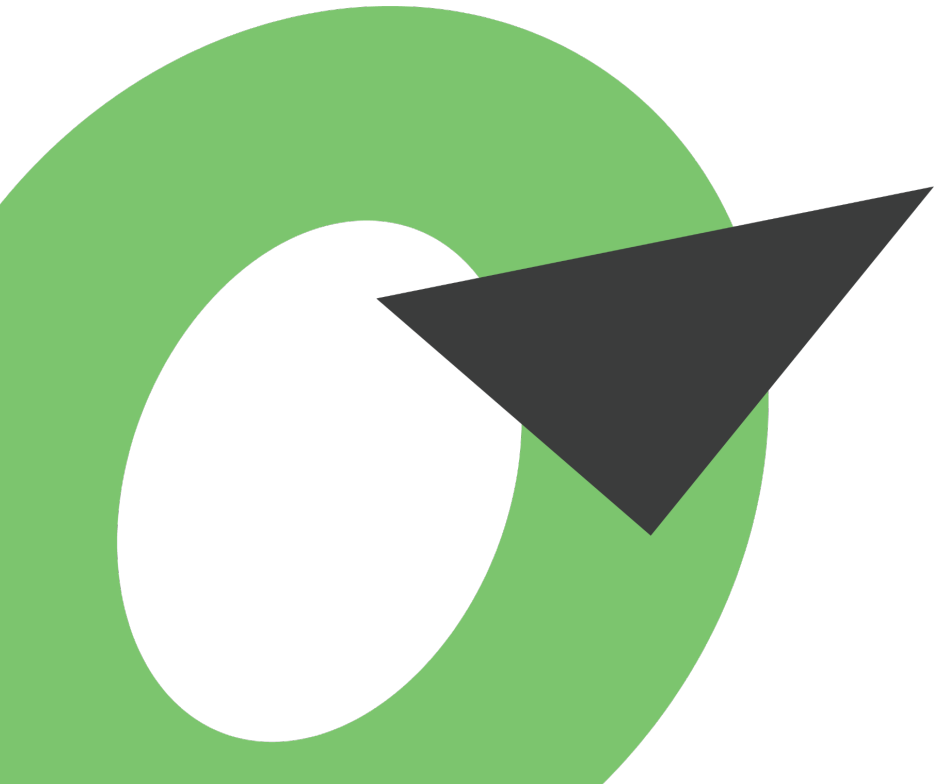
GEOMEGA Resources Inc.

Management's Discussion and Analysis

For the three months ended August 31, 2026



The following management discussion and analysis (the "MD&A") of the financial condition and results of the operations of Geomega Resources Inc. (the "Corporation" or "Geomega") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the three months ended August 31, 2026 ("Q1-27"). This MD&A should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements as at and for the three months ended August 31, 2026, which have not been reviewed by the Corporation's auditors, and with the Corporation's audited consolidated financial statements as at and for the year ended May 31, 2026, both prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB"). All figures are in Canadian dollars unless otherwise noted.

The MD&A contains forward-looking statements not based on historical facts. Forward-looking statements express, as of the date of this MD&A, management's 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 conditions, fluctuations in the market price of metals, mining and technology development risks, construction and commissioning risks, uncertainty as to the calculation of mineral resources, requirements for additional financing and the capacity of the Corporation to obtain financing.

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

Abbreviation	Period
Q1-26	June 1, 2025 to August 31, 2025
Q2-26	September 1, 2025 to November 30, 2025
Q3-26	December 1, 2025 to February 28, 2026
Q4-26	March 1, 2026 to May 31, 2026
Fiscal 26	June 1, 2025 to May 31, 2026
Q1-27	June 1, 2026 to August 31, 2026
Q2-27	September 1, 2026 to November 30, 2026
Q3-27	December 1, 2026 to February 28, 2027
Q4-27	March 1, 2027 to May 31, 2027
Fiscal 27	June 1, 2026 to May 31, 2027

1. NATURE OF ACTIVITIES

Geomega is a mineral exploration and evaluation corporation focused on the discovery and sustainable development of economic deposits of metals in Quebec, as well as the development and commercialization of innovative processing technologies for critical and strategic metals. Geomega is committed to meeting Canadian mining-industry standards and distinguishing itself through innovative engineering, stakeholder engagement and dedication to local transformation benefits. The common shares of the Corporation trade under the symbol GMA on the TSX Venture Exchange (the "Exchange") and under the symbol GOMRF on the OTCQB market.

