GEOMEGA RESOURCES INC.
ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2014

The following Management's Discussion and Analysis ("MD&A") of financial condition and results of operations of Geomega Resources Inc. (the "**Company**" or "**GéoMégA**") should be read in conjunction with the Company's audited financial statements and related notes for the year ended May 31, 2014. These financial statements of the Company have been prepared by management in accordance with *International Financial Reporting Standards* ("IFRS") as issued by the Accounting Standards Board ("ASB"). 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 July 18, 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 50,401,283 common shares were outstanding as of July 18, 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 has persisted over the last few years and equity financing for exploration and evaluation companies remains very difficult. The Company's financial success depends largely on the extent in which it can demonstrate the economic viability of its Montviel deposit ("Montviel"). Even though a Preliminary Economic Assessment ("PEA") is underway for Montviel, there is no guarantee 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 Summary

- On September 19, 2013, the Company held its annual and special meeting of shareholders in Montreal and elected the following directors: Simon Britt, Paul-Henri Couture, Gilles Gingras, Patrick Godin, Denis Hamel, Mario Spino and Réjean Talbot;

- On October 1st, 2013, the Company signed a Cooperation agreement with FFE Service GmbH based in Munich, Germany to develop a high-throughput REE separation process based on free flow electrophoresis technology;

- On November 4, 2013 and December 3, 2013, the Company closed a private placement and a flow through placement for gross proceeds of respectively $753,860 and $530,995;

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

- On January 21, 2014 and January 29, 2014, the Company announced the results of Phase 3 diamond drilling program ("Phase 3") on Montviel. 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 $3,255,000;

- On May 8, 2014, the Company adopted a shareholder rights plan (the "Plan") to allow a fair treatment of shareholders in the event of an unsolicited take-over bid made for GéoMégA. The Plan gives the Board time to pursue alternatives to maximize shareholder's value. The Plan will be ratified during the next general meeting of shareholders.

- On May 14, 2014, the Company announced the successful conclusion of benchmark test confirming physical separation of REE and impurities from a commercial mixed concentrate ("REE Concentrate") with its proprietary physical separation process;

- On May 20, 2014, the Company announced the resignation of its Chief financial Officer, Erik. H. Martin.

SUMMARY OF ACTIVITIES

Montviel Property (REE - 100% interest)

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 mineralization. The 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 completed 95 drill holes for almost 39,000 meters and 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

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. The HREE-S Zone was highlighted in 2011-2012 by five (5) drill holes and the best intersection, hole #30, is summarized below (see MD&A of the year ended May 31, 2013 for all results).

HREE-S Zone Phase 2 - 2011/2012									
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
30	6+80W / 180^0 / -45^0	117.00	150.0	33.0	1.00	173	1,927	106	39
		inc. 131.9	144.2	12.3	1.42	261	2,685	153	58
		inc. 136.65	138.65	2.0	1.97	518	3,907	231	111

1. True thickness is estimated at 75% of the intersected length.
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

During the Phase 3, a total of 758 samples were sent for analysis and the best results are summarized in the tab below (see January 29, 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	8.50	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	7.50	2.38	**384**	**4,667**	**242**	**90**
		Inc. 183.0	184.5	1.50	1.13	**830**	1,662	**230**	**172**
79	5+45W/ 150^0/ -45^0	231.0	243.0	12.00	1.85	101	2,896	129	25
81	8+15W/ 150^0/ -45^0	186.0	208.5	22.50	0.69	105	1,388	77	24
83	7+70W/ 150^0/ -45^0	240.0	253.5	13.50	0.76	112	1,595	87	28
		259.5	267.0	7.50	0.66	112	1,610	75	28
		282.0	300.0	18.00	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 wide (east-west) by 230 meters deep and up to 20 meters thick and remains open at depth (see January 29, 2014 press release for details). Mineralogical testing conducted on core samples from the HREE-S Zone identified the same fluoro-carbonate minerals as characterized in the Core Zone.

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.

