GEOMEGA RESOURCES INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED FEBRUARY 28, 2014

The following Interim Management's Discussion and Analysis ("MD&A") of the financial condition and the results of operations of Geomega Resources Inc. (the "**Company**" or "**GéoMégA**") should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes for the three and nine-month period ended February 28, 2014 and with the Company's audited financial statements and accompanying notes for the year ended May 31, 2013. The financial statements for the three and nine months ended February 28, 2014 have not been audited or reviewed by the Company's auditor and have been prepared by management in accordance with *International Financial Reporting Standards* ("IFRS") applicable to the preparation of interim financial statements, including IAS 34 – *Interim Financial Reporting*. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations.* The information presented in this MD&A is dated April 24, 2014. All amounts presented are in Canadian dollars.

The Company's common shares are traded on the TSX Venture Exchange under the symbol **GMA** and 48,820,883 common shares were outstanding as of April 24, 2014. Additional information is available through www.sedar.com or www.ressourcesgeomega.ca

Our 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 Company to obtain financing.

GOING CONCERN

Global economic uncertainty continues to contribute to volatility in the capital markets and equity financing for exploration companies which remains extremely difficult. The Company's financial success depends largely on the extent in which it can demonstrate the economic viability of its Montviel deposit. Even though a Preliminary Economic Assessment ("PEA") is underway for Montviel, there is no guarantee of production or that there will be positive financial results. 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.

COMPANY PROFILE AND MISSION

GéoMégA, which owns 100% of the Montviel Rare Earth Elements ("REE") project located in province of Québec, is a mineral exploration and evaluation company focused on the discovery and sustainable development of economic deposits of metals such as REE, niobium and graphite in Québec. GéoMégA is committed to meeting the Canadian mining industry standards and distinguishing itself with innovative engineering, stakeholders' engagement and dedication to local transformation benefits.

As society emerges from fossil energy to sustainable alternative sources, GéoMégA believes that the future of clean energy resides in the 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.

OVERALL PERFORMANCE

Corporate Update

- On January 15 and February 25, 2014, the Company announced the successful results from tests confirming the physical separation of REE based on the Company's proprietary REE physical separation process;

- On January 29, 2014, the Company announced the complete results of Phase 3 diamond drilling program ("Phase 3") on its Montviel REE project. The Phase 3 totalled 2,058 meters over seven (7) holes;

- On March 19 and April 14, 2014, the Company closed a brokered private placement for total gross proceeds of $3,315,000.

SUMMARY OF ACTIVITIES

Montviel Property (REE - 100% interest)

The Montviel project ("Montviel") benefits from permanent access, public infrastructure and skilled labour in the immediate area. The project is located approximately 100 km north of Lebel-sur-Quévillon and 45 km west of the Cree First Nation of Waswanipi in the urbanized southern part of Northern Québec. The property carries a 2% net output royalty to NioGold Mining Corporation (TSX: NOX.V).

Montviel is a 32 km^2 alkaline intrusive system hosting carbonatite intrusions with significant REE and niobium mineralizations. The 3 km^2 central part of the alkaline intrusive system ("Core

Zone") is composed of a ferro-carbonatite where the highest values in REE are found. As of today, the Company has defined the mineralized ferro-carbonatite over a length of 900 meters (NE-SW), a width of 650 meters (NW-SE) and a depth of 750 meters.

