	(12,558)
Net E&E expenses - Montviel	**503,911**	**437,917**

Alain Cayer, P. Geo., M.Sc., Vice-President Exploration of GéoMégA, a qualified person as defined in NI 43-101 supervised the preparation of the technical information in this section.

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 177 mining claims totalling 9,831 hectares as at May 31, 2017.

The property is subject to a royalty of 2% of the net proceeds to NioGold Mining Corporation (“NioGold”). On May 27, 2015, the Corporation entered into an agreement with NioGold under which an option, without charge, was granted to redeem the 2% royalty on Montviel for $ 2 million.

In June 2016, a geological exploration program of the Montviel property was initiated. The primary objective was to investigate the property for its potential for base and precious metals in the alkaline Montviel system as well as in the greenstone belts to the north and south of the system. The results of this first intervention returned no economic value. However, the work carried out revealed a few areas favorable to gold mineralization and another for base metals mineralization. Following this update, there have been changes in mining titles to secure the favorable sectors. As a result, 35 new claims were added to the property in two areas with excellent potential and 23 claims were abandoned in July and October 2016. Intensification of exploration work in these areas will be proposed for the next exploration program. The final compilation of the exploration work carried out in June 2016 will be completed in the coming months.

4. MONTVIEL PROPERTY (CONT'D)

4.2 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 will be generated on site with the insertion of a closed loop acid regeneration unit. In addition, two physical adjustments at the beneficiation step significantly decrease the ore mass moving to hydrometallurgy.

To complete the PEA, the primary remaining work is the evaluation of the cost of the plant and infrastructure based on the May 2015 flow sheet (see press release dated May 20, 2015). The Corporation is focussing on the separation technology and will pursue the remaining work for the PEA subsequently.

4.3 Environmental Geochemistry

The four (4) environmental studies are still ongoing with no new conclusions on the studies to date. The planning of the follow up work for 2017, specifically the work with Loraine University, is currently on going.

- Air quality study, in collaboration with Dr. Parisa Ariya from the McGill University conjointly with the CREATE – Mine of Knowledge program.
    - The first sampling campaign on Montviel and the surrounding communities was completed in June 2016.
    - The first results were delivered at the end of the trimester Q2-17 providing a base line for fine particles in the vicinity of the Montviel project.
- Leachates study on various Montviel lithologies, in collaboration with Dr. Benoît Plante (URSTM).
    - A sampling program took place in June and October 2016 and the leachates were sent for laboratory analysis.
    - A total of four (4) sampling programs were completed and sent for laboratory analysis since the installation the barrels (field cells). Current results don't show any environmental problems.
- A doctoral project, under the supervision of Dr. Benoît Plante (URSTM), on geochemical behaviour (speciation) of the different forms of rare earths that can be found at the Montviel site. This study will allow for a better understanding of the environmental issues by providing information on barium and rare earth mobility and is expected to last at least 10 years.
    - M. Mohamed Edahbi, the student on the doctoral project, visited the Montviel project in October 2016. As part of the project, M. Edahbi will evaluate the consequences of changing the scale from humid cells to the 250 kg field cells.
- Study on bioavailability of rare earths to microorganisms present at the Montviel project location, in collaboration with University of Lorraine (Nancy, France) and Dr. Laure Giamberini
    - The first phase of field collaboration took place at the end of June 2016. This first phase includes a summary inventory of the microorganisms present at the Montviel site and a study on the bioavailability of rare earths for these organisms.
    - The initial results were delivered and presented as a poster at the COST Action event (European Cooperation in Science and Technology, TD07). Initial conclusions suggest a poor correlation between REE identified in the environment and REE found in adjacent bedrock.

4. MONTVIEL PROPERTY (CONT'D)

4.4 Separation of rare earths through electrophoresis (patent pending) INNORD

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

Rare earth separation through electrophoresis has the potential to reduce the capital required to build separation plants compared with the construction of plants based on conventional techniques (i.e. fractional precipitation, ion exchange and solvent extraction), to optimize the recovery of REE and improve the environmental performance of operations. This new process does not use any organic solvent which should have a positive impact on environmental risks in addition to reducing operating costs.

