



Geomega Resources Inc.

Management's Discussion and Analysis
Quarterly Highlights

Nine months ended February 28, 2017

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Management Discussion & Analysis – Quarterly Highlights

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The following quarterly highlights management discussion and analysis (the “MD&A Highlights”) of the financial condition and results of the operations of GéoMégA Resources Inc. (the “Company” or “GéoMégA”) constitutes management’s review of the factors that affected the Corporation’s financial and operating performance for Q3-17 YTD. This MD&A Highlights should be read in conjunction with the Corporation’s unaudited condensed interim financial statements as at February 28, 2017 prepared in accordance with the International Financial Reporting Standards (“IFRS”), as well as with the management discussion and analysis for the year ended May 31, 2016. All figures are in Canadian dollars unless otherwise noted.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be found on www.sedar.com.

Abbreviation	Period
Q1-16	June 1, 2015 to August 31, 2015
Q2-16	September 1, 2015 to November 30, 2015
Q3-16	December 1, 2015 to February 29, 2016
Q3-16 YTD	June 1, 2015 to February 29, 2015
Q4-16	March 1, 2016 to May 31, 2016
Fiscal 16	June 1, 2015 to May 31, 2016
Q1-17	June 1, 2016 to August 31, 2016
Q2-17	September 1, 2016 to November 30, 2016
Q3-17	December 1, 2016 to February 28, 2017
Q3-17 YTD	June 1, 2016 to February 28, 2017
Q4-17	March 1, 2017 to May 31, 2017
Fiscal 17	June 1, 2016 to May 31, 2017

1. NATURE OF ACTIVITIES

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, high stakeholder engagement and dedication to local transformation benefits.

As society moves from consumption of fossil fuels to more sustainable energy sources, GéoMégA believes that the future of clean energy resides in one of the rare earth elements (“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.

Innord Inc. (“Innord”) is the innovation arm of GéoMégA and was created in March 2015 to optimize the value of the separation technology by facilitating its development through direct investments of key financial partners. Innord is a subsidiary of GéoMégA that holds all the separation rights and laboratory equipment previously held by GéoMégA. The primary goal of Innord is to successfully scale-up its proprietary REE separation process. Looking towards the future, all research and development initiatives of GéoMégA will be conducted by Innord.

2. CORPORATE UPDATE

2.1 Innord financing

On March 3, 2016, the Company announced that the Société du Plan Nord (“SPN”), the Société de développement de la Baie-James (“SDBJ”) and the Administration régionale Baie-James (“ARBJ”), will be investing in Innord. With this injection of funds, Innord should receive a total of \$500,000 from the SPN, the SDBJ and the ARBJ. An initial portion of \$150,000 out of a total potential grant of \$250,000 was received from the SPN during the year ended May 31, 2016. The remaining balance of the government grant to be received is subject to meeting certain conditions.

Geomega Resources Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended February 28, 2017

2. CORPORATE UPDATE (CONT'D)

A total equity investment of \$250,000 was received from SDBJ and ARBJ in June 2016, when the transaction closed. Following this investment, the Company now holds 96.16% of Innord. SDBJ and ARBJ have different exchange options (described in further details in note 12 of the Q3-17 financial statements) that are dependent on the conclusion, positive or negative, of the phase 1A, which is to reach one kilogram per day capacity for the REE separation process. Not controlling the outcome of phase 1A, the Company recorded a \$500,000 liability related to share exchange rights corresponding to the option where the investors would exchange their shares in Innord against shares of the Company. Also, under certain conditions, the investors can exchange their share for a 0.05% royalty on the net profits resulting from the commercial production of the separation plant or for a 0.1% net smelter return royalty on the Anik property.

2.2 Sale of the gold properties

On December 8, 2016 the Corporation signed a Gold Claims Sale Agreement (the "Sale Agreement") with a privately owned corporation, Groupe Ressources Géomines Inc. ("Géomines"). The Sale Agreement, closed on March 24, 2017, concerns all the non-rare earth elements ("non-REE") related assets held by the Corporation and are comprised of the Anik, Rivière à l'Aigle, McDonald, Gaspard, Comptois, Lac Storm, 3G and Maryse properties (the "Gold Asset Sale"). The Gold Asset Sale was done in conjunction with the closing of a transaction between Géomines and Black Springs Capital Corp. ("BSC") pursuant to which BSC will acquire all of the outstanding shares of Géomines (the "Acquisition"). Géomines has an exploration portfolio, comprised of the WHN and Boisvert properties located in the Province of Québec (the "Géomines Properties"). Upon completion of the Acquisition, BSC and Géomines were amalgamated and continued the operations under the Kintavar Exploration Inc. ("Kintavar") name.