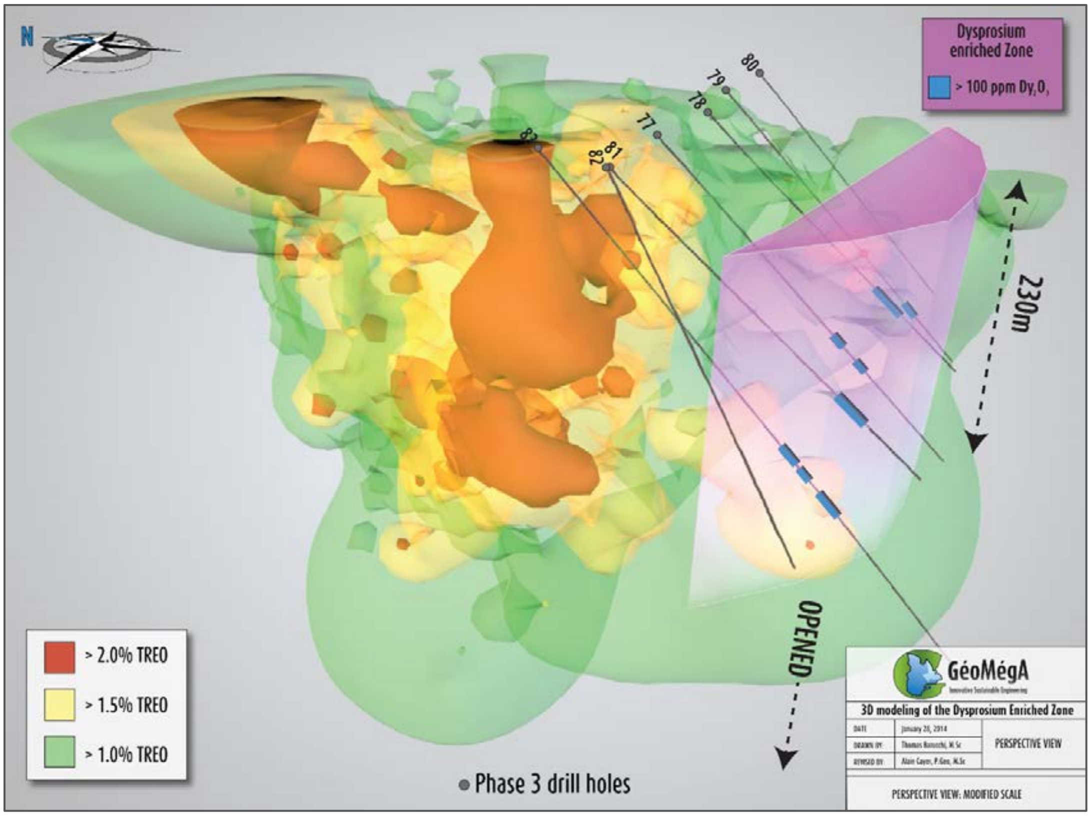
Phase 3 Diamond Drilling Program ("Phase 3")

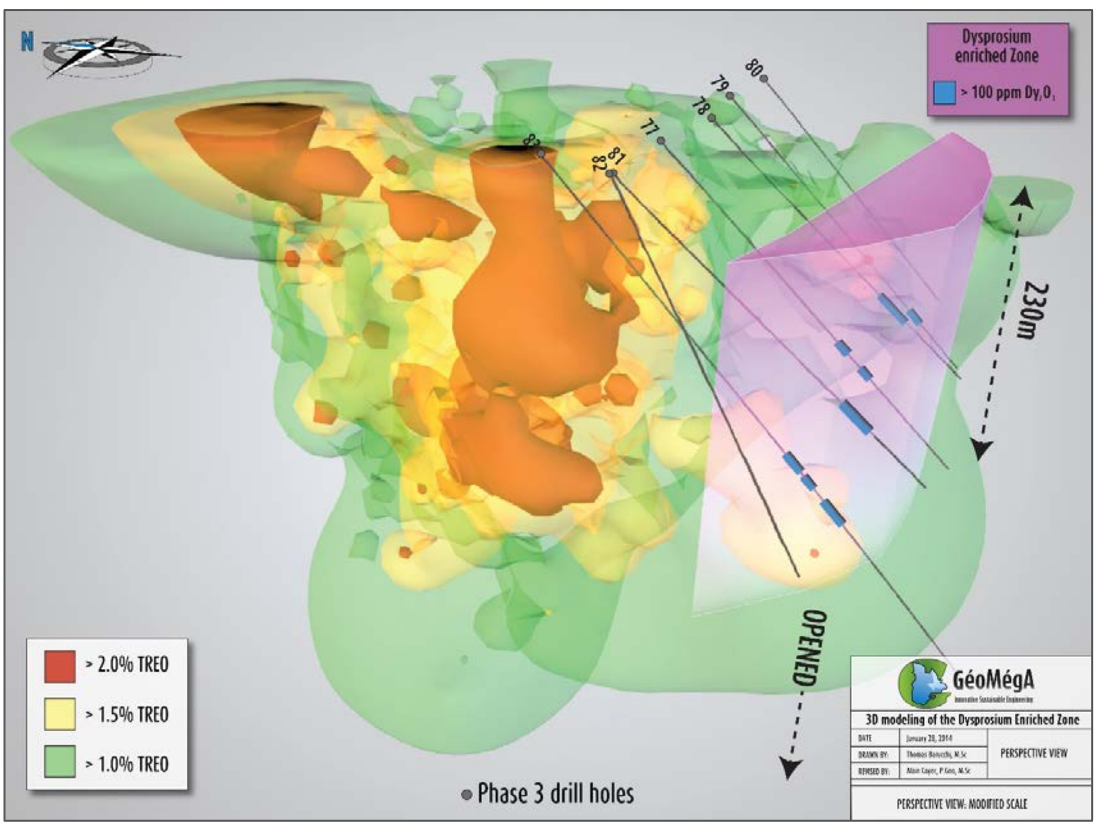
On December 10, 2013, the Company completed its Phase 3 which totalled 2,058 meters over seven (7) holes. The objective of Phase 3 was to define the extensions of the heavy REE zone ("HREE-S Zone") located in the south wall rock of the Core Zone. A total of 758 samples were sent for analysis and the best results are summarized below (see January 28, 2014 press release for all results).