Electrophoresis is the migration of charged species (ions, proteins, particles) in a solution in the presence of an electric field. Each ion moves toward the opposite electrical polarity electrode. For a given set of solution conditions and electric field intensity, the rate of migration depends on a characteristic number known as the electrophoretic mobility. The electrophoretic mobility is directly proportional to the ratio of the load and the size of the ion.

On June 21, 2016, the Corporation announced that Innord had successfully completed separation of a synthetic mixture of three rare earth elements, using its own initial prototype in the lab facility in Boucherville. Innord now has two operational electrophoreses prototypes with all the knowhow in-house.

The successful separation testing was based on three elements: Lanthanum (La), Europium (Eu) and Ytterbium (Yb). Working with three elements enables validating and comparing the results to those obtained in 2014, as initial test work back then was completed in collaboration with FFE Service GmbH (Germany) on the same three elements (see January 15, 2014 news release).

Two of the main objectives set forth in the current phase of development, maximizing the throughput capacity and minimizing the cost, were successfully handled to date. The two prototypes show a significant reduction in footprint as each prototype is several times smaller in comparison with that used in 2014. More importantly, testing to date is conducted in a liquid which contains 18 fold more REE per unit volume and work continues to increase the REE concentration further. Cost reduction is just as apparent. Each prototype is approximately one tenth in cost of that used in 2014. In addition, power consumption of the system per kg of REE has been lowered significantly during the latest optimization tests. Similar to previous tests, separation of multiple elements occurs simultaneously which remains one of the main advantages of the electrophoresis separation technology.

The initial module is of a flexible design that allows to adjust the various parameters required for separation with electrophoresis. Having such a device in-house is a significant advantage as it allows to run a multitude of testing conditions on the fast track, helps in further understanding and improving REE separation using electrophoresis. Moving forward, tests will continue on other synthetic concentrates, commercial concentrates, secondary feeds and test work to achieve high purity oxides. The current objective is to further improve the technology using the current prototypes and then use that knowledge to build a larger unit that will be able to process rare earths on a higher scale.

Reduction in size and cost combined with an increase in concentration bodes well with the modular approach of the Corporation which is expected to allow for a gradual increase in processing capacity while minimizing the capital risk. With the initial prototype now operational, the main work being conducted in parallel is the increase in concentration, a key point in demonstrating that separation using electrophoresis can be scaled up in a financially viable way.

Other important outstanding items to complete phase 1A is the numerical modeling and the construction of a larger prototype with a 1 kilogram per day capacity.

4. MONTVIEL PROPERTY (CONT'D)

The modular approach the Corporation envisions, gives a lot of flexibility regardless of the market conditions. A technology that is not feed dependant (can process heavy or light primary feeds or secondary feeds), offers a solid opportunity to gradually penetrate the market while advancing the Montviel project and be in a favorable position to build a REE mine in Québec.

All the tests and assay analyses were performed at Innord's laboratory at the National Research Council Canada facility in Boucherville, Canada. The analyses were completed on every sample using ICP-EOS spectrometer.

During Q2-17, additional laboratory equipment was purchased that will be used to further characterize REE separation medium. This data will be adapted to the current separation modules and used in the design of larger modules and in order to improve REE separation. Work continued to improve REE concentration during separation including selection and testing of various ligands. A wider range of electric fields is now being considered to further improve separation in higher concentration.

Some progress was made with regards to the H2 gas that is produced as part of the separation process. An indirect method, currently offered as a large-scale industrial process in North America, is being contemplated to use the gas on spot to produce water and electricity which will help in reducing operating costs.

During Q3-17, work focused on ligand and separation medium characterization in anticipation of high concentration separation testing.

During Q4-17, work focused on high concentration of REE separation and pre-treatment tests that work in parallel to the electrophoresis separation system. The objective of these tests is to simplify the operation of the electrophoresis module which can have major positive implications on the scale up of the prototypes.

