



## **GEOMEGA RESOURCES INC.**

**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**THREE MONTHS ENDED AUGUST 31, 2015**

### **NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

**GEOMEGA RESOURCES INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited, in Canadian Dollars)

	Note	August 31, 2015 \$	May 31, 2015 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	3	781,617	454,671
Sales tax receivable		102,859	35,534
Tax credits receivable		225,980	225,980
Prepaid expenses and other		40,700	55,921
<b>Current assets</b>		<b>1,151,156</b>	<b>772,106</b>
<b>Non-current</b>			
Tax credits receivable		92,092	129,208
Exploration and evaluation assets	4	18,138,145	17,895,108
Property and equipment		249,181	241,759
<b>Non-current assets</b>		<b>18,479,418</b>	<b>18,266,075</b>
<b>Total assets</b>		<b>19,630,574</b>	<b>19,038,181</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		475,263	392,931
Obligations under finance leases		20,222	34,826
Flow-through share liability	5	95,303	-
<b>Current liabilities</b>		<b>590,788</b>	<b>427,757</b>
<b>Total liabilities</b>		<b>590,788</b>	<b>427,757</b>
<b>EQUITY</b>			
Share capital	6	27,324,878	26,525,148
Warrants	7	785,118	700,225
Broker options	8	119,910	119,910
Stock options		1,402,860	1,663,131
Contributed surplus		1,779,258	1,529,238
Deficit		(12,372,238)	(11,927,228)
<b>Total equity</b>		<b>19,039,786</b>	<b>18,610,424</b>
<b>Total liabilities and equity</b>		<b>19,630,574</b>	<b>19,038,181</b>

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

Going concern (Note 1)  
Subsequent events (Note 12)

Approved on Behalf of the Board:  
/s/ "Kiril Mugerma"

Kiril Mugerma  
President and CEO

/s/ "Gilles Gingras"

Gilles Gingras  
Director

**GEOMEGA RESOURCES INC.****INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited, in Canadian Dollars, except number of common shares)

		<b>Three Months Ended August 31,</b>	
		<b>2015</b>	<b>2014</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>			
Salaries, employee benefits and share-based compensation		<b>191,967</b>	<b>151,820</b>
Exploration and evaluation expenses, net of tax credits	10	<b>194,885</b>	<b>251,485</b>
Research expenses, net of tax credits		<b>5,647</b>	<b>7,417</b>
Professional fees		<b>68,005</b>	<b>87,080</b>
Travel, conference and investor relations		<b>12,580</b>	<b>44,206</b>
Administration		<b>10,290</b>	<b>5,966</b>
Filing fees		<b>10,320</b>	<b>22,845</b>
Rent		<b>7,306</b>	<b>7,094</b>
Insurance, taxes and permits		<b>13,122</b>	<b>5,575</b>
Depreciation of property and equipment		<b>-</b>	<b>3,114</b>
<hr/>			
<b>Loss before under noted items</b>		<b>514,122</b>	<b>586,602</b>
<hr/>			
Interest income		<b>(4,328)</b>	<b>(5,535)</b>
Finance costs		<b>1,965</b>	<b>13,379</b>
<hr/>			
<b>Loss before income taxes</b>		<b>511,759</b>	<b>594,446</b>
Deferred income taxes recovery		<b>(66,749)</b>	<b>(28,930)</b>
<hr/>			
<b>Loss and comprehensive loss for the year</b>		<b>445,010</b>	<b>565,516</b>
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<b>Basic and diluted loss per share</b>		<b>(0.008)</b>	<b>(0.01)</b>
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Weighted average number of common shares outstanding - Basic and diluted		<b>58,846,143</b>	<b>49,890,413</b>

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**GEOMEGA RESOURCES INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Unaudited, in Canadian Dollars)

