

GÉOMÉGA UNLOCKS ITS GOLD ASSETS VALUE

Highlights of the news release:

- GéoMégA to sell its gold portfolio for \$2,500,000 to Groupe Ressources Géomines for 17,857,143 shares at \$0.14 per share.
- Géomines to complete a transaction with Black Springs Capital Corp. and rename the resulting issuer to Kintavar Exploration Inc.
- GéoMégA intends to distribute to its shareholders, after the closing of the QT, approximately 7,827,464 of the shares received from sale the of the non-REE assets.
- GéoMégA to hold approximately 19.9% of the issued and outstanding shares of the resulting issuer.

Montréal, December 9, 2016 – Geomega Resources Inc. (“**GéoMégA**” or the “**Corporation**”) (TSX.V: GMA) announces that it has signed a Conditional Gold Claims Sale Agreement (the “**Sale Agreement**”) with a privately-owned corporation, Groupe Ressources Géomines Inc. (“**Géomines**”). The Sale Agreement concerns all the non-rare earth elements (“**non-REE**”) related assets held by GéoMégA and are comprised of the Anik, Rivière à l'Aigle, McDonald, Gaspard, Comtois, Lac Storm, 3G and Maryse properties. The Sale Agreement will be 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**”). The Acquisition will constitute the “Qualifying Transaction” (“**QT**”) of BSC, a “capital pool company”, as such terms are defined in the policies of the TSX Venture Exchange (the “**Exchange**”). Subject to the Exchange’s approval, upon completion of the Acquisition, the combined entity (the “**Resulting Issuer**”) will continue to carry on the business of Géomines as currently constituted.

In connection with the closing of the Acquisition, BSC intends on obtaining shareholder approval for a continuance of BSC from the *Business Corporations Act* (British Columbia) to the *Business Corporations Act* (Québec) (the “**Continuation**”), completing a capital restructuring (the “**Capital Restructuring**”), including the consolidation of its share capital on a basis of two (2) pre-consolidated shares (each a “**BSC PreShare**”) for one (1) post-consolidated share (a “**BSC PostShares**”), and changing its name to Kintavar Exploration Inc. Upon completion of the Capital Restructuring, BSC’s 6,500,000 BSC PreShares and 400,000 options currently outstanding will be consolidated respectively into 3,250,000 BSC PostShares and 200,000 post-consolidation options.

Under the terms of the Sale Agreement, an all share transaction, Géoméga will receive a total of 17,857,143 BSC PostShares of the Resulting Issuer at a deemed price of \$0.14 per share, a value of \$2,500,000 representing the book value of the Non-REE assets as of the date of the closing.

Under the terms of the Acquisition, an all share transaction, current Géomines shareholders will receive a total of 10,714,286 BSC PostShares of the Resulting Issuer at a deemed price of \$0.14 per share, a value of \$1,500,000 representing the book value of the Géomines Properties as of the date of the closing.

The total value of the Sale Agreement and the Acquisition is \$4,000,000, excluding any shares of Géomines issued as part of the financings described further below. The Acquisition and the Sale Agreement will be carried out by parties dealing at arm's length to one another. GéoMégA intends to distribute to its shareholders, after the closing of the QT, approximately 7,827,464 of the shares received from the sale of its non-REE assets and will hold approximately 19.9% of the issued and outstanding shares of the resulting issuer.

After the closing of the Sale Agreement, GéoMégA will retain its core assets, namely the Montviel property, its holdings and assets in Innord Inc. and its holdings of the Resulting Issuer. GéoMégA is expected to be the largest shareholder of the Resulting Issuer, post-QT and closing of the financings.

Géomines and BSC will proceed over the following weeks with all the required regulatory filings, approvals and financing initiatives.

A finder's fee of 190,476 BSC PostShares shall be paid, subject to the approval of the Exchange, to each of Ansacha Capital Inc., Hexagon Ventures Inc. and Laurentian Bank Securities for being instrumental in introducing the parties.

FINANCINGS

BSC will complete a bridge private placement financing of a minimum of \$75,000 and a maximum of \$100,000 (the "**Bridge Financing**"), of BSC PreShares at the subscription price of \$0.0525 per share. The closing of the Bridge Financing will not be conditional to the closing of the Acquisition.

The Sale Agreement is conditional, as part of the QT, on the closing of a financing of a minimum of \$1,400,000 and a maximum of \$3,000,000 in Géomines and/or BSC, (the "**Concurrent Financing**"), resulting in the issuance of a maximum of 21,428,572 BSC PostShares at a deemed price of \$0.14 per share (or \$0.18 per share issued on a flow-through basis) and 10,714,286 BSC PostShares purchase warrants at a minimum exercise price of \$0.18 for a period of 24 months.