HREE-S Zone Phase 3 - Results									
Hole	**Section/Dip/ Azimuth**	**From**	**To**	**Length(1)**	**TREO(2)**	**Dysprosium oxide**	**Neodymium oxide**	**Europium oxide**	**Terbium oxide**
		(m)	**(m)**	**(m)**	**(%)**	**ppm**	**ppm**	**ppm**	**ppm**
77	7+25W/ 150^0/ -45^0	172.5	181.85	9.35	1.13	101	2,389	103	28
		196.6	205.1	8.5	0.85	118	1,606	85	30
78	6+35W/ 150^0/ -45^0	180.0	207.35	27.35	1.43	170	2,495	118	40
		Inc. 183.0	190.5	**7.5**	**2.38**	**384**	**4,667**	**242**	**90**
		Inc. 183.0	184.5	1.5	1.13	**830**	1,662	230	**172**
79	5+45W/ 150^0/ -45^0	231.0	243.0	12.0	1.85	101	2,896	129	25
81	8+15W/ 150^0/ -45^0	186.0	208.5	22.5	0.69	105	1,388	77	24
83	7+70W/ 150^0/ -45^0	240.0	253.5	13.5	0.76	112	1,595	87	28
		259.5	267.0	7.5	0.66	112	1,610	75	28
		282.0	300.0	18.0	0.55	100	1,190	74	25

1. True width is estimated between 60% to 75% based on structural interpretation of the HREE-S Zone.
2. TREO ("Total Rare Earth Oxyde") include: La_2O_3, Ce_2O_3, Pr_2O_3, Nd_2O_3, Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_2O_3, Dy_2O_3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3, Y_2O_3. Cerium, Lanthanum, Neodymium and Praseodymium are the most abundant rare earth oxides.
3. 0.1% = 1 kg/ton ; 1 ppm = 1 gram/ton

The HREE-S Zone includes a dysprosium enrichment of over 400% compared to the Core Zone. From Phase 2 and Phase 3 the HREE-S Zone results identified the heavy REE zone over 350 meters long (east-west), 230 meters deep and up to 20 meters wide and remains open at depth (see January 28, 2014 press release for details). A preliminary 3D model of the dysprosium enriched zone is shown in purple in the following figures. The preliminary complete interactive 3D geochemical model and the new geological model are also available on the Company's website.