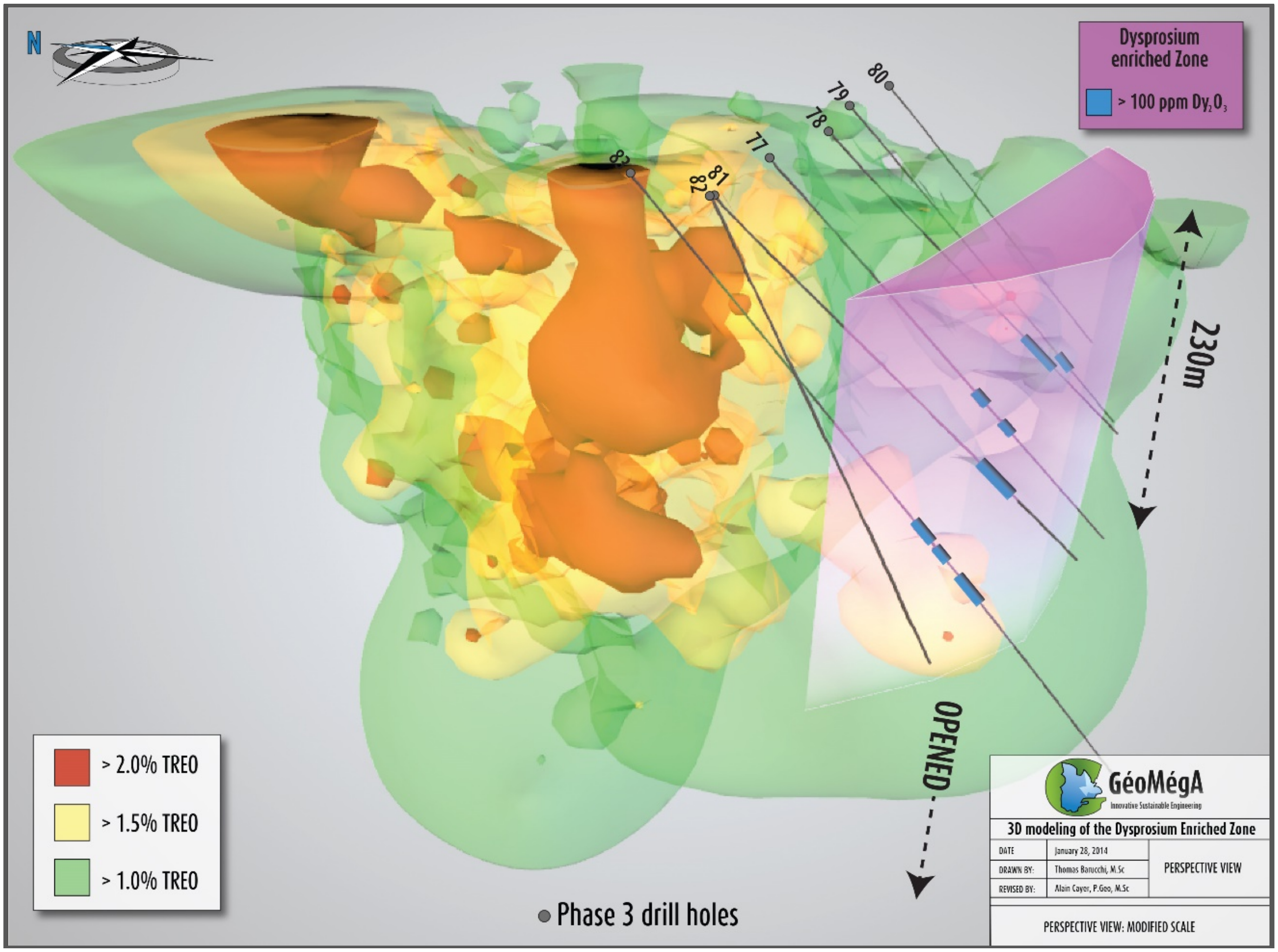


Figure 1 : Phase 3 drill holes – Perspective view

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. The updated NI 43-101 publication for Montviel is scheduled for the next coming weeks.

Mineralogy

During the year ended May 31, 2014, the Company initiated an advanced research programme to develop a petro-metallogenesis model of the Montviel carbonatite intrusive in collaboration with the "Université du Québec à Montréal" ("UQAM") and Geotop, Research Centre in Geochemistry and Geodynamics. The studies also helped define the nature of mineralization in several heavy rare earth enriched zones. Along with the studies undertaken, a first version of the 3D geological and geochemical model has been produced and is available on the Company's website.

Preliminary Economic Assessment ("PEA")

G Mining Services Inc. and Golder Associates Ltd. 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;
- Project energy would be provided by the Hydro-Québec distribution grid;
- Mixed REE concentrate base case.

During Phase 3, the Company has identified a sizeable HREE-S Zone which potentially improves the production throughput of dysprosium, a critical component in the high-performance permanent magnet industry. The Company has decided to evaluate the impact of including the HREE-S Zone in the PEA mine plan. Metallurgical tests are ongoing to confirm REE recoveries from the HREE-S Zone.

