

Geomega Confirms Plant CAPEX; Potential to Triple Daily Throughput

Montreal, September 30, 2019 – Geomega Resources Inc. (“**Geomega**” or the “**Corporation**”) (TSX.V: GMA) is pleased to announce the capital expenditure (CAPEX) estimation results of the Front End Engineering & Design (“FEED”) study. Two of the main objectives of the FEED study were to complete an external CAPEX estimation and review the process design work. The FEED study is intended to serve as the foundation for launching the EPCM contract (Engineering, Procurement, Construction and Management) to build the plant.

ISR Process Design & Throughput Capacity

The original design of the demonstration plant presented by Geomega (see press release April 3, 2019) was based on an initial throughput capacity of 1 ton per day, tpd (in 2,000 L batch reactors) which would then require some additional investments to reach 1.5 tpd. The process had originally been designed on a 24-hour operation. Due to economy of scale, the current design has now been scaled up to use 5,000 L reactors and operate on a single work shift of 8 to 10 hours. As a result of this sizing increase and process optimization by Geomega, the demonstration plant could reach a throughput capacity of 1.5 ton per shift, a 50% increase over the initial design. On a per hour basis, this demonstrates a 4.5X increase.

The current study also confirms that the ISR process that was developed by Innord, a private subsidiary of Geomega, is technically feasible and uses off the shelf equipment thereby making it easier to scale up.

CAPEX estimate

The increase of the equipment sizing and the associated throughput capacity results in a CAPEX increase relative to the original \$2M - design presented by Geomega. The externally validated CAPEX estimation for the increased design capacity is \$2.6M (-20%/+30%) including a contingency of 20%.

Direct Costs	\$1,783,025
Indirect Costs	\$371,605
Contingency (20%)	\$432,926
TOTAL	\$2,587,556

As a result, Geomega believes the added flexibility to the demonstration plant may help future scale up by converting the plant into a 24 hours operation instead of having to build a second larger plant. The summary of the original scenario, the current updated scenario and the potential growth plant designs are presented in the table below.

Scenario	Daily Throughput (tpd)	Annual Throughput (tpy)	Operation Schedule (hrs)	CAPEX	CAPEX/TPY
Original	1	330	24	2M\$	6,060
Current	1.5	500	8	2.6M\$	5,200
Growth	4.5	1500	24	3.6M\$*	2,000

*assumes an up to \$1M additional investment (not part of the FEED study, internal assumption by Geomega) to accommodate the larger volume

The next step is to finalize all the ongoing engineering activities in order to begin the EPCM process. The current results will serve to (i) finalize the location selection of the demonstration plant, (ii) complete project financing initiatives with various levels of government and institutional groups and (iii) begin a permitting process. A tentative location has already been identified but the current results were needed to validate the size requirements and the type of permitting for the building. In addition, the Corporation has received term sheets for a debt financing and CAPEX confirmations were the key missing element to facilitate closing the financing. A more detailed schedule, including production plans for 2020, is expected to be provided with the launch of the EPCM.

The Corporation has begun accumulating a small stockpile of feed material and will continue doing so during the EPCM period. Other sources of magnet scrap have been identified over the last several months and several initiatives are ongoing to secure additional feed material.

“These results have exceeded our expectations and we are looking forward to the next stage of the project. The modified design, with larger throughput capacity, provides not only an immediate reduction in the load of capital expenditures relative to annual production but also opens the door to expansion in the future without having to build a second plant in the coming years. This is very important as we are starting to see significant growth in both primary magnet waste and end-of-life material over the coming years and as a result rare earth mining and exploration companies are starting to invest in early stage magnet recycling technologies. We are also seeing companies such as Apple starting to use recycled rare earths in their newest models and the European Union investing heavily in rare earths recycling through universities. We believe Geomega to be strategically positioned to be at the forefront of rare earths recycling with initial production from the demonstration plant targeted for 2020. Finally, the increased throughput capacity as well provides an opportunity to process other feed materials besides rare earth magnets. The Corporation continues to evaluate other feeds that could complement the demonstration plant throughput and contribute favorably to the Corporation’s cash flows in the future.” commented Kiril Mugeran, President and CEO of Geomega and Innord.

About Geomega (www.geomega.ca)

Based in Montreal, Canada, Geomega Resources has developed a proprietary, environmentally friendly “ISR Technology” that recycles rare earth elements with focus on the permanent magnet industry and produces four high demand, high price, rare earth elements (HHREE – specifically Nd, Pr, Tb, Dy).

The Corporation is targeting 2020 for initial production from its demonstration plant to supply HHREE’s to North America and other parts of the world.

Geomega also owns the Montviel rare earth carbonatite deposit and holds over 16.8M shares, representing approximately 20% of the issued and outstanding shares of Kintavar Exploration Inc. (KTR.V), a mineral exploration company that is advancing the Mitchi stratiform copper project in Quebec.

About Innord Inc.

Innord is a private subsidiary of Geomega of which Geomega owns 96.1%. The goal of Innord is to develop and optimize the proprietary ISR Technology for extraction and separation of rare earth elements. Innord focuses on scaling up the technology through processing rare earth enriched secondary sources (recycling of end of life and manufacturing waste) and then to apply the technology to primary mining feeds.

For further information, please contact:

Kiril Mugerma
President and CEO
Geomega
450-641-5119 ext.5653
kmugerma@geomega.ca

Dave Burwell
Vice President
The Howard Group Inc.
Tel: 403-221-0915
Toll Free: 1-888-221-0915
dave@howardgroupinc.com

Cautions Regarding Forward-Looking Statements

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains statements that may constitute “forward-looking information” or “forward-looking statements” within the meaning of applicable Canadian securities legislation. Forward-looking information and statements may include, among others, statements regarding future plans, costs, objectives or performance of the Corporation, or the assumptions underlying any of the foregoing. In this news release, words such as “may”, “would”, “could”, “will”, “likely”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate” “target” and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur, including as regards the commercialization of any of the technology referred to above, or if any of them do so, what benefits the Corporation will derive. There can be no assurances that the Corporation will be able to secure adequate financing for the demonstration plant or that, once built, the plant will be able to produce HHREE in a sufficient quantity and quality as to be commercially viable. Forward-looking statements and information are based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or

unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond the Corporation's control. These risks, uncertainties and assumptions include, but are not limited to, those described under "Risk Factors" in the Corporation's annual management's discussion and analysis for the fiscal year ended May 31, 2019, which is available on SEDAR at www.sedar.com; they could cause actual events or results to differ materially from those projected in any forward-looking statements. The Corporation does not intend, nor does the Corporation undertake any obligation, to update or revise any forward-looking information or statements contained in this news release to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.