N
Dysprosium enriched Zone
> 100 ppm Dy_2O_3
80
79
78
77
83
82
81
230m
OPENED
> 2.0% TREO
> 1.5% TREO
> 1.0% TREO
Phase 3 drill holes
GéoMégA
3D modeling of the Dysprosium Enriched Zone
DATE
January 28, 2014
PERSPECTIVE VIEW
PERSPECTIVE VIEW: MODIFIED SCALE


N
Dysprosium enriched Zone
> 100 ppm Dy_2O_3
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78
77
83
82
81
230m
OPENED
> 2.0% TREO
> 1.5% TREO
> 1.0% TREO
Phase 3 drill holes
GéoMégA
3D modeling of the Dysprosium Enriched Zone
PERSPECTIVE VIEW
PERSPECTIVE VIEW: MODIFIED SCALE

Mineralogical testing conducted on core samples from the HREE-S Zone identified the same fluoro-carbonate minerals as characterized in the Core Zone.

In preparation for the field work planned for the summer of 2014, the Montviel camp was re-opened in March 2014. The company is currently drilling additional holes in order to continue with the characterization of the alkaline intrusive system of the Montviel property.

Updated NI 43-101 Compliant Resource Estimate

The initial NI 43-101 resource estimate was published in September 2011. With the Phase 2 and Phase 3 diamond drilling programs completed in April 2012 and December 2013 respectively, the Company has better defined and expanded the Montviel mineralized envelope. The updated NI 43-101 compliant resource estimate will highlight mineralization of the Core Zone, the Enrichment Zone and the HREE-S Zone.

The cut-off grade will be adjusted to reflect underground (ramp access) mining. Once the operating costs in the PEA are approximated, the updated NI 43-101 compliant resource estimate will be completed and disclosed.

Preliminary Economic Assessment

G Mining Services Inc. ("G Mining") and Golder Associates Ltd. ("Golder") have been retained to complete a PEA.

The PEA will include the following assumptions:

- Mine design to use an underground approach via ramp access with paste backfill minimizing the environmental impacts;
- Initial annual production in the range of 2,000 tonnes of neodymium oxides;
- Anticipated project energy would be provided by the Hydro-Québec distribution grid;
- Mixed REE concentrate base case.

The Company has identified a sizeable HREE-S Zone during Phase 3 which potentially improves the production throughput of dysprosium, a critical component in the high-performance permanent magnet industry. The Company has decided to adjust the PEA mine plan to account for this recent discovery. Metallurgical tests are ongoing to confirm REE recoveries from the HREE-S Zone. This is considered the last significant adjustment in the PEA.

Physical Separation of REE

On January 15 and February 25, 2014, the Company announced the successful results confirming physical separation of REE. Based on the free flow electrophoresis technology, GéoMégA's proprietary REE physical separation process has the potential to reduce the capital required to build separation facilities compared to conventional techniques (i.e. fractional precipitation, ion exchange and solvent extraction), optimize REE recovery and improve the environmental performance of operations. The process uses no organic solvent which should have a very positive impact on the mitigation of environmental risks in addition to reducing operating costs. GéoMégA has filed patents in multiple jurisdictions to protect its novel REE physical separation process.

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

On January 28, 2014, the TSX Venture Exchange approved the Technology Agreement between GéoMégA and Dr. Pouya Hajiani ("Hajiani"). Under the terms of the Technology Agreement dated September 30, 2013, GéoMégA issued 1,000,000 common share purchase warrants to Dr. Hajiani in exchange for all rights, title and interest in two (2) patents related to the REE physical separation process. The warrants become exercisable upon demonstration of high purity (>99%) separation, in a pilot plant using the REE physical separation process, for the following lanthanides from the Montviel concentrate: neodymium (Nd), dysprosium (Dy), europium (Eu) and praseodymium (Pr). Each warrant entitles Dr. Hajiani to subscribe to one common share at an exercise price of $0.15 expiring July 1, 2018.

OUTLOOK

The Company anticipated releasing the Montviel PEA by the end of March 2014. Following the identification of the sizeable HREE-S zone during Phase 3, management decided to adjust the Montviel PEA mine plan to account for the discovery. The HREE-S Zone, 400% enrichment in dysprosium, a key element in the high performance permanent magnet industry, should improve the annual distribution mix of REE. The final mine plan adjustments and metallurgical tests are ongoing and are the last significant adjustments in the PEA.