<b>Three Months Ended August 31,</b>		<b>Share Capital</b>	<b>Warrant s</b>	<b>Broker Options</b>	<b>Stock Options</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total Equity</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
As at May 31, 2014		25,337,856	620,253	110,046	1,556,330	1,464,563	(9,619,741)	19,469,307
Loss and comprehensive loss for the period		-	-	-	-	-	(565,516)	(565,516)
Share-based compensation		-	-	-	20,716	-	-	20,716
Exercise of warrants	6, 7	302,756	(52,756)	-	-	-	-	250,000
Expired stock options	9	-	-	-	(11,765)	11,765	-	-
Expired broker options	8	-	-	(4,536)	-	4,536	-	-
<b>As at August 31, 2014</b>		<b>25,640,612</b>	<b>567,497</b>	<b>105,510</b>	<b>1,565,281</b>	<b>1,480,864</b>	<b>(10,185,257)</b>	<b>19,174,507</b>
<b>As at May 31, 2015</b>		<b>26,525,148</b>	<b>700,225</b>	<b>119,910</b>	<b>1,663,131</b>	<b>1,529,238</b>	<b>(11,927,228)</b>	<b>18,610,424</b>
Loss and comprehensive loss for the period		-	-	-	-	-	(445,010)	(445,010)
Share-based compensation		-	-	-	(10,251)	-	-	(10,251)
Shares issued for private placements	6, 7	822,270	88,684	-	-	-	-	910,954
Share issuance costs	6, 7	(22,540)	(3,791)	-	-	-	-	(24,877)
Expired stock options		-	-	-	(250,020)	250,020	-	-
<b>As at August 31, 2015</b>		<b>27,324,878</b>	<b>785,118</b>	<b>119,910</b>	<b>1,402,860</b>	<b>1,779,258</b>	<b>(12,372,238)</b>	<b>19,039,786</b>

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**GEOMEGA RESOURCES INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW**  
(Unaudited, in Canadian Dollars)

	<b>Three Months Ended</b>	
	<b>August 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Loss for the period	<b>(445,010)</b>	(565,516)
Adjustments for:		
Share-based compensation	<b>(11,662)</b>	13,870
Depreciation of property and equipment	<b>—</b>	3,114
Deferred income tax recovery	<b>(66,749)</b>	(28,930)
Changes in non-cash working capital items:		
Sales tax receivable	<b>(67,325)</b>	30,356
Prepaid expenses and other	<b>15,222</b>	(504)
Trade and other payables	<b>93,904</b>	115,373
<b>Cash flows used in operating activities</b>	<b>(481,620)</b>	(432,237)
<b>INVESTING ACTIVITIES</b>		
Additions of exploration and evaluation assets	<b>(253,115)</b>	(463,744)
Tax credit received	<b>48,813</b>	—
Additions of property and equipment	<b>(16,099)</b>	—
<b>Cash flows from (used) in investing activities</b>	<b>(220,401)</b>	(463,744)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of units and shares, net of issue costs	<b>1,043,571</b>	—
Proceeds from exercise of warrant	<b>—</b>	250,000
Payments on obligations under finance leases	<b>(14,604)</b>	(12,831)
<b>Cash flows from (used) financing activities</b>	<b>1,028,967</b>	237,169
<b>Net change in cash and cash equivalents</b>	<b>(326,946)</b>	(658,812)
<b>Cash and cash equivalents, beginning of the period</b>	<b>454,671</b>	2,399,775
<b>Cash and cash equivalents, end of the period</b>	<b>781,617</b>	1,740,963
<b>Additional information</b>		
Interest received	<b>3,131</b>	5,535
Interest paid	<b>(1,706)</b>	(10,496)
Addition of exploration and evaluation assets included in trade and other payables	<b>37,029</b>	180,159

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**GEOMEGA RESOURCES INC.**  
**Notes to Consolidated interim Financial Statements**  
**August 31, 2015**  
(Unaudited, in Canadian Dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Geomega Resources Inc. (the “Company”) is incorporated under the Canada Business Corporations Act and is engaged in the acquisition, exploration and evaluation of mining properties in Canada. The Company’s shares are listed on the TSX Venture Exchange under symbol GMA. The address of the Company’s registered office and principal place of business is 475 Victoria Avenue, Saint-Lambert, Quebec, Canada, J4P 2J1. These unaudited condensed interim financial statements were approved by the Company’s Board of Directors on October 26, 2015.

