

Geomega obtains a total loan of \$ 3M from the Quebec government

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MONTREAL, Sept. 30, 2020 - [Geomega Resources Inc.](#) (Geomega; or the Corporation) (TSX:V.GMA) (OTC: GOMRF), a developer of clean technologies for the mining, refining and recycling of rare earths, is pleased to announce that it has secured additional debt financing of \$1,326,000, which will be added to the funds required to build the rare earth magnet recycling demonstration plant in Saint-Bruno-de-Montarville, Quebec. Project financing will be provided by Investissement Quebec (IQ), who will be acting as agent on behalf of the Quebec Government to secure funding for the project.

The amount is in addition to the first tranche amount of \$1,720,000 that was announced on February 7, 2020. The debt financing aggregate amount will now total \$3,046,000 and will have the same favorable terms as the first tranche, including the fact that the debt is non-interest bearing. The increased amount of debt financing is based on an updated project evaluated at \$4,800,000 including capital costs and working capital (which was previously estimated at \$3,200,000). The increased cost results from internal evaluations by the Corporation based on the completed engineering work and adjusts for delays, associated with restrictions imposed by the COVID pandemic and engineering work, and higher costs of engineering and construction.

The proposed use of funds will be towards the purchase of equipment, as well as engineering and construction of the demonstration plant. This non dilutive debt financing for the Corporation has no warrants or finder's fees attached. This debt financing will supplement the funds currently held by the Corporation and other non-reimbursable grants that Geomega has applied for and, in certain cases, obtained (see 2020 Annual MD&A report of the Corporation for more details).

We are very grateful for the continuing support from the Government of Quebec which has once again demonstrated its commitment and leadership in respect of home grown innovative technology initiatives with this follow-on financing which builds upon their first investment in our project earlier this year. The Quebec Government is working hard to help establish clean, and innovative production of the critical metals that will simultaneously create jobs and produce materials needed for the industries of tomorrow. Its commitment to transformation and recycling of rare earth elements will help attract further downstream industries and establish a clean and sustainable rare earths refining industry in Quebec. With this funding portion now complete, we are looking forward to the completion of pilot testing which we began in August 2020 and then proceed to finalize engineering and begin construction," commented Kiril Mugerma, President & CEO of Geomega.

This comprehensive investment by our government is intended to encourage the development of a green economy. This is a major aspect of the Geomega project. Also, recycling rare earths elements is an avenue for the enhancement and development of critical and strategic minerals in Quebec. With technologies and the energy transition, demand is strong for these minerals," *Jonatan Julien, Minister of Energy and Natural Resources, Minister responsible for the C?te-Nord region.*

The Corporation will continue to update shareholders as the construction of the demonstration plant progresses.

About Geomega (www.geomega.ca)

Based in Boucherville and St-Bruno, 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 19% 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 wholly owned subsidiary of Geomega. 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.

About Investissement Qu?bec

Investissement Quebec's mission is to actively participate in Qu?bec's economic development by stimulating innovation in businesses, entrepreneurship and the growth of investment and exports in all regions of Qu?bec. The Company offers businesses and entrepreneurs services, such as technological support, as well as adapted financial solutions and investments. Through its Investissement Qu?bec International division, the Company is responsible for supporting export companies and ensuring the prospecting of foreign investments.

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