The Company is currently planning and budgeting for the development of the proprietary REE physical separation process and the development of the Montviel project. The optimization tests and engineering required prior the building of an initial prototype are set to begin in June 2014 and are expected to be completed by the end of 2014. Although the financial condition of the Company has improved following the closing of a $3,315,000 brokered private placement on April 14, 2014, additional funding will be required to achieve the Company's development goals.

EXPLORATION RESULTS

Montviel Property (REE – 100% interest)

During the three and nine-month periods ended February 28, 2014, the Company added respectively $567,896 and $1,727,692 in exploration and evaluation ("E&E") expenditures capitalized in relation to the Montviel property (2013 - $990,254 and $2,714,654 respectively).

MONTVIEL Exploration	**Three Months Ended February 28,**		**Nine Months Ended February 28,**		**Cumulative to date**
	2014 $	2013 $	**2014 $**	2013 $	
Assays and drilling	**127,729**	100,542	**285,352**	324,623	4,309,710
Geology	**124,908**	126,956	**438,309**	515,089	2,558,282
Mineralogy and Metallurgy	**-**	182,079	**-**	452,488	717,734
Transport and lodging	**19,679**	65,609	**66,739**	149,715	782,823
Geophysics and Geochemistry	**-**	2,072	**-**	124,845	172,064
Depreciation of property and equipment	**58,554**	47,331	**156,071**	141,994	470,663
Taxes, permits and insurances	**9,241**	21,326	**22,089**	54,955	73,205
Total Exploration	**340,111**	545,915	**968,560**	1,763,709	9,084,481

MONTVIEL Evaluation	Three Months Ended February 28, 2014 $	Three Months Ended February 28, 2013 $	Nine Months Ended February 28, 2014 $	Nine Months Ended February 28, 2013 $	Cumulative to date
Market study	**-**	30,000	**6,579**	37,000	112,625
Mine design	**8,157**	98,567	**15,759**	178,152	315,145
Hydrogeology, Geochemistry, geotechnical and geomechanical	**13,827**	66,742	**144,100**	288,520	438,978
Environmental baseline	**-**	84,794	**26,518**	173,102	244,036
Infrastructure	**-**	12,876	**1,196**	22,461	87,964
Tailings pond	**-**	27,511	**14,576**	68,431	121,447
Metallurgy and processing	**120,590**	123,849	**273,770**	183,279	545,905
Separation process	**73,806**	-	**253,175**	-	501,018
Other	**11,405**	-	**23,459**	-	22,164
Total Evaluation	**227,785**	444,339	**759,132**	950,945	2,389,282
Total E&E expenditures capitalized	**567,896**	990,254	**1,727,692**	2,714,654	11,473,763

The expenses for the nine-months ended February 28, 2014 were funded by flow-through and accordingly, no tax credits derived from the expenses incurred in the period.

The E&E activities performed during the three and nine month period ended February 28, 2014 have allowed the Company to continue gathering valuable information to include and advance the Montviel PEA and the metallurgical optimization of the flow sheet process.

As of February 28, 2014, the carrying value of the Montviel property is $16,041,856 and is comprised of $7,058,364 for acquisition costs of the mineral property and $8,983,492 ($11,473,763 net of cumulative tax credits of $2,490,271) in capitalized E&E expenditures.

Anik property (Gold – 100% interest)

The Anik property is located 40 km south of the town of Chapais, Québec and consists of 140 claims. Several gold showings and deposits (Philibert, Nelligan, Lake Meston, and Monster Lake) are found in the vicinity of the Anik property.

The recent discoveries in the area of the Anik property demonstrate the excellent potential of the sedimentary unit for gold mineralization. This relatively unexplored unit contains many deformation corridors that are favorable for mineralizing fluids circulation and the development of gold mineralization.