5. GOLD PROPERTIES PORTFOLIO

	Q4-17	Q4-16	Fiscal 17	Fiscal 16
	$	$	$	$
DISCONTINUED OPERATIONS				
Anik				
Acquisition and maintenance	-	119	10,655	119
Salaries, geology and prospection	57,732	5,566	145,664	93,086
Geology and prospection	159	-	160	-
Lodging and travel expenses	13,115	1,634	48,426	32,727
Analysis	803	181	1,475	22,586
Drilling	93	-	2,155	9,900
Geophysics	-	-	44,063	9,880
Supplies and equipment	8,453	153	18,365	7,507
Taxes, permits and insurance	856	15	5,909	2,592
Billing according to agreement	(81,211)	-	(223,086)	-
	-	7,668	53,786	178,397

5. GOLD PROPERTIES PORTFOLIO (CONT'D)

	Q4-17	Q4-16	Fiscal 17	Fiscal 16
	$	$	$	$
MacDonald				
Acquisition and maintenance	-	-	5,757	10,522
Salaries and benefits	717	-	2,627	108,724
Lodging and travel expenses	-	-	-	32,364
Analysis	-	-	-	27,390
Geophysics	-	-	-	5,090
Supplies and equipment	1,289	-	1,289	4,996
Taxes, permits and insurance	-	-	-	1,118
Billing according to agreement	(2,007)	-	(2,007)	-
	-	-	7,666	190,204
Rivière à l'aigle				
Acquisition and maintenance	-	-	1,346	3,480
Salaries and benefits	11 507	9,113	47,550	39,051
Geology and prospection	159	-	159	-
Lodging and travel expenses	377	252	6,817	5,079
Analysis	-	-	9,571	6,356
Geophysics	-	-	25,199	650
Supplies and equipment	3,208	776	6,602	1,939
Taxes, permits and insurance	-	-	8	-
Billing according to agreement	(15,259)	-	(16,816)	-
	-	10,141	80,436	56,664
Maryse				
Acquisition and maintenance	-	(562)	-	955
Salaries and benefits	-	881	-	5,532
Lodging and travel expenses	-	-	-	12
Analysis	-	-	-	57
Supplies and equipment	-	-	-	83
	-	319	-	6,639
Gaspard				
Acquisition and maintenance	-	1,447	-	1,658
Salaries and benefits	-		2,058	2,548
Lodging and travel expenses	-	154	1,681	154
Supplies and equipment	-	704	43	864
	-	2,304	3,782	5,224
Lac Storm				
Lodging and travel expenses	-		-	100
Geophysics	-		-	650
	-		-	750
3G				
Salaries and benefits	-	581	897	2,644
Geophysics	-	-	-	650
	-	581	897	3,294
Comptois				
Acquisition and maintenance	-	-	1,014	-

5. GOLD PROPERTIES PORTFOLIO (CONT'D)

	Q4-17	Q4-16	Fiscal 17	Fiscal 16
	$	$	$	$
Buckingham				
Acquisition and maintenance	-	-	-	1,437
Salaries and benefits	-	-	-	288
Analysis	-	-	-	(6,518)
Geophysics	-	-	-	6,518
	-	-	-	1,725
Tax credits	-	86,774		(17,242)
Sub-total discontinued operations	**-**	**111,190**	**142,174**	**425,545**
CONTINUING OPERATIONS				
Generation of projects				
Salaries and benefits	24,072	-	69,310	-
Geology and prospection	376	-	626	-
Lodging and travel expenses	565	-	1,630	-
Analysis	-	-	5,908	-
Geophysics	-	-	7,335	-
Supplies and equipment	5,348	-	6,358	-
Taxes, permits and insurance	89	-	89	-
Billing according to agreement	(30,450)	-	(45,737)	-
	-	-	45,518	-
Tax credits	(3,458)	-	(3,458)	
Total exploration and evaluation expenditures	**(3,458)**	**-**	**42,060**	**-**

Alain Cayer, P. Geo., M.Sc., Vice-President Exploration of GéoMégA, a qualified person as defined in NI 43-101 supervised the preparation of the technical information in this section.

All the properties in the gold portfolio were sold to Kintavar on March 24, 2017 (see section 2.4).

Effective on January 1, 2017, Géomines signed an agreement to hire the Corporation as subcontractor to execute the exploration work on the non-REE properties after January 1, 2017. All exploration work since that date was rebilled to Géomines then Kintavar. Therefore most of the exploration work described in this section was completed from June to December 2016.

5.1 Anik (Gold – 153 claims – 100% interest)

Some geological verification work was completed at the "Bobby" and "Kovy" trenches in preparation of a proposed winter drilling campaign during the winter of 2017. Some claims will be dropped and a partial impairment of $8,988 was recorded in Q2-17 YTD.

