NEWS RELEASE
For immediate distribution

Geomega Enters Into Patent Ownership and Royalty Agreement with CTO and Closes First Tranche of Convertible Debenture Financing

Montreal, August 14, 2017 – Geomega Resources Inc. ("**GéoMégA**" or the "**Corporation**") (TSX.V: GMA) is pleased to announce that the Corporation and Innord entered into a patent ownership and royalty agreement with its Chief Technology Officer, Dr. Pouya Hajiani, to insure the long-term development and commercialization of the Corporation's proprietary rare earths extraction and separation technologies (the **"Agreement"**). In addition, the Corporation announces that it has closed a first tranche of $235,000 of a non-brokered private placement (the **"Offering"**) of units (the **"Units"**). Each Unit is comprised of one unsecured convertible debenture (each a **"Convertible Debenture"**) in the principal amount of $1,000 and 5,000 common share purchase warrants (the **"Warrants"**).

The Offering

The Convertible Debentures have a two (2) year maturity date (the **"Maturity Date"**) and bear an interest of 10% per annum, compounded quarterly and payable quarterly in arrears. The Corporation has the option to pay such interest by delivering such number of common shares of the Corporation (the **"Common Shares"**) as may be required, at an issue price per share based upon the 20-day volume weighted average price (**"VWAP"**) of the Corporation's common shares on the TSX Venture Exchange (**"TSXV"**) on the due date of the quarterly interest payment. Any such interest payment in Common Shares shall be subject to the approval of the TSXV.

Each Warrant will entitle the holder to purchase one Common Share (each a **"Warrant Share"**) at a price of $0.10 per Warrant Share for a period of twelve (12) months from the closing of the Offering and thereafter at a price of $0.12 per Warrant Share until the date which is twenty-four (24) months from the closing of the Offering.

The Convertible Debentures will be convertible into Common Shares at the option of the holder at any time prior to the close of business on the Maturity Date based on the following conversion price, subject to adjustment in certain events (the **"Conversion Price"**): (i) at a price of $0.10 per Common Share if converted during the period of twelve (12) months from the closing of the Offering; and (ii) at a price of $0.12 per Common Share if converted during period following the twelve month (12) anniversary of the closing of the Offering until the date which is twenty-four (24) months from the closing of the Offering.

The Convertible Debentures will be subject to redemption, in whole or in part, by the Corporation should the Corporation realize gross proceeds from a subsequent private placement of securities or as a result of the exercise of the Warrants in an amount equal to the gross proceeds of the Offering at any time following the closing of the Offering upon giving the holders of the Convertible Debentures not less than 30 and not more than 60 days' prior written notice, at a price equal to the then outstanding principal amount of the Convertible Debentures plus all accrued and unpaid interest up to and including the redemption date plus a redemption premium as follows: (i) 10% during the first six (6) months following the closing of the Offering; (ii) 5% from the six (6) month anniversary of the closing of the Offering to the twelve month (12) anniversary following the closing of the Offering; (iii) 3% following the twelve month (12) anniversary following the closing of the Offering until the Maturity Date. A holder of Convertible Debentures may elect to convert its Convertible Debentures by providing the Corporation with a written notice to that effect within five (5) business days of the receipt by the holder of the redemption notice.

Certain members of the board and executive management of the Corporation, being Gilles Gingras, a director of the Corporation, Kiril Mugerman, the President and Chief Executive Officer, and Ingrid Martin, the Chief Financial Officer, have participated in this first closing of the Offering in the aggregate amount of $60,000 (the "**Insiders' Participation**"). The Insiders' Participation is considered a "related party transaction" under Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions (Québec) ("**Regulation 61-101**") and the corresponding Policy 5.9 of the TSXV; however, the Insiders' Participation is exempt from the formal valuation and minority shareholder approval requirements provided under Regulation 61-101 in accordance with sections 5.5(a) and 5.7(1)(a) of said Regulation 61-101. The exemption is based on the fact that neither the market value of the Insiders' Participation nor the consideration paid therefor exceeds 25% of the Corporation's market capitalization. The Corporation did not file a material change report at least 21 days prior to the first closing of the Offering since the Insiders' Participation was not determined at that moment and the Corporation wished to close the Offering on an expedited basis for sound business reasons.

The Corporation intends to use the proceeds from this Offering to advance the ongoing research and development work being undertaken by Dr. Hajiani and Innord, to secure additional Provincial and Federal supported funding for the Corporation's and Innord's objectives and for ongoing working capital needs.

The securities issued in connection with the Offering will be subject to a four-month hold period, in accordance with applicable securities laws.

The Patent Ownership and Royalty Agreement

The Agreement will replace the 2013 agreement (see January 14, 2014 press release) that granted Dr. Hajiani 1,000,000 common share purchase warrants of the Corporation in exchange for the transfer by Dr. Hajiani of certain intellectual property rights to the Corporation, and which warrants will be cancelled pursuant to the Agreement. The new Agreement differs in the fact that it firstly, secures the Corporation's key asset (namely, Dr. Hajiani and his expertise) and secondly, it aligns the interests of all those involved in the proposed commercialization of the Montviel project and of the proprietary separation technology. In light of the foregoing, the Board of Directors has determined that the Agreement is in the best interests of the Corporation.

The entering into of the Agreement may be considered a “related party transaction” under Regulation 61-101 and TSXV Policy 5.9, and will be subject to the approval of the TSXV and the majority of the minority shareholders at the upcoming Annual General and Special Meeting of the Corporation which is expected to be held in October 2017. The Corporation benefits from an exemption from the formal valuation requirement of Regulation 61-101 in that the common shares of the Corporation are listed on the TSXV; however, and as previously mentioned, the Agreement is subject to TSXV and minority shareholder approval.

