



**GENIUS METALS INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Three-month and nine-month periods ended

April 30, 2021

(Third Quarter)

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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This management discussion and analysis ("MD&A") of Genius Metals Inc., ("Genius Metals" or "GENI" or the "Company") follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of Genius Metals, on how the Company performed during the three-month and nine-month periods ended April 30, 2021. It includes a review of the Company's financial condition and a review of operations for the three-month period and nine-month periods ended April 30, 2021 as compared to the three-month and nine-month periods ended April 30, 2020.

This MD&A complements the condensed interim financial statements for the three-month and nine-month periods ended April 30, 2021 but does not form part of them. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations and it should be read in conjunction with the condensed interim financial statements as at April 30, 2021 and related notes thereto as well as the audited financial statements, accompanying notes and Management's Discussion and Analysis for the year ended July 31, 2020.

The condensed interim financial statements for the three-month and nine-month periods ended April 30, 2021 and 2020 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") applicable to the preparation of condensed interim financial statements. The accounting policies applied in the financial statements are based on IFRS issued and effective as at April 30, 2021. On June 25, 2021, the Board of Directors approved, for issuance, the audited annual financial statements.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com). The shares of Genius Metals are listed on the Canadian Securities Exchange ("CSE") under the symbol "GENI".

## REPORT'S DATE

The MD&A was prepared with the information available as at June 25, 2021.

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". In the interest of providing shareholders and potential investors with information regarding Genius Properties, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to: volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks. The preliminary assessments contained in the Technical Report referred to in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

## NATURE OF ACTIVITIES

The Company was incorporated on May 25, 2018 under the *Canada Business Corporations Act.*, in conjuncture to the Acquisition by the Company of substantially all of the assets and liabilities including all of its Canadian mining properties of Cerro de Pasco Inc. (formerly Genius Properties Ltd.) by way of a spin-off. The Company's shares are listed on the Canadian Stock Exchange ("CSE") under the symbol GENI. The Company head office is 203-22 Lafleur Ave N., Saint-Sauveur, Québec J0R 1R0.

The Company, an exploration and evaluation stage company, is in the business of acquiring and exploring mineral properties in Canada. Its focus is currently on the exploration and evaluation of its mineral properties in Québec and Nova Scotia.

## BUSINESS DEVELOPMENT HIGHLIGHTS

- **COVID-19**

During Q3-2021, the COVID-19 pandemic continued to cause significant financial market and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. The Company assesses the impact COVID-19 will have on its business activities. The extent of the effect of the COVID-19 pandemic on the Company is uncertain.

- **FINANCING - PRIVATE PLACEMENTS**

- On April 16, 2021, the Company completed a non-brokered private placement for gross proceeds of \$410,000 and issued 2,050,000 common share units of the Issuer at a price of \$0.20 per unit. Each unit consisted of one common share of the Issuer and one common share purchase warrant. Each warrant entitles its holder to purchase one additional share at a price of \$0.35 per share until October 16, 2022.
- On April 29, 2021, the Company completed a non brokered private placement for gross proceeds of \$297,898 and issued 1,349,500 common share units of the Issuer at a price of \$0.20 per unit. Each unit consisted of one common share of the Issuer and one common share purchase warrant. Each warrant entitles its holder to purchase one additional share at a price of \$0.35 per share until October 29, 2022. In the same placement, the Issuer issued 28,571 flow-through shares at a price of \$0.28 per flow-through share. In the same placement, the Issuer also issued 66,660 flow-through units at a price of \$0.30 per flow-through unit. Each unit consisted of one flow-through share of the Issuer and one-half of one warrant entitling its holder of one whole warrant to purchase one Issuer Share at a price of \$0.40 until April 29, 2022.