An exploration program, including geophysics surveys (high definition magnetic and electromagnetic), mapping and rock, soil and tills sampling, is planned for the summer 2014 over the entire property. Additional efforts will be planned in the anomalous areas, especially in the extensions of the deformation corridors.

For the three and nine month period ended February 28, 2014, exploration and evaluation expenses related to the Anik property amounted to $nil and $16,464 ($9,378 and $86,028 in 2013).

Other properties

For the three and nine month period ended February 28, 2014, exploration and evaluation expenses for the Company's other properties amounted to $nil and $13,189 ($51,876 and $331,038 in 2013). The expenses were mainly incurred on graphite properties for geological surveys, analysis, prospecting and sampling.

Joint ventures opportunities

The Company holds interest in several mineral properties. The main focus is to advance Montviel and the Company is looking at different scenarios in order to advance its other projects, including finding joint venture partners.

Geological information presented herein was prepared and summarized by Alain Cayer, Geo, Msc, VP Exploration and, qualified person pursuant to National Instrument 43-101.

RESULTS OF OPERATIONS

For the three month period ended February 28, 2014, the Company incurred a loss of $275,831 (2013 - $352,840). The decrease of $77,009 is mainly related to the following factors:

- Decrease in salaries, employee benefits and share-based compensation of $121,347 (2014 - $226,185 vs 2013 - $347,532) mainly related to the non-cash share-based compensation recorded in 2013 of $161,997 compared to $30,541 in 2014;
- Decrease in exploration and evaluation expenses of $61,254 (2014 - $nil vs 2013 - $61,254) related to the reduction of exploration activities in line with the Company's decision to focus on the Montviel property;
- Decrease in finance costs of $34,548 (2014 - $1,398 vs 2013 - $35,946) mainly related to the 2013 interest charge on the SIDEX debt which was fully repaid in July 2013;
- Increase of flow-through share related income of $144,983 (2014 - $39,722 vs 2013 - $184,705) as the exploration and evaluation expenditures incurred during the period were funded by a flow-through financing.

For the nine month period ended February 28, 2014, the Company incurred a loss of $663,463 (2013 - $1,970,207). The decrease of $1,306,744 is mainly related to the following factors:

- Decrease in salaries, employee benefits and share-based compensation of $533,687 (2014 - $534,229 vs 2013 - $1,067,916) mainly related to the non-cash share-based compensation expense recorded in 2013 of $629,087 compared to $17,752 in 2014;
- Decrease in exploration and evaluation expenses of $254,766 (2014 - $29,653 vs 2013 - $284,419) related to the reduction of exploration activities in line with the Company's decision to focus on the Montviel property and limited availability of funds;
- Decrease in professional fees of $220,356 (2014 - $135,986 vs 2013 - $356,342) mainly related to lower legal fees and lower audit fees related to IFRS conversion costs incurred in 2013;
- Decrease in travel, conference and investor relations of $96,432 (2014 - $45,760 vs 2013 - $142,192) in line of the cost saving measures put in place during the period;
- Decrease in finance costs of $58,089 (2014 - $80,492 vs 2013 - $138,581) mainly related to the 2013 interest charge on the SIDEX debt which was repaid in full during July 2013;
- Increase of other income of $34,200 mainly related to the temporary rental of camp facilities at Montviel during the period;
- Increase of flow-through share related income of $58,450 (2014- $243,155 vs 2013 - $184,705) as the exploration and evaluation expenditures incurred during the period were funded by a flow-through financing.

SUMMARY OF QUARTERLY RESULTS

	2014			2013				2012
(in thousands of dollars, except for per share amounts)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	-	6	43	1	-	-	-	4
Loss and comprehensive loss	276	186	201	370	352	860	758	1,488
Loss per share – basic and diluted	0.005	0.01	0.01	0.01	0.01	0.03	0.02	0.06

The main variations in the quarterly results from the comparable period are explained as follows:

2014-Q3 Decrease of $121,347 in salaries, employee benefits and share-based compensation and increase of $144,983 of flow-through share related income;

2014-Q2 Decrease of $204,426 in salaries, employee benefits and share-based compensation, lower professional fees of $178,125 and reduction of exploration and evaluation expenses of $100,204;

