



**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE AND NINE MONTH PERIOD ENDED FEBRUARY 28, 2015**

**GEOMEGA RESOURCES INC.**  
**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTH PERIOD ENDED FEBRUARY 28, 2015**

The following Interim Management's Discussion and Analysis ("**MD&A**") of Geomega Resources Inc. (the "**Company**" or "**GéoMégA**") should be read in conjunction with the Company's condensed interim consolidated financial statements and related notes for the three and nine month period ended February 28, 2015 and with the Company's audited financial statements and accompanying notes for the year ended May 31, 2014. The condensed interim consolidated financial statements for the three and nine month period ended February 28, 2015 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 condensed interim consolidated 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, 2015. All amounts presented are in Canadian dollars.

The Company's common shares are traded on the TSX Venture Exchange under the symbol **GMA** and 56,989,560 common shares were outstanding as of April 24, 2015. Additional information is available through [www.sedar.com](http://www.sedar.com) or [www.ressourcesgeomega.ca](http://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**

The Company is engaged in the acquisition, exploration and evaluation of mining properties in Quebec and does not generate any operating revenue. The Company's financial success may come from either the economic viability of the Montviel project (mining of rare earths elements and niobium), development or use of its physical separation process (ore, recycling products and royalties) through its subsidiary Innord Inc. and of the discovery of a gold deposit (gold portfolio). 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 is a mineral exploration and evaluation company focused on the discovery and sustainable development of economic deposits of metals in Quebec. GéoMégA is committed to meeting the Canadian mining industry standards and distinguishing itself with innovative engineering, stakeholders' engagement and dedication to local transformation benefits.

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**OVERALL PERFORMANCE**

Summary for the quarter ended February 28, 2015 and recent developments:

Montviel Project (Rare earth elements and niobium)

Preliminary economic assessment ("PEA") update:

- Reception of a customized reactor to enable bench scale production (grams/day) of mixed rare earth elements ("REE") concentrate from the ore at its National Research Council Canada ("NRC") laboratory facility in Boucherville, Quebec;
- Confirmation of the process flow sheet energy needs to produce a mixed REE concentrate from the ore under 55 megawatts (MW).

Corporate Affairs

- On February 26, 2015, the Company created Innord Inc., a wholly owned private subsidiary holding the rights to the physical separation process and laboratory equipment of the Company.
- Management appointments and stock options grant:
  - Mr. Pouya Hajiani, Ph. D., promoted Chief Technology Officer;
  - Mr. Derek Lindsay, MBA, appointed Chief Financial Officer;
  - Mr. Kiril Mugerman, formalized Director of Corporate development;
  - Grant to an officer and employees of a total of 100 000 stock options, at the exercise price of \$0.14 according to the terms of the Company stock option plan.
- As of the MD&A date, the Company has no qualifying exploration expenditures obligation in connection with the November 2014 flow-through financing.

Anik Project (gold)

- Finalization of the initial drilling campaign ("Phase 1"), 22 drill holes totaling 4,731 meters:
  - First 17 drill holes disclosed on January 20, 2015;
  - Intersection of visible gold within a quartz vein in drill hole AK-15-16;
  - Final 5 drill holes disclosed on February 23, 2015.

**SUMMARY OF ACTIVITIES**

**1. Montviel Project (Rare earth elements and niobium)**

The Montviel project ("Montviel"), 100% owned by the Company, 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 Quebec. Montviel benefits from permanent access, public infrastructure and skilled labour in the immediate project area. The property carries a 2% net output royalty to NioGold Mining Corporation (TSX: NOX.V).

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**1.1. Summary of the quarter ended February 28, 2015**

On January 14, 2015, the Company received a customized reactor to enable bench scale production (grams/day) of mixed REE concentrate from Montviel ore at its NRC laboratory facility in Boucherville, Quebec. The mixed REE concentrate produced according to the Montviel process flow sheet will solidify the process REE recovery numbers and provide sufficient quantities for separation and quality certification testing.