As demand for critical metals rises—particularly for high-technology, electrification and energy-transition applications—geopolitical shifts and supply restrictions are increasing the importance of secure, domestic supply chains. Mining tailings and industrial residues contain valuable metals that remain under-valorized. Geomega believes innovation in recovering these resources will help reshape the metals and mining industries in the decades ahead. Innord Inc. ("Innord") is the innovation arm of Geomega and was created in March 2015 to optimize the value of the Corporation's technologies and facilitate their development with key financial and industrial partners. Innord is a wholly owned subsidiary of Geomega that holds the Corporation's technologies rights and laboratory equipment. Its primary goal is to develop, scale up and commercialize proprietary technologies. All research and development initiatives of Geomega are conducted by Innord.

2. CORPORATE UPDATE

2.1 Corporate Overview

Geomega is focused on the development and commercialization of process technologies for the extraction, separation and recycling of rare earth elements and other critical metals from a variety of feed

streams, including rare earth magnets, bauxite residue, sulphide tailings from base and precious mining operations and selected other mining and industrial residues. Through Innord, the Corporation develops technologies designed to recover value from complex materials while reducing effluents, recycling major reagents and lowering overall environmental impact. The Corporation's strategy is to progressively de-risk its technologies and advance them toward commercial deployment with industry partners.

During Q1-27, Geomega's two most advanced technology platforms remained its rare earth magnet recycling technology and its bauxite residue valorization technology. The rare earth magnet recycling project received its environmental authorization in June 2026 and advanced into the final installation and integration phase of the continuous demonstration plant in Saint-Hubert, Quebec. The bauxite residue valorization technology continued to advance toward pre-commercial deployment under the demonstration license and Joint Development Agreement with Rio Tinto, with the Corporation completing its pre-feasibility deliverables and the validation of Circuit 3 at bench and pilot scale. During that same period, the Corporation also continued to expand its sulphide-tailings valorization program in response to renewed industry interest, including through testwork on materials supplied by global mining companies.

The Corporation also continued construction of expanded laboratories, pilot areas and office space at its Saint-Hubert site. These integrated facilities are intended to consolidate activities, expand the number of projects that may be advanced simultaneously and support a broader base of clients and partners as the technology portfolio moves toward commercialization.

In addition to these lead programs, Geomega continued to evaluate opportunities to apply its technology platform to the Montviel rare earth project and to other mining and industrial residues. Across the portfolio, the Corporation's objective is to convert technically validated process know-how into commercial opportunities while maintaining a consistent focus on waste reduction, reagent recycling, lower environmental impact and long-term value creation.

2.2 Financial Highlights

Geomega had $284,839 in cash and cash equivalents (and $309,140 including short-term investments) as of August 31, 2026, compared to $1,194,277 as of May 31, 2026. The Corporation's working capital stood at $2,488,005 as of August 31, 2026 ($4,099,354 as of May 31, 2026), including $842,857 of investments in listed companies and $2,382,831 of tax credits and government grants receivable. Subsequent to quarter-end, on September 14, 2026, the Corporation closed a $1,350,000 secured loan (see section 2.3).

For Q1-27, the Corporation recorded a net loss of $781,643, compared to a net loss of $617,102 for Q1-26. Excluding the non-cash loss in fair value variation of investments in listed companies of $367,243 (nil in Q1-26), the adjusted net loss amounted to approximately $414,000 in Q1-27 versus $617,000 in Q1-26. The Q1-27 results also benefited from the recognition of $663,055 of refundable tax credits relating to Fiscal 26 expenditures (see sections 2.3 and 2.7). The main variances are summarized below:

- Technical support and development revenues totaled $110,379 ($243,357 in Q1-26). Innord continued to perform research projects applying its technologies to critical-metal recovery from bauxite residues and other feed materials; the decrease reflects lower partner-funded activity following the completion of the Corporation's deliverables under the SDTC project funded in part by Rio Tinto.
- Exploration and evaluation expenses, net of tax credits, were $7,304 ($3,476 in Q1-26). Activity on the Montviel property remained limited during the quarter, with expenditures focused on maintaining the property in good standing.
- Research and development expenses, net of tax credits, amounted to a net recovery of $113,928 (net expense of $686,364 in Q1-26). Gross R&D expenses totaled $753,660 ($686,364 in Q1-26), with the increase mainly attributable to higher salaries and benefits ($535,524 versus $449,015), materials and supplies ($90,508 versus $63,147) and share-based compensation ($59,427 versus $26,302), partially offset by lower depreciation ($43,049 versus $115,094). Gross R&D expenses were reduced by refundable tax credits of $867,588 (nil in Q1-26), of which $663,055 relates to Fiscal 26 expenditures for which the claims were substantially completed during the quarter and $204,533 represents management's estimate of credits earned on Q1-27 eligible expenditures. Beginning in Fiscal 27, the Corporation accrues refundable R&D tax credits as eligible expenditures are incurred rather than when it is in a position to file its claims (see section 2.7). Work continued on the magnet-recycling, bauxite-residue and sulphide-tailings valorization projects. Refer to sections 2.4, 2.5 and 2.6 for more details.
- Salaries, employee benefits and share-based compensation amounted to $174,895 ($130,748 in Q1-26). The increase mainly reflects the fact that the Chief Executive Officer and the Chief