## BUSINESS DEVELOPMENT SUBSEQUENT EVENTS

- On June 15, 2021, the Company filed on SEDAR a National Instrument 43-101 compliant technical report update on its Sakami property with an effective date of May 31, 2021. The report filed on June 15, 2021 is an update of the technical report entitled "The Sakami Property, La Grande Subprovince, James Bay Territory, Quebec, NTS 33F07, 08, 09, 10" dated September 10, 2018. The report summarizes the geological setting, mineralization and exploration activities carried out by previous owners of the property, as well as the exploration activities carried out by Genius Metals in recent years.
- In May 2021, the Company entered into an agreement with Forage G4 based in Val d'Or, Quebec, to carry out a 2,000m to 3,000m diamond-drilling campaign focused on the gold-prospective Lamarche

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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and GoldenEye prospects. Drilling targets were defined using the data provided by recently completed mapping, rock sampling, channel sampling and geophysical surveys. The campaign is set to begin at the end of June after the company completes additional exploratory fieldwork.

## CORPORATE OBJECTIVES FOR 2021:

- The Company intends to continue to focus its exploration efforts on the Sakami and the A-Lake properties in 2021.
- On Sakami, the Company intends to complete a 42km IP survey on the Lamarche zone to guide future trenching and to establish new drilling targets. The Company also aims at initiating an exploratory drilling campaign of 2,000m to 4,000m that will investigate the *Lamarche* and *GoldenEye* prospects at depth.
- On A-Lake, the Company intends to follow-up the 2020 IP survey by implementing a prospecting/mapping campaign in order to generate drill targets by the end of 2021

## EXPLORATION HIGHLIGHTS

- During the month of February 2021 (Q3-2021), the Company completed the ground-based IP geophysical survey as well as a drone-MAG survey on the Lamarche prospect.
- During the month of March 2021 (Q3-2021), the Company began the interpretation of the drone-MAG survey and the IP geophysical survey as part of the planification of the imminent drilling campaign targeting the prospective areas of Lamarche and GoldenEye. Interpretation of the geophysical surveys and planification of the drilling campaign are conducted by GÉON Ltd. and Laurentia Exploration.

## SUBSEQUENT EXPLORATION HIGHLIGHTS

- During the month of May 2021, the Company completed a prospecting campaign on the A-Lake property aimed at following-up on the IP geophysical survey recently completed. Two prospectors spent two weeks collecting rock samples in areas where IP anomalies were detected with the geophysical survey recently completed.
- During the months of May and June 2021, the Company completed a prospecting campaign on the Sakami property aimed at expanding the footprint of the Lamarche, GoldenEye and Transtaiga showings. A crew of three geologists, an engineer, four technicians, a camp manager, a cook, and a helicopter pilot spent 9 days prospecting on the property. Out of the 9 days, a total of 200 outcrops were described and 249 samples were collected and sent to the lab for assaying.
- On June 4<sup>th</sup>, 2021, Genius Metals acknowledged that MegumaGold fulfilled the first phase of the option agreement for the acquisition of a 70% interest in the Meaghers property dated December 4<sup>th</sup>, 2019. As part of this first phase of the option agreement, Meguma incurred over 100,000\$ of eligible expenditures on the Meaghers property and acquired a 49,9% interest in the property by doing so.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## EXPLORATION ACTIVITIES FOR THE THREE-MONTH PERIOD ENDED APRIL 30, 2021

During the three-month period ended April 30, 2021, the Company invested \$71,587 in exploration and evaluation assets (net of disposition, impairment and tax credit related to resources and mining tax credits) of which the main investments were spent on Sakami property.