An Induced Polarisation (IP) and magnetics ground geophysical survey was completed in January 2017 on the Nelligan zone of the Anik property. The survey covered 21 linear kilometers and generated several geophysical targets which will be investigated by a drilling program at the end of the 2017 winter season. In parallel to the completion of the survey, planning of a drilling program and the associated requests for permits were completed.

5. GOLD PROPERTIES PORTFOLIO (CONT'D)

5.2 Rivière à l'aigle (Gold – 161 claims – 100% interest)

The Rivière à l'aigle property is located 30 km southwest of the Anik property and 20 km north-east from Windfall Lake area. It consists of 161 claims. The property has a particular geological setting displaying strong anomalies in the historical till survey. The property is located in an under-explored area.

In July 2016, a till sampling program was completed over the areas presenting strong gold anomalies. In total, 95 till samples were manually collected or excavated and were sent to ODM (Overburden Drilling Management Limited) in Ottawa to obtain the gold grain count. The heavy mineral concentrate of each till sample was sent to Actlabs (Activation Lab) for gold assays. In parallel, a sample of the fine fraction (<0.15mm) of each till sample was sent to ALS (ALS Laboratory Group" of Val-d'Or for multi-element analysis.

The results have confirmed the strong anomalies previously identified in the historical till surveys but as well highlighted several new gold trains. Several of these trains will be the subject of definition work during the summer of 2017. The report was deposited and allowed to renew the claims related to the gold trains. In order to secure certain areas, there are 20 new claims that were added to the property and 20 other claims have been abandoned in the North-East area which presented the weakest anomalies.

5.3 Comptois (Gold – 17 claims - 100% interest)

Two blocks of claims, 9 and 8 claims each, were staked in Q1-17 in proximity of Lebel-sur-Quévillon in the area of the "Comptois – Zone Osborne" property of Minéraux Maudore Ltee.

6. SELECTED ANNUAL INFORMATION

	Fiscal 2017	Fiscal 2016 (adjusted see section 18)	Fiscal 2015 (adjusted see section 18)
	$	$	$
Interest income	(536)	4,731	15,329
Net (loss) income	169,983	(1,588,945)	(3,390,217)
Basic and diluted loss per share	0.002	(0.024)	(0.063)

7. RESULTS OF OPERATIONS

7.1 Discussion on Fiscal 2017

The Corporation reported a net income of $169,983 (net loss of ($1,588,945) in Fiscal 2016) (see section 17.1). The main variations are as follow:

- Salaries, employee benefits, severance pay and share-based compensation: $326,444 ($452,631 in Fiscal 2016). Due to management changes, the head count was reduced. In addition, part of the CEO's salary is rebilled to Kintavar (the Corporation and Kintavar share the same CEO).
- Director fees: $75,000 (credit of $17,500 during Fiscal 2016). For Q3-16, an agreement to issue shares in settlement of the debt with the directors of the Corporation has been completed.
- Exploration and evaluation expenses, net of tax credits: $545,971 ($437,917 in Fiscal 2016). See exploration work analysis in sections 4 and 5).
- Professional fees: $297,883 ($237,891 in Fiscal 2016). Change in the mix of professional used (less legal and more accounting) and appointment of a new accounting team.
- Gain on disposal of marketable securities: $76,115 (nil in Fiscal 2016). Gain realised by selling the 1,500,000 shares received from Saint-Jean Carbon Inc. following the sale of the graphite Buckingham property in early Fiscal 2017. The Corporation retains a 0.75% net output returns royalty on the property.
- Deferred income taxes recovery: $98,442 ($174,103 in Fiscal 2016). This recovery is recognized to record the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciation following the December 30, 2015 private placement. All the work relating to this private placement was completed before December 31, 2016.
- Income relating to discontinued operations: $1,453,707 ($425,545 net loss in Fiscal 2016).

	Fiscal 2017	Fiscal 2016
	$	$
E&E expenses, net of tax credits – discontinued operations	(142,174)	(425,545)
Gain in disposal of E&E properties – Kintavar	1,524,490	-
Gain in disposal of E&E properties – Buckingham	71,391	-
Income (loss) relating to discontinued operations	**1,453,707**	**(425,545)**

- The gain on disposal of mineral properties to Kintavar was determined as follows:

	$
Proceeds of disposition of E&E properties	2,500,000
Unrealized gain on disposal of E&E properties	(958,710)
Transaction fees	(16,800)
Gain on disposal of exploration and evaluation properties	**1,524,490**

The unrealized gain will be realized as and when the Corporation will sell the shares of Kintavar.