Financial Officer devoted their full time to the Corporation during Q1-27, whereas in Q1-26 their time was shared with Kintavar Exploration Inc., a company that was then an associate of the Corporation.

- Professional fees were $139,070 ($110,640 in Q1-26) and travel, conference and investor relations expenses were $41,411 ($22,142 in Q1-26), reflecting increased commercial-development and financing-related activities during the quarter.
- Government grants on operating expenses amounted to $17,810 ($367,734 in Q1-26). The decrease reflects the completion of several government grant programs under which the Corporation received assistance in prior years; refundable tax credits now represent a larger share of the government assistance supporting the Corporation's R&D activities. More details are shown in section 2.3.
- Finance costs were $138,968 ($154,528 in Q1-26), consisting mainly of accretion expense on the convertible debentures ($62,103), on the lease obligations ($59,835) and on the CED long-term debt ($6,992). The decrease reflects the lower carrying amount of the convertible debentures following the conversions completed in Fiscal 26.
- Loss in fair value variation of investments in listed companies was $367,243 (nil in Q1-26). The loss mainly reflects the decrease in the quoted market price of the 16,857,143 common shares of Auriginal Mining Corp. held by the Corporation, whose fair value decreased from $1,180,000 as at May 31, 2026 to $842,857 as at August 31, 2026.

2.3 Sources of Financing

New sources of financing

During Q1-27, no stock options or warrants were exercised and no common shares were issued; 167,128,348 common shares were outstanding as at August 31, 2026.

With respect to the $750,000 interest-free repayable contribution from Canada Economic Development for Quebec Regions ("CED") secured in Fiscal 26, as at August 31, 2026, $459,176 had been received under this contribution and another installment payment of $215,824 was received after the quarter.

On September 14, 2026, subsequent to quarter-end, the Corporation entered into a secured loan agreement for a principal amount of $1,350,000 with an arm's-length private lender with whom Geomega has an established commercial relationship. The net proceeds will support the expansion of the Corporation's Saint-Hubert operations, including the new laboratory and office space and the development and commissioning of the demonstration plant, while advancing its broader R&D and commercialization activities. The loan accelerates the Corporation's access to refundable R&D tax credits, reducing the timing gap between eligible expenditures and receipt of the related credits. The loan has a two-year term, bears interest at a rate of 10.5% per annum, with interest payable monthly, and matures on September 14, 2028. A portion of the principal will be repaid as certain refundable R&D tax credits are received, with the remaining balance due at maturity. An administrative fee of 2%, or $27,000, was deducted at closing, resulting in net proceeds of $1,323,000. The loan is secured by certain assets of the Corporation and Innord Inc., its wholly owned subsidiary, including refundable R&D tax credits.

Follow-up on grants and government funding

As at August 31, 2026, tax credits and government grants receivable totalled $2,382,831 ($1,769,311 as at May 31, 2026), consisting of $913,511 of refundable tax credits and $1,469,320 of government grants. During Q1-27, government grants of $17,810 were recognized as a reduction of operating expenses ($367,734 in Q1-26), while grants of $207,449 reduced the cost of additions to property, plant and equipment. In addition, refundable tax credits reduced R&D expenses by $867,588 (nil in Q1-26).

The amounts received and accrued under each of the Corporation's ongoing government funding programs are summarized below.

For the $2.04M grant from Next Generation Manufacturing Canada (NGen) toward construction of the magnet recycling demonstration plant:

	¢
Payment received	1,541,027
Accrued as at August 31, 2026	1,847,027

For the $3.0M funding under the Government of Canada's Critical Minerals Research, Development and Demonstration Program, administered by Natural Resources Canada, toward construction of the magnet recycling demonstration plant:

	₵
Payment received	2,700,000
Accrued as at August 31, 2026	3,000,000

For the $3.0M Technoclimat grant administered by MELCCFP toward construction of the magnet recycling demonstration plant:

	₵
Payment received	2,400,000
Accrued as at August 31, 2026	3,000,000

2.4 REE Magnet Recycling Demonstration Plant

During Fiscal 26, the Corporation continued construction of its rare earth magnet recycling continuous demonstration plant. All major process equipment was delivered to the Saint-Hubert site and substantially installed. The remaining conveyors were delivered and positioned during Q3-26. Pipe rack installation was completed; all required valves were received and piping installation advanced under the construction contract. Electrical installation and the control and automation system also progressed, including control cable pulling and connections. Repairs and modifications to the chiller unit and its related piping circuit were completed and pressure tested. During Q1-27, the Corporation continued advancing construction, piping installation and further electrical, automation and control-system work, with the project entering its final installation and integration phase.