### GENIUS METALS INC.

#### Mining properties & Exploration and evaluation assets For the three-month period ended April 30, 2021

	Dissimieux Lake QC	Sakami QC	KM381 QC	Iserhoff QC	Mt Cameron NS	Blockhouse NS	Kemptville NS	Chocolate Lake NS	Gold River NS	Meaghers NS	Nictaux NS Option	A Lake NB	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Exploration and evaluation assets</b>													
Geophysical	-	61,158	-	-	-	-	500	-	-	-	-	(8,000)	53,658
Geology	125	8,117	-	-	-	-	-	-	-	-	-	1,000	9,242
Prospecting	-	2,015	-	-	-	-	-	2,875	-	-	-	967	5,857
General field expenses	250	2,580	-	-	-	-	-	-	-	-	-	-	2,830
Tax credit related to resources and mining tax credits	(70)	(28,192)	-	-	-	-	-	-	-	-	-	-	(28,262)
Impairment	-	-	-	-	-	(5,843)	-	-	-	-	-	-	(5,843)
	305	45,678	-	-	-	(5,843)	500	2,875	-	-	-	(6,033)	37,482
<b>Mining properties:</b>													
Acquisition	-	-	-	-	-	-	-	-	-	-	-	35,000	35,000
Mining rights	1,110	-	3,451	-	-	-	200	120	20	-	-	-	4,901
Impairment	-	-	-	-	-	(2,907)	-	-	-	-	-	-	(2,907)
	1,110	-	3,451	-	-	(2,907)	200	120	20	-	-	35,000	36,994
<b>Balance, beginning of period</b>	341,862	1,769,277	2,836	382,473	303,285	75,834	11,453	8,229	2,116	6,755	-	264,994	3,169,114
<b>Balance, end of period</b>	343,277	1,814,955	6,287	382,473	303,285	67,084	12,153	11,224	2,136	6,755	-	293,961	3,243,590

### GENIUS METALS INC.

#### Mining properties & Exploration and evaluation assets For the three-month period ended April 30, 2020

	Dissimieux Lake QC	Sakami QC	KM381 QC	Iserhoff QC	Mt Cameron NS	Blockhouse NS	Kemptville NS	Chocolate Lake NS	Gold River NS	Meaghers NS	Nictaux NS Option	A Lake NB	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Exploration and evaluation assets</b>													
Geology	375	2,750	-	-	-	-	-	-	-	-	-	2,328	5,453
Drilling	-	-	-	6,968	-	-	-	-	-	-	-	-	6,968
	375	2,750	-	6,968	-	-	-	-	-	-	-	2,328	12,421
<b>Mining properties:</b>													
Mining rights	-	-	-	133	-	1,135	-	-	-	-	-	-	1,268
Impairment	-	-	-	-	-	-	-	-	-	-	(12,424)	-	(12,424)
	-	-	-	133	-	1,135	-	-	-	-	(12,424)	-	(11,156)
<b>Balance, beginning of period</b>	340,285	978,072	2,696	454,075	303,285	74,471	11,453	8,229	2,116	18,524	12,424	141,777	2,347,407
<b>Balance, end of period</b>	340,660	980,822	2,696	461,176	303,285	75,606	11,453	8,229	2,116	18,524	-	144,105	2,348,672

- During the month of February 2021 (Q3-2021), the Company completed a ground-based IP geophysical survey as well as a drone-Mag survey on the Lamarche prospect of the Sakami property.
- During the month of March 2021 (Q3-2021), the Company began the interpretation of the drone-MAG survey and the IP geophysical survey as part of the planification of the imminent drilling campaign targeting the prospective areas of Lamarche and GoldenEye.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## EXPLORATION ACTIVITIES FOR THE NINE-MONTH PERIOD ENDED APRIL 30, 2021

During the nine-month period ended April 30, 2021, the Company invested \$890,847 in exploration and evaluation assets (net of disposition, impairment and tax credit related to resources and mining tax credits) of which the main investments were spent on Sakami property.