Environmental and Social Impact Assessment ("ESIA")

In complement of an environmental baseline completed by Roche Ltd, Consulting Engineers and Geodefor Inc. in 2011 and 2012, the Company conducted a surface water sampling and flow measurements with EnviroCri ltée. The information collected will be used as benchmarks for conducting the ESIA study, which is expected to begin at the beginning of the year 2015.

Environmental geochemistry

In December 2012, the Company retained "L'unité de recherche et de services en technologie minérale" ("URSTM") from "Université du Québec en Abitibi-Témiscamingue" ("UQAT") to perform kinetic tests on five (5) lithologies present at Montviel. These tests will clarify the results obtained in static tests conducted in summer 2012 by Golder and help predicting the geochemical behavior of the ore and waste rock.

As of the date of this report, the Company continues the geological and geochemical characterization of the alkaline intrusion of Montviel and a total of 15 additional samples are currently subject to static tests in order to characterize the geochemical behavior of waste rock from the property.

Physical Separation of REE

During the year ended May 31, 2014, the Company announced the signature of a Cooperation Agreement (the "Cooperation") with FFE Service GmbH based in Munich, Germany. The Cooperation's objective is to develop a high-throughput REE separation process.

Based on the free flow electrophoresis technology, GéoMégA's proprietary 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.

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 and to the size ratio of the ion.

In January and February 2014, the Company announced the successful conclusion of tests confirming physical separation of REE from synthetic solutions. The graphic results (see January 15, 2014 and February 25, 2014 press release) highlight the following advantages compared to conventional techniques:

- All REE are separated simultaneously and not sequentially;
- Purity level is 100%;
- Heavy REE are the easiest to isolate.

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. The Company has filed patents in multiple jurisdictions to protect its novel REE physical separation process.

On May 14, 2014, the Company published the conclusive benchmark results confirming physical separation of REE from a commercial mixed concentrate ("REE Concentrate"). Purchased on the open market, the separation of the REE Concentrate establishes a benchmark reference with the Montviel REE as they have the same composition.

The objective of this test was to address the complexities of a commercial mixture, including the behaviour of impurities and to set a benchmark for future developments. The Company will use the same REE Concentrate for optimization testing until the initial scale-up parameters are set. Subsequently, testing will be performed with the latest Montviel REE concentrate.

The graphics results (see May 14, 2014 press release) reflect a single step separation without any pre-treatment on the REE Concentrate and highlight the following results:

- Simultaneous separation of REE and impurities;
- Separation of the HREE and impurities achieved in a single step in the current process conditions;
- Purity level is 100% already in certain channels after a single step of separation.

On January 31, 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. The intrinsic fair value of the exercisable warrants shall not exceed $5 million at the time they become exercisable, in which case the number of warrants will be reduced.

Relationships with communities

On August 6, 2013, the Company signed a Partnership Agreement with the city of Lebel-sur-Quévillon. The Partnership Agreement provides for the creation of a Montviel Development Committee that will consolidate efforts towards mutual interest such as communication, local employment and the economic diversification. (See August 6, 2013 press release for additional information.)

In December 2013, the first Montviel Development Committee ("Committee") was held in the town of Lebel- sur-Quévillon. The Committee was created in accordance with the Partnership Agreement signed in August 2013. The Committee consolidates efforts towards mutual interest such as communication, local employment and the economic diversification.

OUTLOOK

The Company anticipated releasing the Montviel PEA before the year ended May 31, 2014. Following the identification of the sizeable HREE-S zone during Phase 3, management decided to evaluate the impact of including the HREE-S Zone in the Montviel PEA mine plan. The HREE-S Zone, which present 400% enrichment in dysprosium, a key element in the high performance permanent magnet industry, could improve the annual distribution mix of REE. The Company expects to receive all of the information for the conclusion of the PEA by the end of the current summer period. The disclosure of the PEA is expected during the fourth quarter of 2014 (calendar).

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 in process and are expected to be completed at the beginning of 2015. The financial condition of the Company has improved in 2014 compared to 2013, additional funding will be required to achieve the Company's development goals. As of the date of this report, an exploration and evaluation budget of $800,000 is planned for the year 2015.

EXPLORATION AND EVALUATION RESULTS

Montviel Property (REE – 100% interest)

During the year ended May 31, 2014, the Company incurred $2,479,276 (before net tax credits of $104,182) in exploration and evaluation ("E&E") expenditures capitalized in relation to the Montviel property ($3,677,478 and $788,577 respectively in 2013).