The plant is designed to process NdFeB magnet feedstock and produce recycled rare earth oxides at a planned throughput of approximately 1.5 tonnes of feed material per day. The continuous design uses smaller equipment and lower utility requirements than the earlier batch design while maintaining the planned throughput capacity.

On June 3, 2026, during Q1-27, Geomega announced that it had received the required environmental authorization from the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs ("MELCCFP"). The authorization permits operation of the demonstration plant and collection of operational and environmental performance data through December 31, 2028. Subject to satisfactory results from the demonstration phase, the Corporation intends to apply for a full commercial environmental permit.

As disclosed on September 2, 2026, subsequent to quarter-end, construction activities continued through the summer. The major process piping installation was completed with several smaller sections remaining to be completed during the fall including any required modifications. Piping insulation has begun and is being completed progressively as required for commissioning. Subject to completion of these activities and associated pre-commissioning work, the Corporation expects to begin commissioning the related process equipment in November 2026. Significant progress was also made on plant control systems required for the safe and integrated operation of the plant's process circuits. The Corporation's approach of progressively testing individual systems and equipment is intended to allow practical improvements to be incorporated before integrated plant commissioning and to support a more efficient transition from construction into staged commissioning and start-up. In parallel, the Corporation continued discussions with several prospective customers in Western markets, including multinational companies, regarding the potential purchase of rare earth oxides to be produced at the demonstration plant, advanced discussions with potential suppliers of magnet scrap and other suitable feed materials, and evaluated potential toll-processing arrangements for the facility. Geomega is also engaged in early-stage discussions with several groups regarding the potential licensing of its rare earth recycling technology for magnet scrap and swarf applications outside Canada.

2.5 Bauxite Residues Valorization Technology

On October 8, 2025, Geomega and Rio Tinto announced that Innord had entered into a Joint Development Agreement (the "JDA") in connection with Geomega's bauxite residue valorization technology. The JDA includes the purchase by Rio Tinto of a demonstration license for Circuits 1 and 2 and engineering studies that, if successful, could lead to the construction of a demonstration plant in Saguenay, Quebec.

As at August 31, 2026, Geomega had received payments totalling $1,500,000 in conformity with the JDA and may receive up to $3,000,000 of additional payments if Rio Tinto elects to proceed with construction of the demonstration plant, for total potential payments of up to $4,500,000.

The pre-feasibility engineering phase included the preparation of process flow diagrams, piping and instrumentation diagrams, a hazard identification review, and equipment selection and sizing. On June 3, 2026, the Corporation reported that it had completed all deliverables for which it was responsible

under this phase. The resulting study is intended to support Rio Tinto's decision on whether to proceed with definitive and detailed engineering and, ultimately, with the construction of a demonstration plant. As disclosed in June 2026, the completed pre-feasibility work was delivered to Rio Tinto for review and consideration of the next phase of the project.

During Fiscal 26 and Q1-27, the Corporation completed the development and validation of Circuit 3 ("C3") at bench and pilot scale. C3 is designed to enable the recovery and purification of additional valuable constituents from bauxite residue following processing through Circuits 1 and 2, while supporting reagent regeneration and recycling. This milestone resulted in Geomega's first production, using its integrated flowsheet, of titanium dioxide with purity exceeding 98% and a rare earth and scandium concentrate with purity exceeding 90% from bauxite residue. As disclosed on September 2, 2026, the Corporation has to date tested 12 bauxite residue samples from eight alumina refineries in multiple jurisdictions, including both legacy stored residue and freshly generated residue, with results remaining consistent across the samples evaluated and supporting the potential robustness and adaptability of the process to different bauxite residue sources. Techno-economic assessments continued to indicate a potentially robust economic profile supported by multi-product recovery and process optimization. The Corporation also continued testwork and discussions with several alumina refineries globally regarding potential next-stage demonstration and on-site development opportunities.