### GENIUS METALS INC.

#### Mining properties & Exploration and evaluation assets For the nine-month period ended April 30, 2021

	Dissimieux Lake QC	Sakami QC	KM381 QC	Iserhoff QC	Mt Cameron NS	Blockhouse NS	Kemptville NS	Chocolate Lake NS	Gold River NS	Meaghers NS	Nictaux NS Option	A Lake NB	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Exploration and evaluation assets</b>													
Geophysical	-	314,080	-	-	-	-	500	-	-	-	-	58,308	372,888
Geology	1,103	44,196	228	333	-	-	-	-	-	-	-	9,527	55,387
Prospecting	-	384,676	-	-	-	-	-	2,875	-	-	-	16,690	404,241
General field expenses	250	63,924	-	-	-	-	-	-	-	-	-	-	64,174
Tax credit related to resources and mining tax credits	(274)	(128,860)	(88)	(74)	-	-	-	-	-	-	-	-	(129,296)
Disposition	-	-	-	-	-	-	-	-	-	(3,604)	-	-	(3,604)
Impairment	-	-	-	-	-	(5,843)	-	-	-	-	-	-	(5,843)
	1,079	678,016	140	259	-	(5,843)	500	2,875	-	(3,604)	-	84,525	757,947
<b>Mining properties:</b>													
Acquisition	-	-	-	-	-	-	-	-	-	-	-	60,000	60,000
Mining rights	1,163	5,582	3,451	171	-	228	200	120	20	105	-	227	11,267
Disposition	-	-	-	-	-	-	-	-	-	(8,271)	-	-	(8,271)
Impairment	-	-	-	-	-	(2,907)	-	-	-	-	-	-	(2,907)
	1,163	5,582	3,451	171	-	(2,679)	200	120	20	(8,166)	-	60,227	60,089
<b>Balance, beginning of period</b>	341,035	1,131,357	2,696	382,043	303,285	75,606	11,453	8,229	2,116	18,525	-	149,209	2,425,554
<b>Balance, end of period</b>	343,277	1,814,955	6,287	382,473	303,285	67,084	12,153	11,224	2,136	6,755	-	293,961	3,243,590

### GENIUS METALS INC.

#### Exploration and evaluation assets For the nine-month period ended April 30, 2020

	Dissimieux Lake QC	Sakami QC	KM381 QC	Iserhoff QC	Mt Cameron NS	Blockhouse NS	Kemptville NS	Chocolate Lake NS	Gold River NS	Meaghers NS	Nictaux NS Option	A Lake NB	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Exploration and evaluation assets</b>													
Geophysical	-	91,410	-	2,310	-	-	-	-	-	-	-	(11,947)	81,773
Geology	1,125	14,633	-	4,302	-	-	-	-	231	-	-	-	8,470
Prospecting	-	42,068	-	15,423	-	-	-	-	-	-	-	-	14,794
Drilling	-	-	-	172,705	-	-	-	-	-	-	-	-	172,705
Disposition	-	-	-	-	-	-	-	-	-	(6,486)	-	-	(6,486)
	1,125	148,111	-	194,740	-	-	-	-	231	(6,486)	-	11,317	349,038
<b>Mining properties:</b>													
Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining rights	-	22,828	-	2,881	2,674	986	(2,420)	-	(216)	25,095	-	-	51,828
Disposition	-	-	-	-	-	-	-	-	-	(14,765)	-	-	(14,765)
Impairment	-	-	-	-	-	-	-	-	-	-	(12,424)	-	(12,424)
	-	22,828	-	2,881	2,674	986	(2,420)	-	(216)	10,330	(12,424)	-	24,639
<b>Balance, beginning of period</b>	339,535	809,883	2,696	263,555	300,611	74,620	13,873	8,229	2,101	14,680	12,424	132,788	1,974,995
<b>Balance, end of period</b>	340,660	980,822	2,696	461,176	303,285	75,606	11,453	8,229	2,116	18,524	-	144,105	2,348,672

- During Q1-2021, the Company conducted two prospecting campaigns on the Sakami property. The first phase involved intensive rock sampling while the second phase included overburden stripping and channel sampling. The field work was conducted by Laurentia Exploration based in Jonquière, Quebec. Planning and interpretation were conducted by Laurentia Exploration and GÉON LTD.
- During Q1-2021 the Company carried out line-cutting, an IP geophysical survey as well as a till sampling program on the A-Lake property.
- During Q1-2021, GÉON LTD., a geological consultant to the Company, produced various maps and geological reports mostly for the Sakami and A-Lake properties.
- During Q2-2021, the Company initiated a line-cutting program in order to establish a new 42 linear kilometers exploration grid on the Lamarche Prospect of the Sakami property. The line cutting-work was completed in early-January 2021.