As of April 24, 2015, the process flow sheet developed to produce a mixed REE concentrate and niobium oxide from the Montviel ore is completed. Certification by the qualified persons involved in the PEA is underway, they will be able to assess the operating costs and revenues necessary for the completion of the PEA. The Company will disclose the expected metallurgical performances and timing of the 43-101 reports in a press release soon.

**1.2. Updated NI 43-101 compliant resource estimate**

Montviel is a 32 km<sup>2</sup> alkaline intrusive system hosting carbonatite intrusions with significant rare earth elements and niobium mineralization. The initial NI 43-101 resource estimate according to an open pit mining scenario published in September 2011 identified (base case) 445,958 tons of neodymium oxide in the indicated category and 160,347 tons of neodymium oxide in the inferred category. 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.

The updated resource estimation will consider the following changes:

- underground mining scenario (ramp access);
- 29,000 meters of additional diamond drilling defining the REE and niobium enrichment zone and the dysprosium enrichment zone;
- Cut-off grade adjusted with the operating costs expected in the PEA.

**1.3. Preliminary Economic Assessment**

The corporate commitment to sustainability dictated the following operational parameters of the Montviel project: i) underground mining scenario with paste backfill, ii) reduction of reagents to be transported by road and iii) electrical operations with a low voltage power line. It took more than 3 and a half years of metallurgical and optimization work to answer these three parameters.

The PEA will include the following assumptions:

- underground mining scenario (ramp access);
- annual production of mixed REE concentrate containing about 2,000 tons of neodymium oxide;
- energy supply coming from a power line connected to the Hydro-Quebec network;
- separation opportunity of the mixed REE concentrate with the separation process of Innord Inc.

**1.4. Environmental geochemistry**

The Company established a collaboration with the *FONCER – Mine de savoir* program (funded by the NSERC) and the University of Montreal. This collaboration will allow to advance several aspects notably the establishment of the environmental discharge criteria of REE for the Montviel project. This collaboration involves, among other things, a review of literature on toxicity criteria's and acute and chronic toxicities tests.

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**1.5. Outlook next 12 months**

- Metallurgical performance to produce a mixed REE concentrate and niobium oxide;
- Updated NI 43-101 compliant resource estimate;
- NI 43-101 compliant Preliminary Economic Assessment.

**2. Innord Inc. – wholly owned subsidiary of GéoMégA**

The Company began a research and development (“**R&D**”) program to develop a separation process using the physical characteristics specific to each rare earth elements in November 2011. The end users of REE requiring high purity metals, it makes more investment sense to develop an internal separation process than to sell mixed REE concentrate to solvent extraction plant operators for poor returns, no global supply advantage and no local transformation benefits. After more than 2 years of efforts, the positive results of the R&D program were disclosed in the first half of 2014.

**2.1. Summary of the quarter ended February 28, 2015**

On February 26, 2015, the Company created Innord Inc. and transferred its rights to the physical separation process and laboratory equipment in exchange for 100 common shares. The goal of Innord Inc. is to maximize the value of the separation process by facilitating its development through direct investment of key financial partners.

Management focuses on the completion of the Montviel PEA before engaging in the scaling up of the separation process at its NRC laboratory facilities in Boucherville, in Quebec.

**2.2 Physical separation process**

Based on electrophoresis, the 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.

On August 22, 2014, the Company received the international search report and written opinion from the Canadian Intellectual Property Office concluding positively on the novelty, inventive activity and industrial application of the separation process and twenty-three claims from the twenty-five claims stated are deemed patentable. Innord Inc. will file national applications in important jurisdictions before the November 2015 deadline.

**2.3. Outlook next 12 months**

- Direct investments for the development needs of the separation process;
- Patent approval (Canada + others);
- Separation tests on Montviel mixed REE concentrate;
- Separation tests on recycled waste concentrate enriched in REE;
- Preliminary estimate of operating costs of the separation process.