Montviel- Exploration	Year Ended May 31, 2014 $	Year Ended May 31, 2013 $	Cumulative to date $
Assays and drilling	**543,178**	272,419	4,567,536
Geology	**611,806**	578,705	2,731,779
Mineralogy and Metallurgy	**-**	624,090	717,734
Transport and lodging	**140,844**	233,413	856,929
Geophysics and Geochemistry	**-**	131,092	172,064
Depreciation of property and equipment	**204,501**	189,326	519,093
Taxes, permits and insurances	**27,573**	18,284	78,689
Total Exploration	**1,527,902**	2,047,329	9,643,824

Montviel - Evaluation	Year Ended May 31, **2014** $	2013 $	Cumulative to date $
Market study	**6,912**	106,046	112,958
Mine design	**57,191**	299,386	356,577
Hydrogeology, Geochemistry, geotechnical and geomechanical	**178,509**	294,878	473,387
Environmental baseline	**26,518**	216,223	242,741
Infrastructure	**1,196**	86,768	87,964
Tailings pond	**14,749**	106,870	121,619
Metallurgy and processing	**390,904**	272,135	662,497
Separation process	**272,271**	247,843	520,564
Other	**3,124**	-	3,124
Total Evaluation	**951,374**	1,630,149	2,581,431
Total Exploration and Evaluation expenditures capitalized	**2,479,276**	3,677,478	12,225,255

The exploration and evaluation activities performed during the year ended May 31, 2014 have allowed the Company to continue gathering valuable information for the Montviel PEA, the environmental and social impact assessment study and the metallurgical optimization of the flow sheet process.

Following a review of the property, the Company has decided to not renew six (6) mining claims acquired in March 2011 as they were considered to have limited geological potential for REE and maintaining these claims was not consistent with the Company's strategic objectives. Consequently, the Company wrote-off an amount of $125,000 during the year ended May 31, 2014, which represents the acquisition costs for these six (6) mining claims abandoned.

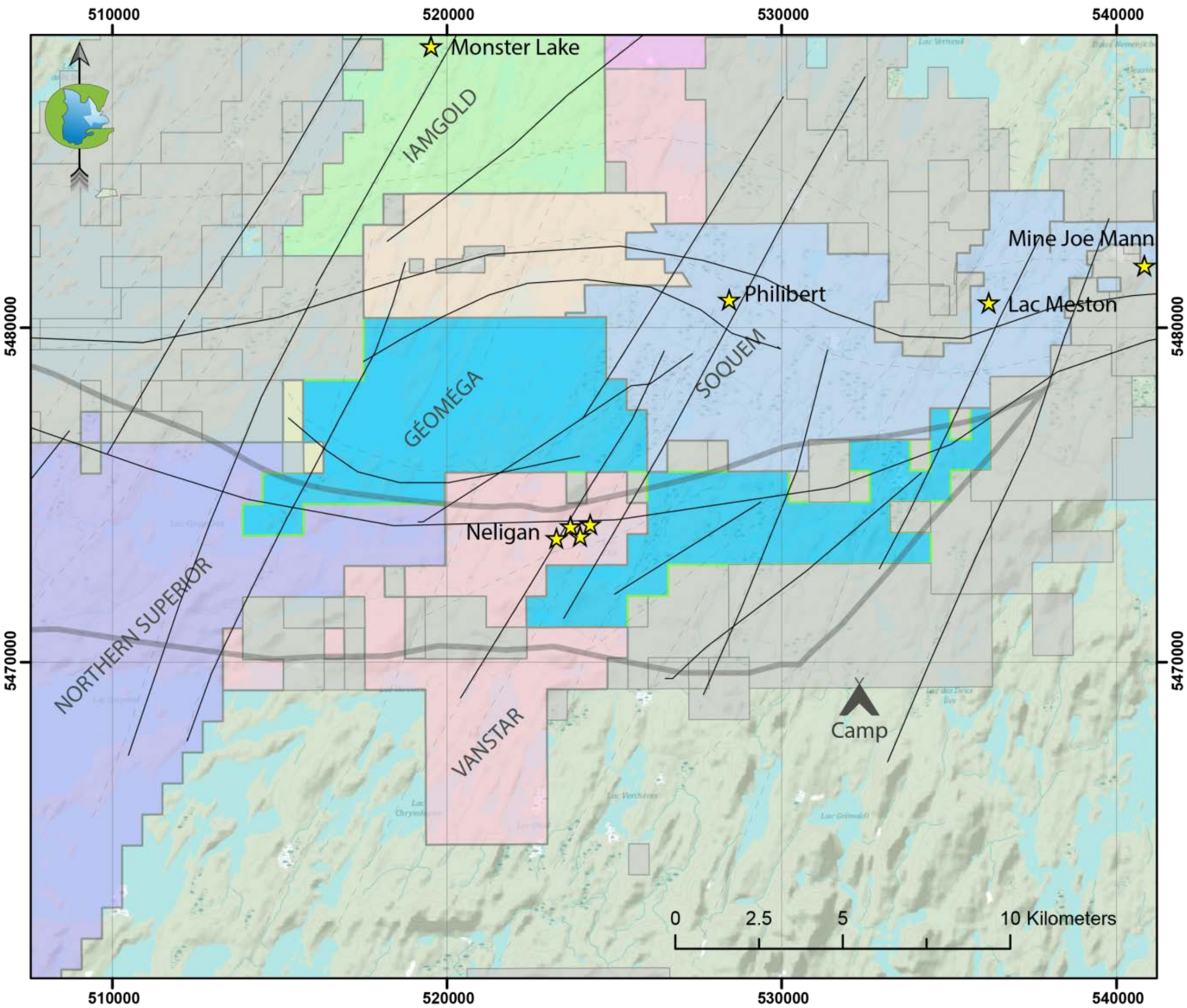
As of May 31, 2014, the carrying value of the Montviel property is $16,772,622 and is comprised of $6,933,364 for acquisition costs of the mineral property and $9,839,258 in capitalized E&E expenditures.