2.6 Pyrrhotite Tailings Valorization Technology

Innord's technological solution was selected in September 2024 as one of the laureates of Vale Base Metals' Pyrrhotite Resource Recovery Innovation Challenge, which sought technologies to improve recovery of valuable metals and minerals contained in low-grade pyrrhotite tailings.

During Fiscal 26 and Q1-27, the Corporation restarted and expanded its sulphide-tailings valorization program following renewed interest from major mining companies seeking potential alternatives for the treatment of complex sulphide-tailings materials from precious-metal and base-metal mining operations. The Corporation advanced testwork using materials supplied by global mining companies, building on prior sulphide-tailings work and on process knowledge and operating experience developed through its bauxite residue valorization activities.

Sulphide tailings may contain unrecovered precious and base metals, but treatment can be complicated by mineralogical complexity, low grades, iron content and sulphur-bearing minerals. As disclosed on September 2, 2026, testwork completed to date has demonstrated the potential to liberate and recover target precious and base metals from selected sulphide-tailings samples, as well as the potential to recover iron in a form suitable as feed material for direct-reduced iron production while separating sulphur into a stream suitable for conversion into sulphuric acid or elemental sulphur, offering significant waste-volume reduction. Initial results indicate that the process may offer an alternative for certain refractory sulphide materials for which conventional treatment routes may be technically impractical or uneconomic. The Corporation is continuing to evaluate industry partnerships, additional feed materials and the technical and economic parameters required to identify potential applications and advance the platform toward demonstration-scale validation.

2.7 Other

Change in accounting estimate – refundable R&D tax credits

Beginning in Fiscal 27, the Corporation changed its estimate of the timing of recognition of refundable R&D tax credits. Refundable tax credits were historically recognized when the Corporation was in a position to file its claims, which generally occurred after the end of the fiscal year to which the eligible expenditures related; accordingly, no tax credits were recognized in Q1-26. The Corporation now recognizes refundable R&D tax credits as the related eligible expenditures are incurred, based on management's estimate of eligible expenditures and applicable rates. This change in estimate results from amendments to the federal scientific research and experimental development (SR&ED) program, under which eligible Canadian public corporations such as the Corporation are now entitled to the enhanced refundable investment tax credit previously available only to Canadian-controlled private corporations, and from the completion of several government grant programs, which has made refundable tax credits a larger share of the government assistance supporting the Corporation's R&D activities and allows them to be estimated with greater reliability during the year. The change has been applied prospectively. The tax credits of $867,588 recognized in Q1-27 include $663,055 relating to Fiscal 26 expenditures, for which the claims were substantially completed during the quarter, and $204,533 of estimated credits earned on Q1-27 eligible expenditures. These estimates remain subject to review by the tax authorities and the amounts ultimately received may differ from those recognized.

3. OUTLOOK ON THE MAJOR ONGOING PROJECTS

Geomega's objectives are to develop processing technologies and apply them to rare earth elements and other critical and strategic metals where existing technologies may have poor environmental performance, including large footprints, high consumption of acids, low recoveries, large amounts of waste or loss of valuable metals. The Corporation's projects are at different stages of development and, because the underlying technologies and applications have synergies, priorities and the rate of progress may change. Geomega intends to deploy its technologies through licensing to major companies, building and operating plants, or a combination of both, depending on the project. Geomega also owns the Montviel rare earth deposit in Quebec, Canada.

The Corporation's intended activities are presented below and are divided by major ongoing projects.

Rare Earths Recycling Demonstration Plant

- Complete piping installation and insulation, control-system connections and testing and begin commissioning of the process equipment in November 2026.
- Complete remaining civil, electrical, fire-protection and utility work.
- Complete the process HAZOP and any resulting design or operating actions.
- Commission utilities and process equipment and initiate section-by-section start-up under the environmental authorization.
- Conduct process, product, by-product and environmental-performance test campaigns.
- Continue magnet-feed sourcing and build commissioning inventory.
- Advance product qualification and discussions with potential oxide buyers, feed suppliers, toll-processing partners, magnet manufacturers and prospective technology licensees, including participation in upcoming industry conferences.

Bauxite Residue Sustainable Processing

- Support Rio Tinto during its ongoing activities for bauxite residue valorization.
- Continue optimization of Circuits 1, 2 and 3.
- Continue bench- and pilot-scale work, modelling and process design on residue from various global alumina refineries.
- Secure additional clients for pilot-scale or engineering work and advance additional opportunities toward licensing.

Sulphide Residue

- Continue bench scale work on residue from various precious and base metal deposits, modeling and process design; validate the process across a range of sulphide-tailings materials, optimize recoveries and reagent recycling, and complete preliminary techno-economic work.