RESULTING ISSUER MANAGEMENT

It is currently contemplated that on completion of the Acquisition, the directors and the officers of the Resulting Issuer will consist of the following persons and up to three additional directors and a Chief Financial Officer to be named by GéoMégA prior to closing:

- Kiril Mugerma, President, Chief Executive Officer and Director
- Alain Cayer, Vice-President Exploration
- Maxime Lemieux, Director

"The signing of the Conditional Gold Claims Sale Agreement is a major step towards having the financial markets recognize the value of GéoMégA's non-REE assets," commented Mr. Kiril Mugerma, President and CEO of GéoMégA. "With the Qualifying Transaction between Géomines and BSC, we believe we will be able to raise sufficient funds to begin a more aggressive exploration program of the assembled properties portfolio and start to realize their full potential. Furthermore, with the exploration and management teams readily available for both GéoMégA and Kintavar, we see many synergies which will lead to both companies being more productive and cost efficient. In addition, with respect to our Montviel REE project and the separation technology being developed by Innord, we have made significant progress over the last 24 months. With successful demonstration of our proprietary hydrometallurgical process for the Montviel mineralization in 2015 and the

development of two prototypes by Innord in 2016 with the goal of reaching 1 kg/day throughput, it is now a fitting opportunity to proceed with this transaction to isolate our gold exploration projects and grow their and GéoMégA's shareholder's value."

The BSC PreShares are currently halted from trading, and the trading of the shares is expected to remain halted pending completion of the Acquisition.

Completion of the Acquisition is subject to a number of conditions including, but not limited to, completion of the Minimum Concurrent Financing, the Continuance and the Capital Restructuring, the satisfaction of BSC, Géomines and GéoMégA in respect of the due diligence investigations to be undertaken by each party, the completion of a definitive agreement in respect of the Acquisition, closing conditions customary to transactions of the nature of the Acquisition, approvals of all regulatory bodies having jurisdiction in connection with the Acquisition, Exchange acceptance and, if required by the Exchange policies, majority of the minority shareholder approval. Where applicable, the Acquisition cannot close until the required shareholder approvals are obtained and there can be no assurance that the Acquisition will be completed as proposed or at all. Upon completion of the Acquisition the Resulting Issuer intends to be listed as a Tier 2 "mining issuer" under the rules of the Exchange.

For further information about the transaction between BSC and Géomines, GéoMégA management recommends investors to consult the publicly disseminated press release of BSC from December 9, 2016.

About the GéoMégA non-REE properties

The Anik property (approx. 8,500 hectares, 100% owned) is situated 40 km to the south-east of the town of Chapais and 55 km to the south of the town of Chibougamau, in Québec. Located in the Opawica-Guercheville deformation corridor, host to several gold mines and deposits. The eastern portion of the property is located less than 7 km from the Joe Mann mine and the Lac Meston and Phillibert deposits. The western portion of the property is located less than 10 km to the south of the Monster Lake and Fancamp gold projects. In addition, the main gold zones of the Nelligan property, a joint venture between Vanstar Ressources and IAMGOLD, are surrounded to the north, south and east by Anik property boundaries at a distance of less than 1,500 metres.

The Rivière-à-l'aigle property (approx. 9,000 hectares, 100% owned) is located in the Lake Windfall area, 55 km to the south of the town of Chapais and 100 km to the east of the town of Lebel-sur-Quévillon. The area has seen an increase in gold exploration over the last several years, primarily by Osisko Mining. The property is characterised by very strong geochemical gold anomalies coinciding with a network of faults and shear zones. The southern border of the property is in contact with the Urban Barry property of Osisko Mining.

Other properties in GéoMégA's portfolio (approx. 13,950 hectares, 100% owned) include Maryse, Lac Storm, 3G, Gaspard, Comptois and McDonald which are gold projects with targets based on lithological and geochemical anomalies.

Except for Lac Storm, all the properties are located within the northern portion of the geological Abitibi Subprovince, are road accessible and, benefit from other public infrastructure and access to skilled workforce. All the properties are free of royalties.

About the Géomines properties

The WHN (approx. 9,056 hectares, 100% owned) and Boisvert (approx. 9,309 hectares, 100% owned) properties are adjacent to each other and are located west of the Mitchinamecus reservoir, 100 km north of the town of Mont-Laurier. The properties cover an area of almost 200 square kilometres accessible by a network of logging and gravel roads. A hydro-electric power substation is located 14 km to the east of the properties.

The properties are located in the north-western portion of the central metasedimentary belt of the Grenville geological province. Many gold, copper and silver mineralized showings have been identified on the properties to date, with many characteristics suggesting of Iron Oxide Copper Gold ore type deposit (IOCG). The mineralizing system appears to be a later stage event that has not been subject to the strong deformation forces arising from the Grenville orogeny. Multiple geophysical and geochemical surveys, conducted by Géomines and other companies, confirm the presence of multiple anomalies that have yet to be followed up on with field work. No drilling has been done on the WHN property and only one drilling campaign of 15 drill holes (386 m) was completed in 1971 by Noranda in one small sector of the Boisvert property.

Osisko Mining holds a 2% NSR on 39 claims and 1% NSR on 21 other claims of the Boisvert property. The royalty agreement, originally signed between Amixam and Niogold, will carry over with the property.

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.

78,208,049 common shares of GéoMégA are currently issued and outstanding.

About Groupe Ressources Géomines Inc.

Géomines is a privately owned junior mineral exploration company based in Québec with a portfolio of exploration properties, comprised of WHN and Boisvert, both located in the Province of Québec.

About Black Springs Capital Corp.

Black Springs Capital Corp is a capital pool company. The Company is engaged in identification and evaluation of assets or business with a view of completing a qualifying transaction.

Regulation 43-101 Disclosure

Alain Cayer, P. Geo., MSc., Vice-President Exploration of GéoMégA, is the Qualified Person under the guidelines of *National Instrument 43-101 respecting Standards of Disclosure for Mineral Projects* who supervised and approved the preparation of the technical information in this news release.

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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 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.