### GENIUS METALS INC.

Three-month and nine-month periods ended April 30, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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- During Q2-2021, the Company initiated and completed a drone-MAG survey on the newly established 42 km exploration grid on the Lamarche prospect.
- During Q2-2021, the Company completed a ground-based IP geophysical survey on the newly established 42km exploration grid on the Lamarche prospect. The geophysical work was performed by Géophysique TMC located in Val d'Or, Québec.
- During the month of February 2021 (Q3-2021), the Company completed a ground-based IP geophysical survey as well as a drone-Mag survey on the Lamarche prospect of the Sakami property.
- During the month of March 2021 (Q3-2021), the Company began the interpretation of the drone-MAG survey and the IP geophysical survey as part of the planification of the imminent drilling campaign targeting the prospective areas of Lamarche and GoldenEye.

### **Sakami Property**

During the month of August 2020, the Company launched the first phase of its two-phase exploration campaign on the Sakami property. The main objective was to further investigate the historical gold values of the property but also to unearth new prospective zones on the newly acquired claims through extensive rock sampling. A crew of three geologists, three technicians, a cook, a camp manager and a helicopter pilot were mobilized on the property for 16 days in August. The work enabled the discovery of two new prospective zones on the property that were later named *Lamarche* and *GoldenEye*. The Lamarche zone is currently interpreted as a 500m x 300m shear/deformation corridor which returned values of up to 13 g/t Au accompanied by high Ag, Zn, Cu and Pb concentrations. It is postulated that this structure extends for at least 1.2km. The GoldenEye zone is a 700m x 100m structure which returned up to 2,55 g/t Au exposed near a tonalitic pluton. Both zones remain open in every direction.

During the month of September 2020, the Company launched the second phase of work on the Sakami property employing a crew who was mobilized for 18 days to further investigate the Lamarche and GoldenEye zones. The Company used a mechanical excavator to strip the overburden on both zones to test the continuity of the mineralization through channel sampling. Many grab samples were also collected on the vicinity of the prospective zones. The results confirmed the extension of the discovery zones by producing channel sample values of 1.71 g/t Au over 1m and 1.01 g/t Au over 1.4m on Lamarche and 1.02 g/t Au over 4.1m on GoldenEye.

During the month of December 2020, the Company initiated a line-cutting program in order to establish a new 42 linear kilometers exploration grid on the Lamarche Prospect of the Sakami property. The line cutting-work was completed in early-January. Following the completion of the new exploration grid, the Company initiated and completed a drone-MAG survey on the Lamarche prospect. Furthermore, the Company launched a ground-based IP geophysical survey on the Lamarche prospect. The geophysical work was performed by Géophysique TMC located in Val d'Or, Québec and was completed in February 2021.

During the month of February 2021 (Q3-2021), the Company completed a ground-based IP geophysical survey as well as a drone-Mag survey on the Lamarche prospect of the Sakami property.

During the month of March 2021 (Q3-2021), the Company began the interpretation of the drone-MAG survey and the IP geophysical survey as part of the planification of the imminent drilling campaign targeting the prospective areas of Lamarche and GoldenEye.

### **A-Lake Property**

During the month of October 2020, the Company launched an exploration campaign on the A-Lake property which entailed the completion of a 25km IP survey and till sampling. The objective of the IP survey was to further investigate a NS-oriented fault or contact expressed by a strong magnetic contrast discovered by the 2019 VTEM airborne survey, by cutting IP lines perpendicular to the contact. Vickers Geophysics from New-Brunswick carried out the IP survey. Furthermore, a geologist and two prospectors spent two weeks on the property to conduct a till sampling campaign to establish glacial dispersion trends and extract Heavy Metal Concentrates that could lead to Sn-Cu-Zn mineralized bodies.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## CURRENT PROJECTS

### Sakami Property (Québec)

The Sakami property, located in the James Bay area of the Province of Quebec, straddles the structural contact between the Opinaca and La Grande Archean subprovinces, the latter exposing a significant number of gold showings related to sulphide-rich quartz veins in iron formations and shear zones. The Sakami property displays diverse lithologies showing signs of alteration and/or gold mineralization (Au =1 to 5 g/t) principally associated with mylonitic or sheared zones.

During the 2017, ground-based PP, EM-VLF and magnetometric surveys were completed along a 34 km grid on the South Block of its Sakami property located in the James Bay area, Quebec. The geophysical surveys were accompanied by the collection of humus and soil samples, the latter to be analyzed for 53 elements using the Mobile Metal Ions (MMI) technology. Several grab samples were also gathered for precious and base metal analysis.