7. RESULTS OF OPERATIONS (CONT'D)

7.2 Discussion on Q4-17

The Corporation reported a net income of $1,155,404 (net loss of $366,008 in Q4-17) (see section 17.1). The main variations are as follow:

- Salaries, employee benefits, severance pay and share-based compensation: $44,420 ($93,377 in Q4-16). Due to management changes, the head count was reduced. In addition, part of the CEO's salary is rebilled to Kintavar (the Corporation and Kintavar share the same CEO).
- Exploration and evaluation expenses, net of tax credits: $85,488 (credit of $43,334 in Q4-16). See exploration work analysis in sections 4 and 5).
- Professional fees: $94,985 ($50,105 in Q4-16). Change in the mix of professionals used (less legal and more accounting) and appointment of a new accounting team.
- Gain on disposal of marketable securities: $76,115 (nil in Fiscal 2016). Gain realised by selling the 1,500,000 shares received from Saint-Jean Carbon Inc. following the sale of the graphite Buckingham property in early Fiscal 2017. The Corporation retains a 0.75% net output returns royalty on the property.
- Deferred income taxes recovery: $94,442 ($174,103 in Fiscal 2016). This recovery is recognized to record the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciation following the December 30, 2015 private placement. All the work relating this private placement was completed before December 31, 2016.
- Income relating to discontinued operations: $1,524,490 ($111,752 net loss in Q4-16).

	Q4-17	Q4-16
	$	$
E&E expenses, net of tax credits – discontinued operations	-	(111,752)
Gain in disposal of E&E properties – Kintavar	1,524,490	-
Income (loss) relating to discontinued operations	**1,524,490**	**(111,752)**

8. SUMMARY OF RESULTS PER QUARTERS

For the eight most recent quarters (restated see section 18):

	Q4-17	Q3-17	Q2-17	Q1-17
	$	$	$	$
Interest income	-	-	-	(536)
Net loss (income)	1,296,414	(309,839)	(475,011)	(341,581)
Basic and diluted loss per share	0,017	(0,004)	(0,006)	(0,004)

8. SUMMARY OF RESULTS PER QUARTERS (CONT'D)

	Q4-16	Q3-16	Q2-16	Q1-16
	$	$	$	$
Interest income	155	(768)	1,016	4,328
Net loss (income)	(366,008)	(105,456)	(429,433)	(688,048)
Basic and diluted loss per share	(0.005)	(0.002)	(0.006)	(0.012)

9. LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2017, the Corporation had cash and cash equivalents of $80,690 and $203,613 accounts receivable from Kintavar (received as at the date of this MDA). The Corporation has a working capital deficiency of $521,205 (positive of $861,074 as at May 31, 2016). Management considers the working capital insufficient to meet the Corporation's obligations and budgeted expenditures through May 31, 2018.

Consequently, management must secure additional funding to ensure timely exploration and evaluation of the Montviel project and to pay for general and administrative costs. General economic uncertainty remains and contributes to the volatility in the capital markets making equity financings for exploration companies very difficult. Any funding shortfalls 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 guarantee that it will be able to do so in the future, or that any source of funding or initiatives will be available on reasonable terms to the Corporation. Note 1 of the audited financial statements for the year ended May 31, 2017 reflects this significant doubt as to the ability of the Corporation to ensure its continuity of operation.

10. COMMITMENTS

The Corporation leases an office under a lease agreement expiring in March 2018. Under this lease, the Corporation has 30 days to terminate the agreement. The Corporation also has two operating leases for field equipment, one expiring in June 2017 and one in January 2018. The Corporation's operating lease agreement does not contain any contingent rent clauses, renewal options or escalation clauses or any restrictions, such as those concerning dividends, additional debt, and further leasing. The Corporation's future minimum operating lease payments total $10,511.

11. OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

12. RELATED PARTY TRANSACTIONS

12.1 Key Management Personnel Remuneration

Key management personnel of the Corporation include the Directors, the President and Chief Executive Officer, the Chief Financial Officer, the Vice-President Exploration and the Chief Technology Officer. Key management personnel remuneration includes the following expenses:

	Fiscal 2017	Fiscal 2016
	$	$
Short-term employee benefits		
Salaries, director fees and settlement	567,195	508,798
Benefits	26,847	34,848
Professional fees	98,475	48,801
Total short-term employee benefits	692,516	592,446
Share-based compensation	81,492	48,221
Total remuneration	**774,008**	**640,667**

12.2 Transaction with related parties

In addition to the amounts listed above in the compensation to key management (section 12.1), following are the related party transactions:

In the normal course of operations:

- A firm in which Sebastien Vézina, corporate secretary, is a partner charged professional fees amounting to $42,721 ($155,344 in Fiscal 16);
- A company controlled by an officer charged professional fees of $53,452 (nil in Fiscal 16) for her staff; and
- As at May 31, 2017, the balance due to the related parties amounted to $60,377 ($187,228 as at May 31, 2016).

Out of the normal course of operations:

- Directors and officers of the Corporation participated in the flow-through private placement of December 30, 2015 for $29,700 and in the private placement of February 23, 2016 for $500,000. The directors and officers subscribed to the units private placement and the flow-through private placement under the same terms and conditions set forth all subscribers;
- Settlements in share for debt for settlements with a former senior officer and with directors.

12.3 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 at May 31, 2017, the amounts payable for the executive team would have totalled $284,025 and $717,600 respectively. In the case of termination for cause, no compensation will be paid.

12. RELATED PARTY TRANSACTIONS (CONT'D)

12.4 Billing according to Kintavar's agreement

	Fiscal 2017	Fiscal 2016
	$	$
Salaries and employee benefits	41,123	-
Property acquisitions by staking	21,590	-
E&E expenses	287,646	-
Administration expenses	5,741	-
Rent	3,531	-
	359,632	**-**

As at May 31, 2017, the balance receivable from Kintavar amounted to $203,613 (nil as at May 31, 2016).

13. 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, 2017 in Note 21.

14. OUTSTANDING DATA SHARE

	September 7, 2017	May 31, 2017
Shares	78,258,049	78,258,049
Stock options	4,350,000	4,450,000
Warrants	12,279,131	12,104,131
Agent options and underlying warrants	-	204,875
	94,887,180	**95,017,055**

On August 11, 2017, the Corporation closed a $235,000 units private placement, each unit is comprised of one unsecured convertible debenture in the principal amount of $1,000 and 5,000 warrants. The convertible debentures will be convertible into common shares at the option of the holder at any time prior to the maturity date based on the following conversion price: (i) at a price of $0.10 per common share if converted during the period of twelve months from the closing of the Offering; and (ii) at a price of $0.12 per common share if converted during period following the twelve month anniversary of the closing until the date which is twenty-four months from the closing. The Corporation has the option to pay the 10% per annum interest by delivering such number of common shares as may be required, at an issue price per share based upon the 20-day volume weighted average price ("VWAP") of the Corporation's common shares on the Exchange on the due date of the quarterly interest payment (Refer to section 2.1 for the detailed terms).

A total equity investment of $250,000 was received from SDBJ and ARBJ in June 2016, whereby SDBJ and ARBJ have, up to January 1, 2018, different exchange options that are dependent on the conclusion, positive or negative, of the phase 1A. Some options may lead the Corporation to buy back SDBJ and ARBJ' shares in Innord by issuing its own shares for a value of $500,000.

15. STOCK OPTION PLAN

The purpose of the stock option plan is to serve as an incentive for the directors, officers 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 maximum number of common shares in the capital of the Corporation that may be reserved for issuance under the plan is limited to a maximum of 10% of the common shares outstanding.

16. 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.

16.1 Financial risk and going concern risk

The Corporation is an exploration and evaluation company and has no source of income. The Corporation has to raise additional funds to continue operations. The Corporation relies upon its ability to secure significant additional financing to meet the minimum capital required to successfully complete the projects and continue as a going concern. Even if the Corporation succeeded in obtaining financing in the past, there can be no assurance that it will be able to do so in the future, that adequate funding will be available to the Corporation or that the terms of such financing will be favourable.

The Corporation may be required to delay discretionary expenditures if such additional financing cannot be obtained on reasonable terms, which could result in delay or indefinite postponement of exploration and evaluation projects and may result in a material adverse effect on the Corporation's results of operation and its financial condition.