2014-Q1 Reduction of exploration and evaluation expenses of $98,707 and a decrease of $201,848 in salaries, employee benefits and share-based compensation;

2013-Q4	Impairment of mining properties of $267,836 offset by a flow-through share related income of $181,155 and a recovery of deferred income tax of $ 40,608;
2013-Q3	Increase in salaries, employee benefits and shared-based compensation of $212,703 and income related the reduction of the flow-through share liability of $184,705;
2013-Q2	Reduction in exploration and evaluation expenses of $153,840 compared to Q2-2012;
2013-Q1	Significant reduction in exploration and evaluation expenses of $465,374 compared to Q1-2012;
2012-Q4	Impairment of Pump Lake, Émilie, Sydney and Oriana properties totalling $461,616.

LIQUIDITY AND CAPITAL RESOURCES

As at February 28, 2014, the Company had cash and cash equivalents of $453,086, current tax credits receivable of $356,674, non-current tax credits receivable of $100,219 and working capital of $377,747 (May 31, 2013, $437,855, $2,459,916, $717,100, and $891,224 respectively).

Management considers the working capital insufficient to meet the Company's obligations and budgeted expenditures through February 28, 2015. Consequently, management must secure additional funding to ensure timely development of the Montviel project and pay for general and administrative costs. Global economic uncertainty remains and contributes to the volatility in the capital markets which reflects an extreme difficulty in equity financings for exploration companies. 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 guarantees 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 Company.

Private placements

On December 3, 2013, the Company completed the second tranche of the private placement closed on November 4, 2013 and issued 328,000 units at a price of $0.16 per unit for aggregate gross proceeds of $52,480. Each unit consisted of one common share and one-half warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.21 until December 3, 2016.

On December 3, 2013, the Company issued 3,123,500 flow-through units at a price of $0.17 per flow-through unit for gross proceeds of $530,995. Each flow-through unit consisted of one flow-through common share and one-half non flow-through warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.25 until December 3, 2014. As part of the transaction, the Company paid finder's fees of $41,208 issued 242,400 non-transferable broker options for units. Each broker option for units entitles the holder to purchase one unit at a price of $0.17 until June 3, 2015. Each warrant issued upon the exercise of a broker option for units will have the same terms as the warrants issued as part of the flow-through units.

On March 19, 2014, the Company closed a first tranche of its brokered private placement announced on February 28, 2014 and issued 2,037,333 units and 1,450,000 flow-through common shares at a price of $0.60 per unit and $0.70 per flow-through common shares for gross proceeds of $2,237,400. Each unit consisted of one common share and one-half warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.90 until September 19, 2015. As part of the first tranche, the Company paid commission fees of $145,431 and issued 174,367 non-transferable broker options. Each broker option entitles the holder to acquire one common share at a price of $0.60 until September 19, 2015.

On April 14, 2014, the Company completed the second tranche of the brokered private placement announced in February 2014 and issued 1,796,000 units at a price of $0.60 per unit for aggregate gross proceeds of $1,077,600. Each unit has the same terms as those included in the closing on March 19, 2014. As part of the second tranche, the Company paid commission fees of $49,363 and issued 89,800 non-transferable broker options. Each broker option entitles the holder to acquire one common share at a price of $0.60 until October 14, 2015.

The proceeds of the private placements will be used to fund the development of the separation process, complete the Montviel PEA, exploration works on Anik and working capital purposes. As of the date of this MD&A, the Company has a cash balance of approximatively $2,800,000 and the flow-through commitment is approximately $994,000 to be incurred by December 31, 2015.

Warrants

On December 3, 2013, the Company issued 164,000 warrants in relation to the private placement described above.

On December 3, 2013, the Company issued a total of 1,561,750 warrants in relation to the flow-through financing also described above.

In December 2013, 187,500 warrants expired unexercised.

On March 19 and April 14, 2014, the Company issued a total of 1,916,666 warrants (1,018,666 and 898,000 respectively) in relation to the brokered private placement also described above.