Anik property (Gold – 100% interest)

The Anik property is located 40 km south of the town of Chapais, Québec and consists of 142 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. The three (3) new showings from adjacent property, Liam (4.69 gt Au / 11.60 m), Mila

(1.03 gt Au / 4.5 m) and Lac d'Eu (5.36 gt Au / 6.0 m) and the historical Nelligan showing (3.5 gt Au / 10.0 m) are in the sedimentary unit and are all associated with deformation corridors (see Figure). The North, South and East extensions of these corridors extend in the sedimentary unit on the Anik property which is less than 1,500 metres from gold showings.



An exploration program, including mapping and prospecting, started in June 2014 to investigate and evaluate anomalous zones. To better focus exploration efforts, an airborne magnetic survey was conducted in April 2014 over the entire Anik property.

As of today, the exploration program is still ongoing and will include soil and tills sampling and a geological survey of the entire property. Additional efforts will be planned in anomalous areas, especially in the extensions of the deformation corridors. For that purpose, an exploration and evaluation budget of $200,000 is planned for the year 2015.

For the year ended May 31, 2014, exploration and evaluation expenses related to the Anik property amounted to $180,425 ($101,155 in 2013).

	Year Ended May 31,		Cumulative to date
Anik - Exploration	**2014** **$**	2013 $	$
Salary, Geology and prospection	**27,276**	52,645	86,664
Lodging and Travel expenses	**12,214**	11,853	26,427
Geophysics	**129,491**	-	129,491
Analysis	**2,642**	25,157	28,064
Supplies and Equipment	**8,077**	11,500	20,077
Taxes, permits and insurance	**725**	-	725
Anik – Exploration	**180,425**	101,155	291,448

McDonald property (Gold - 100% interest)

The McDonald property is located 30 km east of the Montviel property and consists of 345 claims. The geological reconnaissance and exploration works completed in August 2012 highlighted favorable alterations and lithologies for gold mineralization. From this program, a sample returned 6.42 g/t Au in a highly mineralized sedimentary unit. During the quarter ended May 31, 2014, a geological survey work included 36 lithological samples and 28 tills sampling over the property. The results of this program are expected in the coming weeks.

Following a review of the mineral property, the Company wrote-off $9,350 during the year ended May 31, 2014, as no further exploration work is planned on certain claims which will not be renewed.

For the year ended May 31, 2014, exploration and evaluation expenses at the McDonald property amounted to $22,689 ($60,207 in 2013). The expenses were mainly incurred for geological surveys, analysis, prospecting and sampling.

Other properties

For the year ended May 31, 2014, exploration and evaluation expenses for the Company's other properties amounted to $11,753 ($392,922 in 2013). As of May 31, 2104, the Company wrote-off a carrying value of $5,739 to its other properties, as no further exploration work is planned on the properties.

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.

SELECTED ANNUAL INFORMATION

All comprehensive loss elements in the following table are presented as 12 months period for the respective date.