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**3. Gold projects portfolio**

With the Montviel geology being well advanced, the exploration team focuses its efforts since March 2014 on the gold projects portfolio in Quebec of the Company. All projects include gold anomalies discovered by the exploration team during previous exploration campaigns.

**3.1 Anik Project**

The Anik Project ("**Anik**"), 100% owned by the Company, is located 40 km south of the town of Chapais, Quebec, in the southern, developed part of northern Quebec. Anik benefits from permanent access, public infrastructure and skilled labour in the immediate project area.

**3.1.1 Summary of the quarter ended February 28, 2015**

In November, 2014, Phase 1 began in order to investigate the extensions to the mineralized showings and to test several regional targets. The Phase 1 ended on January 31<sup>st</sup> 2015 with the completion of 22 drills holes for 4,731 meters of core. Of those drill holes, 13 were conducted in the 3 gold showings sectors (Bobby, ORBI and Mirador) and 9 investigated regional targets of geological, geochemical and/or geophysical anomalies. Some 3,475 samples were sent to the laboratory to analyse their gold content.

Of the 13 drill holes that investigated the gold showings, 11 intersected gold grades superior to 1 g/t over 1 meter or more. The 9 regional exploration drill holes did not reveal any anomalies superior to 0.5 g/t Au. The following table summarizes the Phase 1 significant intersections.

**Phase 1: Significant intersections**

Drill holes	Targets	Azimuth/Dip	From (m)	To (m)	Length (m)	Au (g/t)
AK-02 <sup>1</sup>	ORBI / Trench 35-S	N345°/-45°	110.0	115.0	5.0	0.72
			incl. 114.0	115.0	1.0	2.06
			131.5	132.5	1.0	2.83
AK-03 <sup>1</sup>	Mirador	N345°/-45°	64.0	65.0	1.0	1.14
AK-04 <sup>1</sup>	ORBI	N345°/-45°	38.0	41.0	3.0	1.24
AK-05 <sup>1</sup>	Trench 35-S	N345°/-45°	135.0	136.0	1.0	4.30
			207.0	208.2	1.2	2.73
AK-06 <sup>2</sup>	Bobby	N165°/-45°	9.0	65.5	56.5	0.41
			incl. 21.0	36.0	15.0	1.00
AK-15-16 <sup>1</sup>	ORBI-South	N345°/-45°	10	11	1.0	19.45
	ORBI		91	94	3.0	1.05
AK-15-17B <sup>1</sup>	ORBI	N345°/-45°	30	31	1.0	4.67
AK-15-18 <sup>2</sup>	Bobby	N345°/-45°	69	71	2.0	1.60
AK-15-19B <sup>2</sup>	Bobby	N165°/-45°	19	20	1.0	1.27
			58	59	1.0	1.93
AK-15-20 <sup>2</sup>	Exploration	N345°/-45°	77	80	3.0	1.47
			84	85	1.0	1.06
AK-15-21 <sup>2</sup>	Bobby	N165°/-45°	162.84	170.80	7.96	1.28
			incl. 165	166.54	1.54	3.06
1. True width is estimated between 75 et 90% of core length.						
2. True width is estimated between 45 et 60% of core length.						

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All gold mineralized intersections of drill holes AK-14-02 to AK-14-06 presented silicified metric intervals with veins and veinlets of quartz mineralized in pyrite within shear corridors with alterations in sericite, ankerite and locally fuschite. The shear corridors can crosscut sedimentary units, mafic volcanics, gabbros and diorites. The width of those corridors ranges from a few meters to several tens of meters.

The AK-15-16 and 17B drill holes were realized in order to follow up on the gold intersection of 1.24 g/t Au over 3.0 meters of the AK-14-04 drill hole, which corresponds to the ORBI showing. Both drill holes intersected silicified and carbonated levels with mineralized quartz veins corresponding to the ORBI showing, the drill holes intersected values of 1.05 g/t Au over 3.0 meter and 4.67 g/t Au over 1.0 meter respectively. The ORBI zone is still open to the east and at depth. Furthermore, the drill hole AK-15-16 also uncovered a mineralized sedimentary level containing centimetric quartz veins in one of which visible gold is present. This unit graded 19.45 g/t Au over 1 meter in the first meters of the drill holes. This new zone is still open to the east and at depth.