Montviel

- Evaluate strategic, technical and financing alternatives to advance the project.

Other Sources & Other Metals

- Continue research and development on selected mining and industrial waste streams, including sulphide tailings.
- Evaluate new partnerships where the Corporation's extraction, iron-recovery and reagent-recycling modules may be deployed.

Corporate

- Complete construction and equipping of the integrated laboratories, piloting and office spaces at Saint-Hubert and consolidate activities at the site.
- Continue hiring for selected key positions as needed.
- Maintain funding, grant-compliance and commercial-development activities required to advance the portfolio.

4. EXPLORATION AND VALIDATION OF THE SEPARATION TECHNOLOGY ACTIVITIES

Pierre-Luc Lalonde, P.Geo., a qualified person as defined by National Instrument 43-101, supervised and approved the preparation of the technical information in sections 4.1 and 4.2.

4.1 Environmental Geochemistry

Several environmental studies on the Montviel property were launched between 2012 and 2015. Data were collected until 2017 by different research groups. No sampling activities are currently being conducted. Results from these studies could be used in the future for environmental permitting and baseline studies.

4.2 Montviel Process Development and Path Toward a Preliminary Economic Assessment ("PEA")

The Corporation's commitment to sustainable development informed the following operating parameters for the Montviel project: an underground mining scenario with paste backfill, reduced transport of reagents by road, and electrically powered operations connected through a low-voltage power line. Metallurgical work and optimization have been directed toward meeting these parameters.

In 2015, Montviel's flowsheet was simplified. Acid required for hydrometallurgy was to be generated on site through a closed-loop acid-regeneration unit, and physical beneficiation steps reduced the mass directed to hydrometallurgy. The Corporation has since incorporated knowledge gained through its rare earth magnet recycling and bauxite residue programs to further simplify the process and improve product recovery and waste valorization.

On June 17, 2025, Geomega announced results from an updated process that eliminated fine grinding and flotation beneficiation and indicated the potential to valorize approximately 40% of the overall ore into several offtake streams, excluding carbonates. The updated process is divided into three circuits:

Circuit 1

- Recovery of carbonates as a potential minor revenue stream, for waste-rock reduction or for use in paste backfill.
- Recovery and recycling of the principal Circuit 1 reagent.

Circuit 2

- Recovery of a high-purity iron product suitable for direct-reduced-iron applications, providing a potential revenue stream and significant waste-volume reduction.
- Recovery and recycling of the principal Circuit 2 reagent.
- Approximately 75% iron recovery to the iron-oxide stream in the test work completed.

Circuit 3

- Production of a critical-minerals concentrate containing rare earth elements, scandium and niobium, with test-work recoveries of approximately 95% for rare earth oxides and scandium and 85% for niobium.
- Potential recovery of iron phosphate (FePO4) for lithium-iron-phosphate battery markets.
- Potential recovery of manganese and magnesium salts for agricultural and battery markets.

Following completion of the test work, the Corporation completed an internal techno-economic assessment. The hydrometallurgical process was modelled using Aspen Plus software and supported by the test-work results, while mining parameters were based on work completed between 2012 and 2015. Additional work by an external firm would be required before a PEA could be completed and publicly disclosed. The positive conclusions of the internal assessment are being used in evaluating the next steps for the Montviel deposit.

The potential social and environmental benefits of the updated concept include reduced water consumption, lower liquid effluents, reduced volumes of solid mining waste, lower overall energy consumption and greenhouse-gas emissions compared with the previous flowsheet, and further evaluation of paste-backfill opportunities. These modifications are intended to make the project more robust, less sensitive to rare earth oxide price fluctuations and more environmentally sustainable.

5. RESEARCH AND DEVELOPMENT ACTIVITIES

5.1 Expenses Summary

	Three months ended August 31,	
	2026	**2025**
	$	**$**
Salaries and benefits	535,524	449,015
Share-based compensation	59,427	26,302
Professional fees	15,634	17,617
Material and supplies	90,508	63,147
General and administration	9,518	21,788
Depreciation of property, plant and equipment	43,049	115,094
Impairment of property, plant and equipment	-	(6,599)
Gross R&D expenses	**753,660**	**686,364**
Tax credits	(867,588)	-
Net R&D expenses	**(113,928)**	**686,364**

5.2 Rare Earths Recycling Technology Development

Dr. Pouya Hajiani, process inventor, engineer and Chief Technology Officer of Geomega, supervised and approved the technical information in this section.