The Company has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the ability of the Company to obtain necessary financing to pursue the exploration and evaluation on its mining properties.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. For the three months ended August 31, 2015, the Company reported a loss of \$445,010 and an accumulated deficit of \$12,372,238 at that date. As at August 31, 2015, the Company had working capital of \$560,367 and cash and cash equivalents of \$781,617 on which \$365,436 is reserved for the flow-through expenses. Management estimates that the working capital will not be sufficient to meet the Company’s obligations and commitments and budgeted expenditures through August 31, 2016. These circumstances lend a significant doubt as to the ability of the Company to ensure its continuity of operation and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company’s ability to continue as a going concern as described in the preceding paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

Any funding shortfall 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 assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in the financial statements.

**2. SIGNIFICANT ACCOUNTING POLICIES**

*Statement of Compliance*

These condensed interim financial statements have been prepared in accordance with the *International Financial Reporting Standards* (“IFRS”) as issued by the *International Accounting Standards Board* (“IASB”) applicable to the preparation of interim financial statements, including *International Accounting Standard* (“IAS”) 34, *Interim Financial Reporting*. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year end reporting purposes.

*Basis of Presentation*

The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended May 31, 2015, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these unaudited condensed interim financial statements are consistent with those of the previous financial year ended May 31, 2015.

**GEOMEGA RESOURCES INC.**  
**Notes to Consolidated interim Financial Statements**  
**August 31, 2015**  
(Unaudited, in Canadian Dollars)

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**3. CASH AND CASH EQUIVALENTS**

	<b>August 31, 2015</b>	May 31, 2015
	<b>\$</b>	<b>\$</b>
Cash	<b>401,617</b>	74,671
Investments redeemable at any time	<b>380,000</b>	380,000
	<b>781,617</b>	454,671
<u>Less : cash reserved for qualifying exploration expenditures</u>	<b>365,436</b>	-
Cash and cash equivalents	<b>416,181</b>	454,671

**4. EXPLORATION AND EVALUATION ASSETS**

**Montviel property (Rare Earth Elements)**

The Company owns 100% of the Montviel property, located approximately 100 km north of Lebel-sur-Quévillon and 45 km west of the Cree First Nation of Waswanipi. The Montviel property comprises 163 mining claims totalling 9,053 hectares as at August 31, 2015.

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

**Anik property (Gold)**

The Company owns 100% of the Anik property, located 40 km south of the town of Chapais. The Anik property consisted of 161 claims totalling 9,026 hectares as at August 31, 2015.

**McDonald property (Gold)**

The Company owns 100% of the McDonald property, located 30 km east of the Montviel property. The McDonald property consisted of 217 claims totalling 12,026 hectares as at August 31, 2015.

**Rivière à l'aigle property (Gold)**

The Company owns 100% of the Rivière à l'aigle property, located 60 km south of the town of Chapais. The Rivière à l'aigle property consists of 145 claims totalling 8,152 hectares as at August 31, 2015.

**Lac Storm property (Gold)**

The Company owns 100% of the Lac Storm property, located 100 km north of the Montviel property. The Lac Storm property consists of 17 claims totalling 923 hectares as at August 31, 2015.

**3G property (Gold)**

The Company owns 100% of the 3G property, located 40 km east of the Montviel property. The 3G property consists of 11 claims totaling 609 hectares as at August 31, 2015.

**Gaspard property (Gold)**

During the three months ended August 31, 2015, the Company acquired 100% of the Gaspard property, located 40 km east of the Montviel property. The Gaspard property consists of 30 claims totalling 1,679 hectares as at August 31, 2015.