Under the terms of the Sale Agreement, an all share transaction, the Corporation received 17,857,143 Kintavar shares at a deemed price of \$0.14 per share representing a value of \$2,500,000.

Effective on January 1, 2017, Géomines signed an agreement to hire the Corporation as subcontract to execute the exploration work on the non-REE properties after January 1, 2017.

On March 24, 2017, the Corporation holds 38.75% of 46,079,160 shares issued and outstanding of Kintavar. The management of Kintavar is composed of Kiril Mugerma, President, Chief Executive Officer and Director, Alain Cayer, Vice-President Exploration and Ingrid Martin, Chief Financial Officer. It should be noted that these three persons hold similar positions in the Corporation.

On April 10, 2017, the Corporation approved the distribution, in the form of a return of capital, of 4,888,003 (subject to usual rounding adjustments) Kintavar shares to the Corporation's shareholders. Each shareholder of the Corporation, will receive 0.0625 Kintavar shares for each common share of the Corporation held. After this distribution, the Corporation will hold 12,969,140 of the Kintavar shares, representing 28.15% of 46,079,160 shares issued and outstanding of Kintavar.

More information is available in the February 28, 2017 financial statements, note 5.

2.3 Financial Highlights

GéoMégaA has a working capital of \$378,430 as of February 28, 2017 (\$861,074 as of May 31, 2016), including assets held for sale of \$102,260 (nil as of May 31, 2016). The Company is constantly seeking financing or business opportunities.

Geomega Resources Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended February 28, 2017

2. CORPORATE UPDATE (CONT'D)

The Corporation reported a net loss of \$722,944 in Q3-17 YTD compared to \$758,253 for Q3-16 YTD. The main variation are as follow:

- Salaries, employee benefits, severance pay and share-based compensation \$282,024 (\$357,254 in Q3-16 YTD). Due to management change, the head count was reduced;
- Directors fees \$56,250 ((\$ 52,500) during Q3-16 YTD). For Q3-16, an agreement to issue shares in settlement of the debt with the directors of the Company has been completed;
- Exploration and evaluation expenses, net of tax credits \$45,518 (nil in Q3-16 YTD) (see section 4 and section 2.2);
- Impairment on exploration and evaluation assets \$26,641 (nil in Q3-16 YTD);
- Gain on disposal of exploration and evaluation assets \$71,391 (nil in Q3-16 YTD). On April 6, 2016, the Company signed a property purchase agreement with Saint Jean Carbon Inc. ("Saint Jean") whereby Saint Jean acquired a 100% interest in the Buckingham mining property. Under the terms of the agreement, the Company received 1,500,000 common shares of Saint Jean valued at \$75,000 as per the Exchange price on the day the Company received the shares. The Company retains a 0.75% net output returns royalty on the property

2.4 AMF investigation

On July 14, 2016, the Company announced that an investigation, focusing on one of the Company's employee in regards to trading activities in GéoMégA securities while in possession of information and for providing that information to others, was being conducted by the Autorité des marchés financiers ("AMF"), the securities regulatory authority in the Province of Quebec. In light of these allegations, the Company has put in place operational safeguards to protect its interests and those of its shareholders. The Company is continuing to monitor the investigation as it proceeds. There was no development at Q3-17.

3. MONTVIEL PROPERTY (REE – 187 CLAIMS – 100% INTEREST)

3.1 Expense summary - Montviel property

Montviel	Q3-17	Q3-16	Q3-17 YTD	Q3-16 YTD
	\$	\$	\$	\$
Exploration				
Assays and drilling	5,514	9,735	9,142	9,760
Geology	17,233	33,357	122,948	96,016
Transport and lodging	5,866	8,475	34,405	36,774
Geophysics and Geochemistry	10,728	10,710	28,805	13,540
Depreciation of property and equipment	1,859	16,634	10,211	43,408
Taxes, permits and insurances	2,061	6,886	2,969	11,654
Total exploration	43,261	85,797	208,480	211,152
Evaluation				
Mine design	-	-	-	47,953
Hydrogeology, Geochemistry, geotechnical and geomechanical	-	-	-	4,413
Metallurgy and processing	-	-	8,595	48,418
Separation process	85,502	60,367	259,808	174,184
Depreciation of property and equipment	12,885	-	32,388	-
Other	-	-	-	13,672
Total Evaluation	98,387	60,367	300,791	288,640
Total additions	141,648	146,164	509,271	499,792
Government grants	(41,252)	-	(93,182)	-
Total Exploration and Evaluation expenditures capitalized	100,396	146,164	416,089	499,792

Geomega Resources Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended February 28, 2017

3. MONTVIEL PROPERTY (CONT'D)

Alain Cayer, P. Geo., M.Sc., Vice-President Exploration of GéoMégA, a qualified person as defined in NI 43-101 supervised the preparation of the technical information in this section.