The audited financial statements of the Corporation do not give effect to adjustments that would be necessary should the Corporation be unable to continue as a going concern. There is no assurance that any assumptions of management of the Corporation regarding the ability to continue as a going concern will remain accurate or that the Corporation will in fact be able to continue as a going concern. Note 1 of the audited financial statements for the year ended May 31, 2017 reflects this uncertainty.

16.2 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.

16. RISK AND UNCERTAINTIES (CONT'D)

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 GéoMégA 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.

16.3 Dilution risk of common shares

During the life of the Corporation's outstanding stock options granted under its share based compensation plans, 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 of stock options may exercise such securities at a time when the Corporation may have been able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding options. The increase in the number of common shares in the market, if all or part of these outstanding options were exercised, and the possibility of sales of these additional shares may have a depressive effect on the price of the common shares.

Furthermore, the Corporation will require additional funds to fund further exploration. If the Corporation raises additional funding by issuing additional equity securities, such financing may dilute the holdings of the Corporation's shareholders.

16.4 Risks inherent in the nature of mineral exploration and development

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.

16.5 Mineral Resources and Reserves Estimates

The mineral reserves and resources identified on properties are estimates only, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of minerals will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted. Accordingly, such resource estimates may require revision as more drilling or other exploration information becomes available or as actual production experience is gained. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change.

16. RISK AND UNCERTAINTIES (CONT'D)

Further, resources may not have demonstrated economic viability and may never be extracted by the operator of a property. It should not be assumed that any part or all of the mineral resources on properties constitute or will be converted into reserves. Market price fluctuations of the applicable commodity, as well as increased production and capital costs or reduced recovery rates, may render the proven and probable reserves on properties unprofitable to develop at a particular site or sites for periods of time or may render reserves containing relatively lower grade mineralization uneconomic.

Moreover, short-term operating factors relating to the reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause reserves to be reduced or not extracted. Estimated reserves may have to be recalculated based on actual production experience.

Any of these factors may require the operators to reduce their reserves and resources, which may result in a material and adverse effect on the Corporation's future results of operation and financial condition if one or more of its projects were to go in production.

16.6 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.

16.7 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.

16.8 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.

16.9 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.

16. RISK AND UNCERTAINTIES (CONT'D)

16.10 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, current political and social debate 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.

16.11 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.

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.

16.12 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.

16. RISK AND UNCERTAINTIES (CONT'D)

16.13 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.

16.14 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.

GéoMégA 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.

16.15 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.

16.16 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.

17. CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. There is a full disclosure and description of the Corporation's critical accounting policies, estimates, judgments, and assumptions in the financial statements as at May 31, 2017, Notes 1, 2 and 3.

17. CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (CONT'D)

17.1 Change in accounting policies

The Corporation had historically capitalized expenditures on E&E activities after they had reached a certain stage under IFRS 6 - Exploration and Evaluation of Mineral Resources.

During Fiscal 2017, the Corporation adopted a voluntary change in accounting policy with respect to E&E expenses. The Corporation's new policy is to expense E&E expenses in the statement of income (loss) until such time as the technical feasibility and commercial viability has been established that supports the future development of the property, and such development receives the Board of Directors approval.

The Corporation has determined that such a voluntary change in accounting policy results in consolidated financial statements providing more relevant information as well as bringing the Corporation in line with a similar accounting policy adopted by its peers.

This change has been applied to all the Corporations E&E activities on all properties.

In accordance with *IAS 8 – Accounting policies, changes in accounting estimates and errors*, the change in accounting policy has been made retrospectively and the comparatives have been adjusted accordingly to all periods presented, as if the policy had always been applied. Refer to note 4 of the financial statements of Fiscal 2017 for the tables presenting the impact of the change in accounting policies on the line items of the consolidated financial statements restated.

18. SUBSEQUENT EVENTS

See section 2.1, 2.2 and 2.4 for details on subsequents events.

19. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Corporation's financial statements are the responsibility of the Corporation's management. The financial statements were prepared by the Corporation's management in accordance with IFRS. The financial statements include certain amounts based on the use of estimates, judgements and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

The financial statements have been approved by the board of directors based on the estimates, judgements and assumptions as presented by management and the certifications by the CEO and CFO.

September 7, 2017

(s) Kiril Mugerman	*(s) Ingrid Martin*
Kiril Mugerman	Ingrid Martin
President and CEO	CFO