**GEOMEGA RESOURCES INC.**  
**Notes to Consolidated interim Financial Statements**  
**August 31, 2015**  
(Unaudited, in Canadian Dollars)

**4. EXPLORATION AND EVALUATION ASSETS (continued)**

**Buckingham property (Graphite)**

The Company owns 100% of the Buckingham property, located in the town of Buckingham. The Buckingham property consisted of 13 claims totalling 782 hectares as at August 31, 2015.

**MINERAL PROPERTIES**

<b>QUÉBEC</b>	Montviel	Anik	McDonald	Rivière à l'aigle	Lac Storm	3G	Gaspard	Buckingham	Total
May 31, 2014	6,933,364	20,237	17,347	-	-	-	-	2,172	6,973,120
Additions	6,498	28,173	4,615	6,036	939	790	-	-	47,051
Impairment	(11,850)	-	-	-	-	-	-	-	(11,850)
<b>May 31, 2015</b>	<b>6,928,012</b>	<b>48,410</b>	<b>21,962</b>	<b>6,036</b>	<b>939</b>	<b>790</b>	<b>-</b>	<b>2,172</b>	<b>7,008,321</b>
<b>Additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,481</b>	<b>-</b>	<b>-</b>	<b>1,658</b>	<b>1,437</b>	<b>6,576</b>
<b>Impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>August 31, 2015</b>	<b>6,928,012</b>	<b>48,410</b>	<b>21,962</b>	<b>9,517</b>	<b>939</b>	<b>790</b>	<b>1,658</b>	<b>3,609</b>	<b>7,014,897</b>

**EXPLORATION AND EVALUATION EXPENDITURES CAPITALIZED**

<b>QUÉBEC</b>	Montviel
May 31, 2014	9,839,258
Additions	1,052,065
Tax credits, net	(4,536)
<b>May 31, 2015</b>	<b>10,886,787</b>
<b>Additions</b>	<b>236,462</b>
<b>Tax credits, net</b>	<b>-</b>
<b>August 31, 2015</b>	<b>11,123,249</b>

	<b>August 31, 2015</b>	May 31, 2015
Mineral properties	<b>7,014,897</b>	7,008,321
Exploration and evaluation expenditures capitalized	<b>11,123,249</b>	10,886,787
<b>Total exploration and evaluation assets</b>	<b>18,138,145</b>	17,895,1088

**5. FLOW-THROUGH SHARE LIABILITY**

	<b>August 31, 2015</b>	May 31, 2015
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	-	30,480
Addition during the year, net of issue costs <sup>(i)</sup>	<b>156,480</b>	177,982
Reduction related qualifying exploration expenditures being incurred	<b>(61,177)</b>	(208,462)
Balance, end of year	<b>95,303</b>	-

(i) The addition for the period represents the excess of the proceeds received from flow-through shares issued over the fair market value of the shares issued, net of issue costs. For the three months ended August 31, 2015, the Company recorded a liability of \$156,480 (\$177,982 as at May 31, 2015) as a flow-through share liability, following the issuance of flow-through shares on June 19, 2015. The flow-through share liability is reduced as the Company incurs qualifying flow-through expenses.



**GEOMEGA RESOURCES INC.**  
**Notes to Consolidated interim Financial Statements**  
**August 31, 2015**  
(Unaudited, in Canadian Dollars)

**6. SHARE CAPITAL**

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

	Number of Shares	Carrying Value \$
Balance – May 31, 2014	49,401,283	25,337,856
Private placements	6,528,277	933,959
Share issuance costs	-	(64,573)
Shares issued - Anik	60,000	15,150
Exercise of warrants	1,000,000	302,756
Balance – May 31, 2015	56,989,560	26,525,148
	Number of Shares	Carrying Value \$
<b>Balance – May 31, 2015</b>	<b>56,989,560</b>	<b>26,525,148</b>
<b>Private placements</b>	<b>5,213,556</b>	<b>822,270</b>
<b>Share issuance costs</b>	<b>-</b>	<b>(22,540)</b>
<b>Balance – August 31, 2015</b>	<b>62,203,116</b>	<b>27,324,878</b>

**Three Months Ended August 31, 2015**

On June 19, 2015 the Company completed a first tranche of a private placement consisting of 1,311,112 units at a price of \$0.18 per unit and 2,608,000 flow-through shares at a price of \$0.23 per Flow-Through Share for aggregate gross proceeds of \$835,840. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at a price of \$0.23 per share for a period of 24 months from June 19, 2015.