The drill holes AK-15-18 to 22 investigated the Bobby showing sector. Of the 5 drill holes realized, 4 intersected a silicified and mineralized plurimetric level with quartz veinlets. The AK-15-18 and 19 drill holes have intersected the east and west periphery of the zone while the drill hole AK-15-20 intersected the expression of this zone at 150 meters north of the surface showing. The AK-15-21 (1.28 g/t Au over 7.96 meters) intersected the mineralized zone at a depth of 125 vertical meters and shows that the mineralizing system is still very active. Finally, the lithological sequence intersected in the AK-15-22 differs from the other drill holes and demonstrates the presence of a major structure between the drill holes. This structure proves to be the main gold vector to be investigated in future drilling and surface campaigns.

### **3.1.2 Discovery and geological context**

The exploration on the Anik project began in spring 2014 with the realization of a high definition magnetic helicopter-borne survey followed by a first cartographic and geological reconnaissance campaign. The results of this first intervention led to the ORBI showing discovery, a very angular erratic block of 4 m<sup>3</sup> which graded 10.30 g/t, 8.03 g/t and 7.86 g/t Au. Following this discovery, the Company discovered 2 new showings (Mirador and Bobby) defining a 600 meter gold bearing lineament.

The Mirador showing, located 220 meters north-east of the ORBI showing, returned anomalous values between 0.10 g/t and 0.74 g/t Au in a metric sheared zone and three samples of 1.38 g/t, 3.16 g/t and 11.35 g/t Au contained in centimetric quartz-tourmaline veins. The Bobby showing, located 350 meters south-west of the ORBI showing, graded 0.51 g/t Au over 1.0 m and 1.13 g/t Au over 1.0 m (channel sample) in a sediment crosscut by a network of pyrite mineralized quartz veins within a sedimentary unit.

### **3.2 Other projects**

As of the MD&A date, the gold projects portfolio, other than Anik, (the "**Other Projects**"), totaled four projects owned at 100%, in the southern developed part of northern Quebec. Most of the Other Projects, benefit from permanent access, public infrastructure and skilled labour in the immediate project area.

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**3.3 Outlook next 12 months**

- Interpretation and production of the statutory report on the Phase 1 work for the Anik project;
- Fieldwork in the summer 2015 for an eventual drilling campaign on Anik;
- Detailed compilation and report production for the Other Projects;
- Evaluation of sales or option opportunities of the portfolio and project staking.

**EXPLORATION AND EVALUATION RESULTS**

**Montviel Project (Rare earth elements and niobium)**

	Quarter Ended February 28,		Nine Months Ended February 28,		Cumulative to date \$
	2015 \$	2014 \$	2015 \$	2014 \$	
<b>Montviel - Exploration</b>					
Assays and drilling	93	177,729	11,583	285,352	4,579,120
Geology	29,858	124,908	149,690	438,309	2,881,424
Mineralogy and metallurgy	-	-	4,210	-	721,943
Transport and lodging	12,552	13,814	59,217	66,739	943,635
Geophysics and geochemistry	-	5,865	-	-	144,574
Depreciation of property and equipment	8,014	58,554	50,301	156,071	569,392
Taxes, permits and insurances	5,616	9,241	9,052	16,928	87,627
<b>Total Exploration</b>	<b>56,133</b>	<b>390,111</b>	<b>284,053</b>	<b>963,399</b>	<b>9,927,715</b>