	As at May 31, 2014 $	As at May 31, 2013 $	As at May 31, 2012 $
Total assets	**20,197,776**	18,599,714	18,401,536
Exploration and evaluation assets	**16,812,378**	14,353,599	11,628,219
Non-current financial liabilities	**34,826**	-	17,907
Operating expenses	**1,106,960**	1,873,754	2,573,988
Exploration and evaluation expenses (net of tax credits)	**271,945**	415,134	938,723
Impairment of exploration and evaluation assets	**140,089**	295,916	461,616
Net loss and comprehensive loss	**1,230,388**	2,340,984	3,638,798
Net loss per share (basic and diluted)	**0.03**	0.07	0.16

RESULTS OF OPERATIONS

For the year ended May 31, 2014, the Company incurred a loss of $1,230,388 (2013 - $2,340,984). The decrease of $1,110,596 is mainly related to the following factors:

- Decrease in salaries, employee benefits and share-based compensation of $460,830 (2014 – $676,161 vs 2013 - $1,136,991) mainly related to the non-cash share-based compensation expense recorded in 2013 of $482,050 compared to $55,801 in 2014;
- Decrease in exploration and evaluation expenses of $143,189 (2014 - $271,945 vs 2013 - $415,134) related to the reduction of exploration activities in line with the Company's decision to focus on certain properties;
- Decrease in professional fees of $199,699 (2014 - $185,879 vs 2013 - $385,578) mainly related to lower legal fees, audit fees and accounting fees;
- Decrease in travel, conference and investor relations of $115,207 (2014 - $59,254 vs 2013 - $174,461) in line of the cost saving measures put in place during the year;

- Increase in research expenses of $33,800 (2013 – $nil) related to the accounting policy for research and development activities to statement of loss and comprehensive loss in 2014 for activities related to other technological applications other than Montviel;
- Decrease in finance costs of $78,329 (2014 - $85,336 vs 2013 - $163,665) mainly related to the 2013 interest charge on the SIDEX debt which was repaid in full during July 2013;
- Decrease of recovery of deferred income taxes of $50,947 (2014- $355,521 vs 2013 - $406,468) related to the amortization of the flow-through share liability of $279,780 (2013 – $365,860) and a recognition of a recovery of deferred income taxes of $75,741 (2013 – $40,608) related to warrants expirations.

SUMMARY OF QUARTERLY RESULTS

	2014				2013			
(in thousands of dollars, except for per share amounts)	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenues	1	-	6	43	1	-	-	-
Loss and comprehensive loss	567	276	186	201	370	352	861	758
Loss per share – basic and diluted	0.005	0.005	0.01	0.01	0.01	0.01	0.03	0.02

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

2014-Q4 Increase of exploration and evaluation expenses of $55,496, lower impairment of exploration and evaluation assets of $123,895 and decrease of the amortization of flow-through share liability of $109,397;

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 Reduction in exploration and evaluation expenses of $465,374 compared to Q1-2012.

FOURTH QUARTER

For the three month period ended May 31, 2014, the Company incurred a loss of $566,925 ($370,777 in 2013). The increase of $196,148 is mainly related to the increase of salaries, employee benefits and share-based compensation of $47,644, an increase of exploration and evaluation expenses of $55,496 and a tax credits adjustment of $57,078 related to the audit by Revenu Québec of the tax credits for the years 2011, 2012 and 2013. Other significant variances include a decrease in impairment of exploration and evaluation assets of $123,895 ($128,190 in 2014 vs $252,085 in 2013) and decrease in amortization of flow-through share liability of $109,397 ($112,366 in 2014 vs $221,763 in 2013).

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2014, the Company had cash and cash equivalents of $2,399,775, current tax credits receivable of $433,674 and non-current tax credits receivable of $92,092 (May 31, 2013, $437,855, $2,459,916 and $717,100 respectively). The Company had a working capital of $2,322,137 ($891,224 in 2013) on which $596,109 is reserved for the flow-through expenses to be incurred before December 31, 2015.

Management considers the working capital insufficient to meet the Company's obligations and budgeted expenditures through May 31, 2015. Consequently, management must secure additional funding to ensure timely exploration and evaluation of the Montviel project and pay for general and administrative costs. Global 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 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. Note 1 of the audited financial statements for the year ended May 31, 2014 reflects this uncertainty.

Private placements

On November 4, 2013 and December 3, 2013, the Company completed a private placement (in two tranches of 4,383,625 and 328,000 units respectively at a price of $0.16 per unit) for gross proceeds of $753,860. 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 for a period of three years from the closing date.