There was no surface exploration activity during the Q3-17 YTD. Some assays from the geochemical study are still pending and should be available in the coming weeks. The final compilation of the exploration work completed in June 2016 will follow and the activities report will be completed in the coming weeks.

Some claims were dropped and a partial impairment for \$17,653 was recorded.

3.2 Preliminary Economic Assessment (“PEA”)

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

In 2015, Montviel's flow sheet was greatly simplified. All of the acid required for hydrometallurgy will be generated on site with the insertion of a closed loop acid regeneration unit. In addition, two physical adjustments at the beneficiation step significantly decrease the ore mass moving to hydrometallurgy.

To complete the PEA, the primary remaining work is the evaluation of the cost of the plant and infrastructure based on the May 2015 flow sheet (see press release dated May 20, 2015). The Company is focussing on the separation technology and will pursue the remaining work for the PEA subsequently.

3.3 Environmental Geochemistry

The four (4) environmental studies are still ongoing with no new conclusions on the studies to date. The planning of the follow up work for summer 2017, specifically the work with Loraine University, is currently on going.

- Air quality study, in collaboration with Dr. Parisa Ariya from the McGill University conjointly with the CREATE – Mine of Knowledge program.
 - The first sampling campaign on Montviel and the surrounding communities was completed in June 2016.
 - The first results were delivered at the end of the trimester Q2-17 providing a base line for fine particles in the vicinity of the Montviel project.
- Leachates study on various Montviel lithologies, in collaboration with Dr. Benoît Plante (URSTM).
 - A sampling program took place in June and October 2016 and the leachates were sent for laboratory analysis.
 - A total of four (4) sampling programs were completed and sent for laboratory analysis since the installation the barrels (field cells). Current results don't show any environmental problems.
- A doctoral project, under the supervision of Dr. Benoît Plante (URSTM), on geochemical behaviour (speciation) of the different forms of rare earths that can be found at the Montviel site. This study will allow for a better understanding of the environmental issues by providing information on barium and rare earth mobility and is expected to last at least 10 years.
 - M. Mohamed Edahbi, the student on the doctoral project, visited the Montviel project in October 2016. As part of the project, M. Edahbi will evaluate the consequences of changing the scale from humid cells to the 250 kg field cells.

Geomega Resources Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended February 28, 2017

3. MONTVIEL PROPERTY (CONT'D)

- Study on bioavailability of rare earths to microorganisms present at the Montviel project location, in collaboration with University of Lorraine (Nancy, France) and Dr. Laure Giamberini
 - The first phase of field collaboration took place at the end of June 2016. This first phase includes a summary inventory of the microorganisms present at the Montviel site and a study on the bioavailability of rare earths for these organisms.
 - The initial results were delivered and presented as a poster at the COST Action event (European Cooperation in Science and Technology, TD07). Initial conclusions suggest a poor correlation between REE identified in the environment and REE found in adjacent bedrock

3.4 Separation of rare earths through electrophoresis (patent pending) INNORD

Dr. Pouya Hajjani, process inventor and engineer and CTO of GéoMégA supervised and approved the technical information of this section.

Rare earth separation through electrophoresis has the potential to reduce the capital required to build separation plants compared with the construction of plants based on conventional techniques (i.e. fractional precipitation, ion exchange and solvent extraction), to optimize the recovery of REE and improve the environmental performance of operations. This new process does not use any organic solvent which should have a positive impact on environmental risks in addition to reducing operating costs.

Electrophoresis is the migration of charged species (ions, proteins, particles) in a solution in the presence of an electric field. Each ion moves toward the opposite electrical polarity electrode. For a given set of solution conditions and electric field intensity, the rate of migration depends on a characteristic number known as the electrophoretic mobility. The electrophoretic mobility is directly proportional to the ratio of the load and the size of the ion.

On June 21, 2016, the Company announced that Innord has successfully completed separation of a synthetic mixture of three rare earth elements, using its own initial prototype in the lab facility in Boucherville. Innord now has two operational electrophoreses prototypes with all the knowhow in-house.