	Quarter Ended February 28,		Nine Months Ended February 28,		Cumulative to date \$
	2015 \$	2014 \$	2015 \$	2014 \$	
<b>Montviel - Evaluation</b>					
Market study	-	-	21,539	6,579	134,498
Mine design	3,780	8,157	51,178	15,759	407,754
Hydrogeology, geochemistry, geotechnical and geomechanical	10,518	13,828	115,856	144,100	589,243
Environmental baseline	-	(1,296)	11,800	26,518	254,541
Infrastructure	-	-	19,635	1,196	107,599
Tailings pond	-	-	-	14,576	121,620
Metallurgy and processing	55,618	52,318	202,510	273,770	810,007
Separation process	18,240	92,079	82,861	253,175	658,425
Other	2,948	12,699	40,209	23,459	43,540
<b>Total Evaluation</b>	<b>91,104</b>	<b>177,784</b>	<b>545,588</b>	<b>759,132</b>	<b>3,127,227</b>
<b>Total Exploration and Evaluation expenditures capitalized</b>	<b>147,237</b>	<b>567,896</b>	<b>829,641</b>	<b>1,722,531</b>	<b>13,054,942</b>



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The evaluation activities performed during the nine month period ended February 28, 2015 have allowed the Company to finalize the process flow sheet optimization to produce a mixed REE concentrate and niobium oxide from the ore required to complete the Montviel PEA.

**Anik Project (gold)**

	Quarter Ended February 28,		Nine Months Ended February 28,		Cumulative to date \$
	2015 \$	2014 \$	2015 \$	2014 \$	
<b>Anik - Exploration</b>					
Salary, geology and prospection	135,084	-	426,537	13,799	506,459
Lodging and travel expenses	55,637	-	169,381	527	193,448
Geophysics	-	-	32,688	-	162,179
Analysis	114,927	-	218,299	1,797	246,097
Drilling	155,317	-	243,825	-	243,825
Supplies and equipment	19,227	-	73,226	844	92,804
Taxes, permits and insurance	5,895	(447)	8,028	-	8,752
<b>Anik – Exploration</b>	<b>486,087</b>	<b>(447)</b>	<b>1,171,984</b>	<b>16,967</b>	<b>1,453,564</b>

The exploration activities performed during the three and nine month period ended February 28, 2015 were mainly incurred for geological surveys, drilling, analysis, prospecting and sampling in order to continue the exploration of the property.

**Other Projects**

	Quarter Ended February 28,		Nine Months Ended February 28,		Cumulative to date \$
	2015 \$	2014 \$	2015 \$	2014 \$	
<b>Exploration – Other projects</b>					
Salary, geology and prospection	-	-	2,790	11,138	118,115
Lodging and travel expenses	-	-	393	-	11,192
Geophysics	-	-	31,486	-	31,813
Analysis	-	-	1,221	-	27,593
Supplies and equipment	-	-	181	183	14,405
Taxes, permits and insurance	168	(1,656)	661	-	761
<b>Exploration – Other projects</b>	<b>168</b>	<b>(1,656)</b>	<b>36,732</b>	<b>11,321</b>	<b>203,879</b>

The exploration and evaluation activities performed during the three and nine month period ended February 28, 2015 were mainly incurred for geological surveys, analysis, prospecting and sampling.

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

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**RESULTS OF OPERATIONS**

For the quarter ended February 28, 2015, the Company incurred a loss of \$703,544 (compared to \$275,831 for the same period in 2014). The increase of \$427,713 mainly related to the cost of \$453,251 associated to Phase 1 work on the Anik project. No exploration work has been realized for the same period in 2014.

For the nine month period ended February 28, 2015, the Company incurred a loss of \$1,916,721 (compared to \$663,463 for the same period in 2014). The increase of \$1,253,258 is mainly related to the following factors:

- Increase in exploration and evaluation expenses of \$1,037,506 related to exploration work carried out on the gold projects portfolio (Anik and Other Projects);
- Increase in salaries, employee benefits and share-based compensation of \$44,055 mainly related to salary expenses generated by the exploration work carried out on Anik;
- Increase in travel, conference and investor relations of \$110,470 related to the Company visibility activities with investors ;
- Decrease in recovery of deferred income taxes of \$34,693 related to the amortization of the flow-through share liability of the Company.