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 and 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. As of the date of this report, the Company incurred the total amount of exploration expenditures related to this flow-through financing.

On March 19, 2014 and April 14, 2014, the Company completed a brokered private placement in two tranches and issued 1,937,333 and 1,796,000 units respectively at a price of $0.60 per unit for gross proceeds of $2,240,000. 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.

On March 19, 2014, the Company completed a brokered flow-through private placement and issued 1,450,000 flow-through common shares at a price of $0.70 per flow-through common shares for gross proceeds of $1,015,000. In connection with this flow-through financing, the Company must incur $1,015,000 in qualifying exploration expenditures before December 31, 2015 and as the date of this report, the balance is approximately $465,000.

In connection with the financing completed on March 19, 2014 and April 14, 2014, the Company paid a commission of $274,876 to the broker and issued 174,367 and 89,800 non-transferable broker options respectively. Each broker option entitles the holder to acquire one common share of the Company at a price of $0.60 until September 19, 2015 and October 14, 2015 respectively.

The proceeds of the private placements is used to fund the development of the separation process, complete the Montviel PEA, exploration works on Anik property and for working capital purposes.

Tax credits for ressources

On July 10, 2013 and October 23, 2013, the Company received the refund of tax credits for resources related to the fiscal years 2012 and 2013 by Revenu Québec for a total amount of $2,714,881 ($2,095,034 and $619,847 respectively) and repaid $1,461,000 in loans to SIDEX on July 10, 2013. During the last quarter of the year ended May 31, 2014, the tax credits received by the Company for the years 2011, 2012 and 2013 were audited by Revenu Québec. Trade and other payables include $218,606 for tax credits to be paid following this audit. The Company is currently reviewing the reassessment from Revenu Québec.

Warrants

On September 10, 2013, the Company received the approval of the TSX regarding the extension of the term of a total of 1,952,273 warrants expiring on September 30, 2013 by 12 months. The warrants were issued with an original term of 18 months in connection with the closing of two private placement financings completed by the Company on March 30, 2012 and April 10, 2012. All other terms of the warrants remain the same.

In connection with the private placements described before, the Company issued a total of 5,784,228 warrants, 3,917,562 warrants are related to the financing completed in November and December 2013 and 1,866,666 warrants are related to the financing completed in March and April 2014. The Company also issued 121,200 warrants following the exercise of broker options for units.

During the year ended May 31, 2014, a total of 1,090,312 warrants were exercised for gross proceeds of $251,406 and 2,315,159 warrants expired unexercised.

On July 18, 2014, 1,000,000 warrants were exercised for gross proceeds of $250,000.

Stock options

On June 28, 2013, the Company granted 225,000 stock options to a director at an exercise price of $0.15 expiring on June 28, 2018.

On July 22, 2013, the Company granted 225,000 stock options to a director at an exercise price of $0.16 expiring on July 22, 2018.

On September 19, 2013, the Company granted 225,000 stock options to a director at an exercise price of $0.17 expiring on September 19, 2018.

On January 23, 2014, the Company granted 180,000 stock options to employees at an exercise price of $0.29 expiring on January 23, 2019.

During the year ended May 31, 2014, 365,885 stock options were forfeited and 550,155 stock options expired unexercised.

Broker options

In connection of the financing described above, the Company issued a total of 242,400 brokers options for units in connection with the private placement of December 2013 and 264,167 broker options in connection with the private placement of March and April 2014.

During the year ended May 31, 2014, a total of 302,400 brokers options were exercised for total proceeds of $71,209 and 530,937 brokers options expired unexercised.

In June 2014, 37,800 broker options exercisable at price of $0.50 expired unexercised.

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 May 31, 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 $465,000 related to the financing of March 19, 2014 to be incurred before 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 over the next 13 to 24 months.

Operating lease: The Company entered into two operating leases for field equipment totaling $40,191 expiring respectively in May 2016 and June 2017.

Institutional services contract: the Company entered into an institutional services contract totaling $120,000 expiring in May 2015.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Key Management Personnel Remuneration

Key management personnel of the Company include the Directors, the President and CEO, the Chief Financial Officer and the Vice-President exploration. Key management personnel remuneration includes the following expenses:

	Year Ended May 31,	
	2014	2013
	$	$
Short-term employee benefits		
Salaries including benefits	**504,435**	505,821
Social security costs	**42,438**	25,806
Professional fees	**53,250**	24,000
Total short-term employee benefits	**600,123**	555,627
Share-based compensation	**66,462**	631,232
Total remuneration	**666,585**	1,186,859

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 at a price of $0.60 for $10,350. As of May 31, 2014, the trade and other payable comprise an amount of $13,333 ($27,071 in 2013) payable to related parties.