The successful separation testing was based on three elements: Lanthanum (La), Europium (Eu) and Ytterbium (Yb). Working with three elements enables validating and comparing the results to those obtained in 2014, as initial test work back then was completed in collaboration with FFE Service GmbH (Germany) on the same three elements (see January 15, 2014 news release).

Two of the main objectives set forth in the current phase of development, maximizing the throughput capacity and minimizing the cost, were successfully handled to date. The two prototypes show a significant reduction in footprint as each prototype is several times smaller in comparison with that used in 2014. More importantly, testing to date is conducted in a liquid which contains 18 fold more REE per unit volume and work continues to increase the REE concentration further. Cost reduction is just as apparent. Each prototype is approximately one tenth in cost of that used in 2014. In addition, power consumption of the system per kg of REE has been lowered significantly during the latest optimization tests. Similar to previous tests, separation of multiple elements occurs simultaneously which remains one of the main advantages of the electrophoresis separation technology.

The initial module is of a flexible design that allows to adjust the various parameters required for separation with electrophoresis. Having such a device in-house is a significant advantage as it allows to run a multitude of testing conditions on the fast track, helps in further understanding and improving REE separation using electrophoresis. Moving forward, tests will continue on other synthetic concentrates, commercial concentrates, secondary feeds and test work to achieve high purity oxides. The current objective is to further improve the technology using the current prototypes and then use that knowledge to build a larger unit that will be able to process rare earths on a higher scale.

Geomega Resources Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended February 28, 2017

3. MONTVIEL PROPERTY (CONT'D)

Reduction in size and cost combined with an increase in concentration bodes well with the modular approach of the company which is expected to allow for a gradual increase in processing capacity while minimizing the capital risk. With the initial prototype now operational, the main work being conducted in parallel is the increase in concentration, a key point in demonstrating that separation using electrophoresis can be scaled up in a financially viable way.

Other important outstanding items to complete phase 1A is the numerical modeling and the construction of a larger prototype with a 1 kilogram per day capacity.

The modular approach the Company envisions, gives a lot of flexibility regardless of the market conditions. A technology that is not feed dependant (can process heavy or light primary feeds or secondary feeds), offers a solid opportunity to gradually penetrate the market while advancing the Montviel project and be in a favorable position to build a REE mine in Québec.

All the tests and assay analyses were performed at Innord's laboratory at the National Research Council Canada facility in Boucherville, Canada. The analyses were completed on every sample using ICP-EOS spectrometer.

During Q2-17, additional laboratory equipment was purchased that will be used to further characterize REE separation medium. This data will be adapted to the current separation modules and used in the design of larger modules and in order to improve REE separation. Work continued to improve REE concentration during separation including selection and testing of various ligands. A wider range of electric fields is now being considered to further improve separation in higher concentration.

Some progress was made with regards to the H₂ gas that is produced as part of the separation process. An indirect method, currently offered as a large-scale industrial process in North America, is being contemplated to use the gas on spot to produce water and electricity which will help in reducing operating costs.

During Q3-17, work focused on ligand and separation medium characterization in anticipation of high concentration separation testing.

4. GOLD PROPERTIES PORTFOLIO

	Q3-17	Q3-16	Q3-17 YTD	Q3-16 YTD
	\$	\$	\$	\$
DISCONTINUED OPERATIONS				
Anik				
Salaries, geology and prospection	59,578	6,669	87,933	87,520
Lodging and travel expenses	33,008	2,379	35,311	31,093
Analysis	563	131	672	22,405
Drilling	2,062	-	2,062	9,900
Geophysics	44,063	-	44,063	9,880
Supplies and equipment	9,262	60	9,912	7,354
Taxes, permits and insurance	4,065	1,520	5,053	2,577
Billing according to agreement	(141,875)	-	(141,875)	-
	10,726	10,759	43,131	170,729

Geomega Resources Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended February 28, 2017