**SUMMARY OF QUARTERLY RESULTS**

(in thousands of dollars, except for per share amounts)	2015			2014			2013	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	5	3	6	1	6	10	1	1
Loss and comprehensive loss	703	647	566	567	276	186	201	370
Loss per share – basic and diluted	0.01	0.01	0.01	0.005	0.005	0.01	0.01	0.01

The main variations in the quarterly results compared to the quarters of the previous year can be explained as follows:

- 2015-Q3** Increase in exploration and evaluation expenses of \$453,251 related to the exploration work performed on the Anik project;
- 2015-Q2** Increase in exploration and evaluation expenses of \$361,716 related to the exploration work performed on Anik property;
- 2015-Q1** Increase in exploration and evaluation expenses of \$220,437 related to the exploration work performed on gold portfolio (Anik and Other Projects);
- 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;

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- 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;

**LIQUIDITY AND CAPITAL RESOURCES**

As at February 28, 2015, the Company had cash and cash equivalents of \$897,750, current tax credits receivable of \$37,116 and non-current tax credits receivable of \$274,610 (respectively \$2,399,775, \$433,674 and \$92,092 as of May 31, 2014). The Company had working capital of \$852,580 (\$2,322,137 as of May 31, 2014).

Management considers the working capital insufficient to meet the Company's obligations and budgeted expenditures through February 28, 2016. Consequently, management must secure additional funding to ensure timely exploration and evaluation of its properties and pay for general and administrative costs. Global economic uncertainty remains and contributes to the volatility in the capital markets, which makes equity financings for exploration companies 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.

Private placements

In November 2014, the Company completed a private placement and issued 4,528,277 units at a price of \$0.18 per unit for gross proceeds of \$815,090. 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 \$0.25 until November 20, 2016.

On November 20, 2014, the Company completed a brokered flow-through private placement and issued 2,000,000 flow-through shares at a price of \$0.25 for gross proceeds of \$500,000. The Company paid a cash commission of \$40,000 to the broker and issued 160,000 non-transferable broker options allowing the holder to acquire one common share of the Company at a price of \$0.25 until November 20, 2016. At the date of this report, the Company has incurred the totality of the exploration expenditures in connection with this financing.

Tax credits receivable

On January 27, 2015, the Company received a reimbursement of \$39,884 for its mining credit on duties refundable for losses for the year ended May 31, 2014.

On September 16, 2014, the Company received a reimbursement of \$299,899 for its mining credit on duties refundable for losses for the year ended May 31, 2012.

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**ADDITIONAL INFORMATION**

*Outstanding Shareholders' Equity Data:*

As of April 24, 2015, the following are outstanding:

	As of February 28, 2015	Issuance	Expiration	As of April 24, 2015
Common Shares	56,989,560	-	-	56,989,560
Stock options	3,555,000	-	-	3,555,000
Warrants	6,957,304	-	-	6,957,304
Broker options	424,167	-	-	424,167

**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. 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, 2014 available on SEDAR at [www.sedar.com](http://www.sedar.com).

**CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDEMENTS AND ASSUMPTIONS**

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires making estimates and assumptions that affect amounts reported in the condensed interim consolidated 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, available at [www.sedar.com](http://www.sedar.com).

**INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The accounting policies applied by the Corporation in the unaudited condensed interim consolidated financial statements for the three and nine month period ended February 28, 2015, are consistent with those applied by the Company in the audited financial statements for the year ended May 31, 2014, except for the change in accounting policies outlined in Note 2 to the February 28, 2015, unaudited condensed consolidated interim financial statements.

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements are the responsibility of the Company's management. The condensed interim consolidated financial statements were prepared by the Company's management in accordance with IFRS. The condensed interim consolidated 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 condensed interim consolidated financial statements are presented fairly in all material respects. The condensed interim consolidated 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.