The Société de développement de la Baie-James (SDBJ), a representative of the Government of Quebec, that is currently a shareholder of both GéoMégA and Innord Inc. has confirmed its support of the Agreement.

“The rare earths industry is an extremely competitive sector and being able to secure the involvement of an in-house researcher that specializes in rare earths of that caliber for the long term is of utmost importance for the Corporation. Since hiring of Dr. Hajiani in 2013, the Corporation has advanced by leaps and bounds. We are now capable of producing rare earth carbonate concentrate using very low power and low acid amount. Although the work is ongoing, we have been operating lab scale electrophoresis separation prototypes for over a year now and are able to produce some separated oxides. Earlier in the year, the Corporation identified high grade industrial residues enriched in rare earths that are used in the production of permanent magnets. Innord’s most recent work has focused primarily on producing separated rare earth oxides from these industrial residues and which is showing promise. These positive results have given us the confidence to proceed with the financing, which we are pleased to have closed a first tranche. Innord’s objective is to produce primarily commercial grade oxides of Neodymium and Dysprosium in order to enter into concrete discussions with end users. Validation of our separation technology through processing industrial residues was and remains our main objective since 2015. With large volumes of this high grade material readily available, Innord has the possibility of not only producing lab scale samples for validation but actually process larger volumes and produce salable quantities of separated rare earth oxides. This commercial validation of the separation technology is exactly what we envisioned to allow GéoMégA to advance its Montviel project to the next level. With our CTO secured for the long term with this new Agreement, which is based upon successful commercialization of our technologies, we are entering an exciting stage of development with Innord which we hope will ultimately translate into future advancements of the Corporation’s Montviel project. We will be announcing updates on this ongoing work as more results become available.” commented Kiril Mugerman, President and CEO of GéoMégA and Innord.

The Extraction Royalty and the Separation Royalty (the **“Royalties”**) to be granted to Dr. Hajiani on commercialization under the Agreement may be summarized as follows:

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

- Separation Royalty of 3% of the Net Sales Revenue for the separation products. The royalty will increase to 4% if the GPM, before subtracting the Royalties, is greater than 40% and it will be reduced to 2.5% if the GPM, before subtracting the Royalties, is less than 15%.

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

- Oxide separation at a rate of 50 kg/day of Separation Products in oxide form for at least (i) 10 consecutive business days or (ii) 20 business days during any 2 month period, and the receipt by the Corporation of the full payment of a first order relating to such production.

- Montviel production – if the Corporation's Montviel project has reached 100% of nameplate capacity or 12 months after reaching 60% capacity or after reaching 60% of capacity and no longer ramping up to 100%.

In addition, and in order to secure the long term commitment of Dr. Hajiani, the Agreement provides that development work not currently covered by the patents that the Corporation has already filed, will be jointly owned by Dr. Hajiani and GeoMega (for the extraction work) and Innord (for the separation work) until commercialization at which point such rights shall be assigned to GeoMega and Innord, as the case may be. Notwithstanding Dr. Hajiani's joint ownership rights in respect of new development work described above, Dr. Hajiani shall not have any right to make, use, sell, dispose, offer for sale, grant licenses, import, export or otherwise distribute products or practice processes covered by one or more claims of the patents or any intellectual property without the prior written consent of GeoMega and/or Innord, which may be withheld in their sole discretion.

A more detailed summary of the Agreement will be contained in the circular prepared in connection with the upcoming Annual General and Special Meeting of shareholders. Shareholders will have the opportunity to ask questions and will be entitled to vote on the foregoing agreement at the meeting.

The Offering and Agreement are subject to receipt of all required regulatory approvals, including final approval of the TSX Venture Exchange.

About GéoMégA (www.geomega.ca)
GéoMégA is a mineral exploration and evaluation company focused on the discovery and sustainable development of economic deposits of metals 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.

78,258,049 common shares of GéoMégA are currently issued and outstanding.

About Innord Inc.

Innord is a private subsidiary of GéoMégA of which GéoMégA owns 96.1%. The goal of Innord Inc. is to develop and optimize the proprietary separation process of rare earth elements based on electrophoresis, for which it holds all the rights. Electrophoresis is the migration of charged species (ions, proteins, particles) in solution in the presence of an electric field. Innord has filed patents in Canada and the United States to protect its novel separation process and is looking to file in other jurisdictions.

For further information, please contact:

Kiril Mugerman
President and CEO
GéoMégA
450-641-5119 ext.5653
kmugerman@geomega.ca

Cautions Regarding Forward-Looking Statements

This news release contains forward-looking statements regarding our intentions and plans. The forward-looking statements that are contained in this news release are based on various assumptions and estimates by the Corporation and involve a number of risks and uncertainties. As a consequence, actual results may differ materially from results forecasted or suggested in these forward-looking statements and readers should not place undue reliance on forward-looking statements. We caution you that such forward-looking statements involve known and unknown risks and uncertainties, as discussed in the Corporation's filings with Canadian securities agencies. Various factors may prevent or delay our plans, including but not limited to, contractor availability and performance, weather, access, mineral prices, success and failure of the exploration and development carried out at various stages of the program, and general business, economic, competitive, political and social conditions. The Corporation expressly disclaims any obligation to update any forward- looking statements, except as required by applicable securities laws.