Geomega develops technologies for the extraction and separation of rare earth elements and other critical metals. Rare earth magnets, or neo-magnets (NdFeB), are important components in renewable energy, vehicle electrification, automation and other applications. Geomega's strategy is to progressively de-risk its technology while working directly with industry participants that manufacture, use or recycle these magnets and to make the technology available through licensing to the magnet manufacturing facilities that are being built outside of China.

Geomega began the first engineering study for a demonstration plant to recycle rare earth magnets and produce rare earth oxides in 2019. The Front-End Engineering and Design study contemplated a capacity of approximately 1.5 tonnes of feed material per shift and confirmed that the process was technically feasible using commercially available equipment. Subsequent pilot results were published in January 2021 and engineering updates followed in 2021 and 2022.

Following the decision in April 2023 to relocate the demonstration plant to Saint-Hubert, the layout was redesigned and a baseline environmental study was completed. In early 2024, municipal sewer-capacity constraints prompted a design change from batch processing to continuous 24-hour operation. The revised design reduced utility demand while maintaining planned throughput of approximately 1.5 tonnes per day.

Construction began in March 2024. The principal civil works were completed by January 2025 and procurement of long-lead equipment was largely completed by April 2025. During Fiscal 26, all remaining major process equipment was delivered, mechanical and electrical installation advanced and the chiller circuit finalized and pressure tested. During Q1-27, construction activities continued with the project entering its final installation and integration phase. As disclosed on September 2, 2026, the major process piping installation was completed, with several smaller sections remaining to be completed during the fall including any required modifications, while piping insulation has begun and is being completed progressively as required for commissioning. Subject to completion of these activities and associated pre-commissioning work, the Corporation expected to begin commissioning the related process equipment in November 2026. See section 2.4 for the latest construction and commissioning update.

On June 3, 2026, the Corporation announced that the MELCCFP environmental authorization had been received. The permit allows operation of the demonstration plant and collection of operational and environmental-performance data through December 31, 2028. The resulting operational data are expected to support technology validation, product qualification and potential commercial licensing discussions with magnet manufacturers and other industry participants. The Corporation also continued discussions with potential suppliers of magnet scrap and other suitable feed materials, as well as with potential customers for recycled rare earth oxides.



Figure 1: View of the rare earth recycling demonstration plant assembly

5.3 Bauxite Residue Valorization Technology Development

Large quantities of caustic red mud, also known as bauxite residue ("BR"), are generated by alumina refineries and present significant storage, environmental and safety challenges. Many refineries operate near urban areas where storage space is constrained, and environmental requirements continue to increase. With more than four billion tonnes of BR stored globally, Geomega believes that the material represents a significant opportunity to recover valuable metals and reduce long-term environmental liabilities.

Innord's technology platform is designed for feeds with high iron content, losses of critical and strategic metals in the residue and a need for reagent recycling and substantial tailings-volume reduction. Intellectual property developed by Innord through this work remains with the Corporation, subject to specific partner-funded extensions. The Corporation's objective is to deploy the technology globally through licensing and royalty arrangements once economic and environmental performance has been demonstrated at larger scale.

- Potential tailings-volume reduction greater than 80%.
- Minimization of effluents through recycling of major reagents, with corresponding operating-cost benefits.
- Recovery of bulk metals such as aluminum and iron and strategic-metal concentrates containing rare earth elements, scandium, titanium, vanadium and other metals.

Bench-scale work began in 2020. Funding from industrial partners and government programs supported advancement to pilot scale. Pilot equipment was installed at the Boucherville facility beginning in 2023 and progressive commissioning, testing and pilot operations were conducted to validate process parameters and produce samples for end-user testing.

The technology is structured around three circuits that may be deployed separately or together depending on refinery objectives and residue composition. Circuit 1 removes alkalinity and produces sodium, calcium, aluminum and silica streams. Circuit 2 removes and recovers iron, including the potential production of direct-reduced-iron-grade material. Circuits 1 and 2 together are expected to account for more than 70% cumulative waste-volume reduction. Circuit 3 targets remaining high-value metals, including rare earth elements, titanium, scandium, gallium and other products. Each circuit incorporates reagent recycling to minimize effluents and avoid creation of additional hazardous waste streams.

During Fiscal 26, Innord entered into the JDA and demonstration license with Rio Tinto for Circuits 1 and 2. The pre-feasibility engineering program advanced through process flow diagrams, piping and instrumentation diagrams, hazard identification, equipment selection and sizing, mass balances and review of design assumptions. In June 2026, the Corporation completed the deliverables for which it was responsible under the pre-feasibility phase and delivered the resulting work to Rio Tinto for review and consideration of the next phase of the project. During Fiscal 26 and Q1-27, the Corporation also completed development and validation of Circuit 3 ("C3") at bench and pilot scale. C3 is designed to enable the recovery and purification of additional valuable constituents from bauxite residue following processing through Circuits 1 and 2, while supporting reagent regeneration and recycling. The Corporation also tested bauxite residue samples from multiple alumina refineries to assess the applicability of the technology across different feed materials. See section 2.5 for the latest update.