4. GOLD PROPERTIES PORTFOLIO (CONT'D)

	Q3-17	Q3-16	Q3-17 YTD	Q3-16 YTD
	\$	\$	\$	\$
DISCONTINUED OPERATIONS				
MacDonald				
Salaries, geology and prospection	291	11,570	1,909	108,724
Lodging and travel expenses	-	1,068	-	30,324
Analysis	-	-	-	27,390
Geophysics	-	-	-	5,090
Supplies and equipment	-	270	-	4,948
Taxes, permits and insurance	-	-	-	1,118
	291	12,908	1,909	177,594
Rivière à l'aigle				
Salaries, geology and prospection	4,635	2,743	36,043	29,938
Lodging and travel expenses	1,158	107	6,439	4,827
Analysis	4,156	-	9,571	6,356
Geophysics	3,900	-	25,199	650
Supplies and equipment	254	-	3,395	1,163
Billing according to agreement	(1,557)	-	(1,557)	-
	12,546	2,850	79,090	42,934
Maryse				
Salaries, geology and prospection	-	3,361	-	4,651
Lodging and travel expenses	-	12	-	12
Analysis	-	57	-	57
Supplies and equipment	-	-	-	83
Mineral properties costs	-	(562)	-	(562)
	-	2,868	-	4,241
Gaspard				
Salaries, geology and prospection	-	27	2,058	1,101
Lodging and travel expenses	-	-	1,681	-
Supplies and equipment	-	-	43	160
	-	27	3,782	1,261
Lac Storm				
Lodging and travel expenses	-	-	-	100
Geophysics	-	-	-	650
	-	-	-	750
3G				
Salaries, geology and prospection	-	709	897	2,350
Geophysics	-	-	-	650
	-	709	897	3,000
Sub-total discontinued operations	23,563	30,121	128,809	400,509
CONTINUING OPERATIONS				
Generation of projects				
Salaries, geology and prospection	22,953	-	45,488	-
Lodging and travel expenses	34	-	848	-
Analysis	276	-	5,908	-
Geophysics	7,335	-	7,335	-
Supplies and equipment	333	-	857	-
Billing according to agreement	(14,918)	-	(14,918)	-
	16,013	-	45,518	-
Total exploration and evaluation expenditures	39,576	30,121	174,327	400,509

Geomega Resources Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended February 28, 2017

4. GOLD PROPERTIES PORTFOLIO (CONT'D)

Alain Cayer, P. Geo., M.Sc., Vice-President Exploration of GéoMégA, a qualified persons as defined in NI 43-101 supervised the preparation of the technical information in this section.

The gold projects portfolio includes 8 properties which are owed 100% by the Company: Anik, McDonald, Rivière à l'aigle, Maryse, Lac Storm, 3G, Gaspard and Comptois. All properties, except for Lac Storm, are located in the urbanized lower part of Northern Quebec (above the 49th parallel) and all properties benefit from permanent road access, and close proximity to both public infrastructure and an experienced workforce.

4.1 Anik (Gold – 153 claims – 100% interest)

Some geological verification work was completed at the “Bobby” and “Kovy” trenches in preparation of a proposed winter drilling campaign during the winter of 2017. Some claims will be dropped and a partial impairment of \$8,988 was recorded in Q2-17 YTD.

An Induced Polarisation (IP) and magnetics ground geophysical survey was completed in January 2017 on the Nelligan zone of the Anik property. The survey covered 21 linear kilometers and generated several geophysical targets which will be investigated by a drilling program at the end of the 2017 winter season. In parallel to the completion of the survey, planning of a drilling program and the associated requests for permits were completed.

4.2 Rivière à l'aigle (Gold – 161 claims – 100% interest)

The Rivière à l'aigle property is located 30 km southwest of the Anik property and 20 km north-east from Windfall Lake area. It consists of 161 claims. The property has a particular geological setting displaying strong anomalies in the historical till survey. The property is located in an under-explored area.

In July 2016, a till sampling program was completed over the areas presenting strong gold anomalies. In total, 95 till samples were manually collected or excavated and were sent to ODM (Overburden Drilling Management Limited) in Ottawa to obtain the gold grain count. The heavy mineral concentrate of each till sample was sent to Actlabs (Activation Lab) for gold assays. In parallel, a sample of the fine fraction (<0.15mm) of each till sample was sent to ALS (ALS Laboratory Group” of Val-d’Or for multi-element analysis.

The results have confirmed the strong anomalies previously identified in the historical till surveys but as well highlighted several new gold trains. Several of these trains will be the subject of definition work during the summer of 2017. The report was deposited and allowed to renew the claims related to the gold trains. In order to secure certain areas, there are 20 new claims that were added to the property and 20 other claims have been abandoned in the North-East area which presented the weakest anomalies.

Geomega Resources Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended February 28, 2017

4. GOLD PROPERTIES PORTFOLIO (CONT'D)

4.3 Comptois (Gold – 17 claims - 100% interest)

Two blocks of claims, 9 and 8 claims each, were staked in Q1-17 in proximity of Lebel-sur-Quévillon in the area of the “Comptois – Zone Osborne” property of Minéraux Maudore Ltee.

April 28, 2017

(s) Kiril Mugerma

Kiril Mugerma
President and CEO

(s) Ingrid Martin

Ingrid Martin
CFO