On July 3, 2015, the Company completed the final tranche of a private placement consisting of 1,294,444 units at a price of \$0.18 per Unit for aggregate gross proceeds of \$233,000. Each Unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at a price of \$0.23 per share for a period of 24 months from July 3, 2015.

The Company has the right to force the exercise of the warrants if , after the restricted period on resale of four months and one day, the volume weighted average market price of the common shares exceeds \$ 0.50 for 10 consecutive days. Warrants holders will have 30 days to exercise the warrants following the receipt of notice of the Company, failing which the warrants will expire automatically.

**GEOMEGA RESOURCES INC.**  
**Notes to Consolidated interim Financial Statements**  
**August 31, 2015**  
(Unaudited, in Canadian Dollars)

**7. WARRANTS**

The following tables summarize the warrants outstanding as at August 31, 2015. Each warrant entitles the holder to subscribe to one common share.

	Number of warrants	Carrying Value \$	Weighted Average Exercise Price \$
Balance - May 31, 2014	7,767,389	620,253	0.57
Issued	2,264,138	181,131	0.25
Issue costs	-	(8,677)	-
Exercised	(1,000,000)	(52,756)	0.25
Expired	(2,074,223)	(39,726)	0.96
<b>Balance - May 31, 2015</b>	<b>6,957,304</b>	<b>700,225</b>	<b>0.40</b>
<b>Issued</b>	<b>1,302,778</b>	<b>88,684</b>	<b>0.23</b>
<b>Issue costs</b>	<b>-</b>	<b>(3,791)</b>	<b>-</b>
<b>Balance - August 31, 2015</b>	<b>8,260,082</b>	<b>785,118</b>	<b>0.37</b>

Expiration date	Number of warrants	Weighted Average Exercise Price \$
September 2015	1,866,666	0.90
November 2016	1,662,500	0.21
November 2016	2,264,138	0.25
December 2016	164,000	0.21
June 2017	1,302,778	0.23
July 2019	1,000,000	0.15
	<u>8,260,082</u>	

On August 26, 2015, the Company agreed, subject to the approval of the TSX Venture Exchange, to extend to July 1, 2019 the term of the 1,000,000 share purchase warrants held by Dr. Pouya Hajiani, PhD., an employee, and issued in consideration for all rights, title and interest in two patents related to the Company's rare earth elements physical separation process. In addition, the intrinsic fair value of the warrants shall no longer be capped at \$5 million at the time they become exercisable. All other terms and conditions of the warrants remain unchanged.

**8. BROKER OPTIONS**

The number of outstanding broker options as at August 31, 2015 which could be exercised for an equivalent number of units or shares is as follows:

	Number of broker options for common shares	Carrying Value \$	Weighted Average Exercise Price \$
Balance - May 31, 2014	301,967	110,046	0.59
Issued	160,000	14,400	0.25
Expired	(37,800)	(4,536)	0.50
<b>Balance – May 31, 2015 and August 31, 2015</b>	<b>424,167</b>	<b>119,910</b>	<b>0.47</b>

Expiration date	Number of broker options for common shares	Weighted Average Exercise Price \$
September 2015	174,367	0.60
October 2015	89,800	0.60
November 2016	160,000	0.25
	<u>424,167</u>	

There was no issue or exercise of broker options during the three months ended August 31, 2015.