In March and April 2014, respectively 60,562 and 468,750 warrants were exercised at a price of $0.21 for total proceeds of $111,156.

Stock options

On January 23, 2014, the Company granted 180,000 stock options to employees at an exercise price of $0.295 expiring on January 23, 2019.

During the quarter ended February 28, 2014, 193,750 stock options were forfeited.

In March 2014, 60,000 stock options were forfeited.

Broker options

On December 3, 2013, the Company issued 242,400 broker options for units in relation to the flow-through financing also described above.

On March 19 and April 14, 2014, the Company issued respectively 174,367 and 89,800 broker options in relation of the first and second tranches of the brokered private placement described above.

In April 2014, 183,000 broker options for units were exercised at a price of $0.17 for total proceeds of $31,110. The Company issued 183,000 common shares and 91,500 warrants. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.25 until December 3, 2014.

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data:

As of April 24, 2014, the following are outstanding:

- Common Shares 48,820,883
- Stock Options 2,795,000
- Warrants 8,348,689
- Broker options 592,367

COMMITMENTS

Office lease: The Company has entered into two lease agreements for its corporate office and an off-site location expiring respectively on September 30, 2014 and November 30, 2016. In each lease agreement, the Company has 90 days to terminate the agreement. As of February 28, 2014, the total obligation under these agreements was $16,840 due within the next twelve months.

Flow-through Financing: As of the date of this MD&A, the Company had a flow-through obligation of approximately $994,000 related to the financing of March 19, 2014 to be incurred by December 31, 2015.

Finance lease: The Company entered into a finance lease in December 2013 for the acquisition of equipment. Over the next 12 months, the payments total $52,195 and $48,965 is payable in 13-24 months.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The key management personnel are comprised of members of the Board of Directors, the President and CEO, the Chief Financial Officer and the Vice-President Exploration. Key management personnel remuneration is presented in the following table:

	Three Months Ended February 28,		**Nine Months Ended February 28,**	
	2014	2013	**2014**	2013
	$	$	**$**	$
Short-term employee benefits				
Salaries including bonuses and benefits	**123,125**	107,071	**371,803**	432,249
Social security costs	**5,363**	5,857	**18,889**	19,950
Professional fees	**9,500**	9,000	**38,000**	15,000
Total short-term employee benefits	**137,988**	121,928	**428,692**	467,199
Stock-based compensation	**31,295**	144,387	**152,611**	504,077
Total remuneration	**169,283**	266,315	**581,303**	971,276

As part of the private placements completed in November and December 2013, four (4) key management personnel subscribed for a total of 215,500 units at a price of $0.16 and one key management personnel subscribed for 73,500 flow-through units at a price of $0.17. As part of the first tranche closing completed on March 19, 2014, a director who is also an officer of the Company acquired 17,250 units for $10,350. As of February 28, 2014, the trade and other payables comprise an amount of $112,917 ($3,390 in 2013) payable to related parties.

CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

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

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

- The going concern assumption that the Company will continue to operate. The current financial position casts significant doubt about the Company's ability to continue as a going concern;
- Recoverability of the tax credits and credits on duties that are included in the condensed interim statements of financial position;
- Estimated value of exploration and evaluation assets that is recorded in the condensed interim statements of financial position.

CHANGES IN ACCOUNTING POLICIES

The Company has adopted the following new and revised standards, along with any consequential amendments, effective June 1, 2013.

IAS 1, Presentation of Financial Statements, ("IAS 1")

The Company has adopted the amendments to IAS 1 effective June 1, 2013. These amendments required the Company to group other comprehensive income items based on whether or not they may be reclassified to net earnings or loss in the future. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

IFRS 13, Fair Value Measurement, ("IFRS 13")

IFRS 13 provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on June 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as of June 1, 2013.

RISK FACTORS

An investment in the securities of the Company 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 Company and its financial position. Please refer to the section entitled " Risk and Uncertainties" in the Company's management's discussion and analysis for the fiscal year ended May 31, 2013 available on SEDAR at www.sedar.com.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management. The financial statements were prepared by the Company'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 condensed interim 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.