Transaction with related parties

On April 30, 2012, a partner of Lavery de Billy LLP ("Lavery") was appointed to the Company's Board of Directors as the Company's Corporate Secretary. During the year ended May 31, 2014, the Company paid legal fees of $148,124 ($252,596 in 2013) to Lavery. All transactions with related parties have occurred in the normal course of business of the Company and are based on normal commercial terms.

Termination and Change of Control Benefits

There are certain employment agreements between key management and the Company that contain termination and a change of control provisions. If a termination or change of control involving material changes, and the duties assigned to key management has occurred as at May 31, 2014, the amounts payable for the executive team would have totalled $252,500 and $640,000 respectively.

FINANCIAL INSTRUMENTS

Financial Risk Factors

The Company is exposed to various financial risks resulting from both its activities and investments. The Company manages the financial risks. The Company does not use transactions in financial instruments, including derivative financial instruments for speculative purposes. Exposure of the Company to key financial risks and financial policies in this area are described in the annual financial statements of May 31, 2014 in Note 18.

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data:

As of July 18, 2014, the following are outstanding:

• Common Shares	50,401,283
• Stock Options	2,782,500
• Warrants	6,767,389
• Broker options	264,167

RISK AND UNCERTAINTIES

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.

The following discussion reviews a number of important risks which management believes could impact the Company's business. There are other risks, not identified below, which currently, or may in the future, exist in the Company's operating environment.

Financial risk and going concern risk

The Company is an exploration and evaluation company and has no source of income. The Company has to raise additional funds to continue operations. The Company 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 Company 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 Company or that the terms of such financing will be favorable.

The Company 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 Company's results of operation and its financial condition.

The audited financial statements of the Company do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. There is no assurance that any assumptions of management of the Company regarding the ability to continue as a going concern will remain accurate or that the Company will in fact be able to continue as a going concern. Note 1 of the audited financial statements for the year ended May 31, 2014 reflects this uncertainty.

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 Company'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.

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 Company to access the capital markets to raise the capital it will need to fund its current level of expenditures.

Dilution risk of Common Shares

During the life of the Company'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 Company may have been able to obtain any needed capital by a new offering of securities on terms more favorable 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 Company will require additional funds to fund further exploration. If the Company raises additional funding by issuing additional equity securities, such financing may dilute the holdings of the Company's shareholders.

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 Company's properties to justify commercial operation.

Numerous external factors influence and may have significant impacts on the operations of the Company 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.

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.

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 Company's future results of operation and financial condition if one or more of its projects were to go in production.

Titles to Property

Although the Company 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 Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims and noncompliance with regulatory requirements.

Permits and Licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company 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.

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 Company's activities. The requirements of the environmental regulations and standards are constantly re-evaluated and may be considerably increased, which could seriously hamper the Company or its ability to develop its properties economically. Before a property can enter into production, the Company 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 Company maintains an environmental management system including operational plans and practices and considers that it is in material compliance with the existing environmental legislation.

Mining Law and Governmental Regulation

The Company'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 Company 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 Company.

Although the Company 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 Company are located in Québec 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 affects the exploration and evaluation of the Company's properties.

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

Internal controls over financial reporting

The Company 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 Company has assessed the design of the internal controls over financial reporting, and during this process the Company identified certain weaknesses in internal controls over financial reporting which are due to the limited number of staff at the Company, making it unfeasible to achieve complete segregation of incompatible duties. Company'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 Company'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.

Territories and First Nations claims

Although the Company has the rights to explore its mining properties, it must consider the potential claims of the First Nations communities surrounding its properties. The Company strives to maintain good relations with the First Nations communities.

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 Company 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 Company's financial position and cash flows.

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 Company 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 Company'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.

Dependence on key personnel

The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other mining companies.

Conflicts of interest

Certain directors of the Company 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 Company are required by law to act honestly and in good faith to the best interests of the Company, and to disclose any interest which they may have in any project or opportunity of the Company. 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.

CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDEMENTS 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 Company's critical accounting policies, estimates, judgments, assumptions in the financial statements as at May 31, 2014, Notes 1, 2, 3 and 4.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company applied the same accounting policies to each of its 2014 interim financial statements as it did to its annual financial statements for the year ended May 31, 2014, except as described in Note 3 to the financial statements dated May 31, 2014, which did not affect the Company's results.

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 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.