**GEOMEGA RESOURCES INC.**  
**Notes to Consolidated interim Financial Statements**  
**August 31, 2015**  
(Unaudited, in Canadian Dollars)

**9. STOCK OPTIONS**

The Company has a stock option plan ("the Plan") whereby the Board of Directors (the "Board") may from time to time grant options to purchase common shares to employees, officers, directors and consultants, for such terms and at such exercise prices as may be determined by the Board in accordance with the terms of the Plan.

The Plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance under the Plan is limited to a maximum of 10% of the common shares outstanding and the maximum number of common shares which may be reserved for issuance to any one option may not exceed 5% of the common shares outstanding at the date of grant. These options may be exercised for a period of 5 years after the grant date and they vest gradually over a period of 24 months from the day of grant, at a rate of one-quarter per six-month period.

The stock option exercise price is established by the Board and may not be lower than the market price of the common shares at the time of grant. The exercise price is the closing price of the Company's common shares the day before the stock options are granted.

All share-based compensation will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the stock options. The Company's stock options are as follows at August 31, 2015:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price \$</b>
Outstanding - May 31, 2014	2,782,500	0.81
Granted	810,000	0.25
Expired	(146,875)	0.40
Forfeited	(125,625)	0.27
<b>Outstanding- May 31, 2015</b>	<b>3,320,000</b>	<b>0.60</b>
<b>Expired</b>	<b>(662,500)</b>	<b>0.50</b>
<b>Forfeited</b>	<b>(142,500)</b>	<b>0.26</b>
<b>Outstanding- August 31, 2015</b>	<b>2,515,000</b>	<b>0.45</b>

<b>Range of Exercise Price (\$)</b>	<b>Options Outstanding</b>			<b>Options Exercisable</b>	
	<b>Number of Options</b>	<b>Weighted Average Exercise Price \$</b>	<b>Remaining Life (years)</b>	<b>Number of Options</b>	<b>Weighted Average Exercise Price \$</b>
0.10 to 1.00	1,815,000	0.26	2.85	1,383,750	0.26
1.01 to 2.00	550,000	1.52	1.09	550,000	1.52
2.01 to 3.00	150,000	2.08	0.99	150,000	2.08
	<u>2,515,000</u>			<u>2,083,750</u>	

In total, (\$10,251) of share-based compensation was recognized during the three months ended August 31, 2015 with (\$11,662) included in the statement of loss and comprehensive loss and \$1,412 capitalized in exploration and evaluation assets (\$13,870 and \$6,846 respectively for 2014).

**GEOMEGA RESOURCES INC.**  
**Notes to Consolidated interim Financial Statements**  
**August 31, 2015**  
(Unaudited, in Canadian Dollars)

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**10. EXPLORATION AND EVALUATION EXPENSES**

	<b>Three Months Ended August 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Salaries, geology and prospection	<b>110,034</b>	137,439
Lodging and travel expenses	<b>35,653</b>	46,469
Analysis	<b>19,312</b>	41,450
Drilling	<b>9,900</b>	-
Geophysics	<b>9,118</b>	-
Supplies and equipment	<b>10,816</b>	25,212
Taxes, permits and insurance	<b>52</b>	915
<b>Exploration and evaluation expenses before tax credits</b>	<b>194,885</b>	251,485
Tax credits, net	<b>-</b>	-
<b>Exploration and evaluation expenses</b>	<b>194,885</b>	251,485

**11. FINANCIAL ASSETS AND LIABILITIES**

During the three months ended August 31, 2015, a claim concerning the departure of a senior executive has been filed against the Company. In the opinion of management, this claim is unfounded and, accordingly, no provision has been recorded in these consolidated financial statements.

**12. SUBSEQUENT EVENTS**

On September 14, 2015, the Company announced the appointment of president and chief executive officer Mr. Kiril Mugerma succeeding Mr. Derek Lindsay previously appointed on an interim basis. Mr. Mugerma was granted 300,000 stock options at an exercise price of \$0.085 per share for a period of 5 years under the terms of the Plan of the Company.