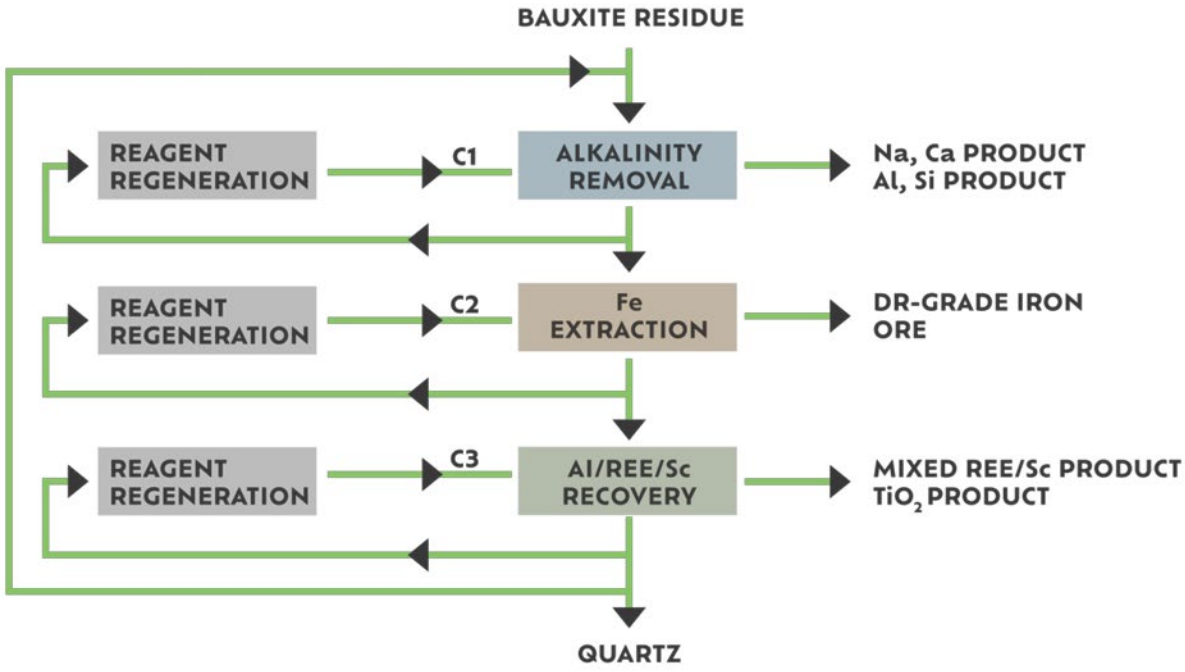


Figure 2: Bauxite residue valorization process overview



Figure 3: Pilot plant setup at the Boucherville facility



Figure 4: Pilot plant setup at the Boucherville facility

October 23, 2026

(s) Kiril Mugerman
Kiril Mugerman
President and CEO

(s) Mathieu Bourdeau
Mathieu Bourdeau
CFO

Management

Kiril Mugerman, President & CEO
Mathieu Bourdeau, CFO
Pouya Hajiani, CTO

Board of directors

Geneviève Ayotte, Chair of the Audit Committee [1)]
Kosta Kostic [2)]
Matt Silvestro, Chair of the Governance Committee [1) 2)]
Nick Nickoletopoulos [1) 2)]
Kiril Mugerman

Notes:
[1)] Member of the Audit Committee
[2)] Member of the Corporate Governance, Nomination and Compensation Committee

Head office

75 boul. de Mortagne
Boucherville (Quebec)
J4B 6Y4
Tel.: (514) 223-1449
Website: https://www.geomega.ca

Plant and integrated R&D facility

3225 1re Rue
Saint-Hubert (Quebec)
J3Y 8Y6

Lawyers

Dentons Canada LLP
Place Ville-Marie, 39th Floor
Montreal (Quebec)
H3B 4M7

Auditors

Raymond Chabot Grant Thornton LLP
600 De La Gauchetière Street West, Suite 2000
Montreal (Quebec)
H3B 4L8

Transfer agents

Computershare
650 De Maisonneuve Boulevard West, 7th Floor
Montreal (Quebec)
H3A 3T2
Tel.: (514) 982-7888