Furthermore, significant gold mineralized samples with values greater than 100 ppb occurred in the northeastern Sipanikaw sectors of the property principally in sheared or mylonitized hydrothermally altered (pyritized, sericitized) metavolcanic rocks and in iron formations.

A NI 43-101 technical report on the Sakami Property has been filed on Sedar, and entitled "The Sakami Property, La Grande Subprovince, James Bay Territory, Quebec, NTS 33F07,08,09,10", with an effective date of September 10, 2018. The technical report was independently prepared by Michel Boily, PhD, geo of Montreal, Quebec.

### 2018-2019 Exploration Program

The objective of the program was to investigate the gold potential of the northern Sakami volcanosedimentary assemblage in relation to the major crustal fault dividing the northern La Grande from the metasedimentary Opinaca subprovinces. The Company conducted magnetic and IP/Resistivity surveys on new and refurbished gridlines in the northern portion of the property. Further detailed mapping and rock sampling were implemented in the sector principally located on the northern shore of Lake Sakami shear/mylonite corridor.

During the Q2-2019, letters were sent to specific members of the Wememdjé Community (Chief and the Tallyman) to inform them about the Company's 2019 exploration program in their area.

The geophysical surveys performed on the northern portion of the property unveiled important magnetic anomalies which along the significant gold assays obtained with the surface prospecting work allowed the Company to establish exploratory drill targets.

During Q1-2020 a prospecting campaign which consisted mostly of rock sampling in regions where the IP and Mag geophysical surveys detected discrete anomalies. A crew of four prospectors and two field geologists spent two weeks prospecting and collected 109 rock samples that were sent for multi-elements assaying in Val d'Or.

On December 15, 2019 (Q2-2021), the Company completed an 800 linear kilometers helicopter-borne MAG-TDEM survey on the northern block of the Sakami Property. The survey detected new magnetic and conductive anomalies. The survey was completed at a total cost of 100,539\$. Following the preliminary results of the survey, Genius Metals staked an additional 14 claims to extend the property.

### 2020 Summer exploration campaign

From May 19<sup>th</sup> to May 25<sup>th</sup> (Q4-2020) the Company acquired and added 202 new claims contiguous to its Sakami property located in James-Bay area for the cost of 31,108\$

During the month of August (Q1-2021) the Company launched the first phase of its two-phase exploration campaign on the Sakami property. The main objective was to further investigate the historical gold values of the property but also to unearth new prospective zones on the newly acquired claims through extensive rock



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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sampling. A crew of three geologists, three technicians, a cook, a camp manager and a helicopter pilot were mobilized on the property for 16 days in August. The work enabled the discovery of two new prospective zones on the property that were later named *Lamarche* and *GoldenEye*. The Lamarche zone is currently interpreted as a 500m x 300m shear/deformation corridor which returned values of up to 13 g/t Au accompanied by high Ag, Zn, Cu and Pb concentrations. It is postulated that this structure extends for at least 1.2km. The GoldenEye zone is a 700m x 100m structure which returned up to 2,55 g/t Au exposed near a tonalitic pluton. Both zones remain open in every direction.

During the month of September (Q1-2021) the Company launched the second phase of work on the Sakami property employing a crew who was mobilized for 18 days to further investigate the Lamarche and GoldenEye zones. The Company used a mechanical excavator to strip the overburden on both zones to test the continuity of the mineralization through channel sampling. Many grab samples were also collected on the vicinity of the prospective zones. The results confirmed the extension of the discovery zones by producing channel sample values of 1.71 g/t Au over 1m and 1.01 g/t Au over 1.4m on Lamarche and 1.02 g/t Au over 4.1m on GoldenEye.

### **2020-2021 Winter exploration campaign**

During the month of December 2020, the Company initiated a line-cutting program in order to establish a new 42 linear kilometers exploration grid on the Lamarche Prospect of the Sakami property. The line cutting-work was completed in early-January. Following the completion of the new exploration grid, the Company initiated and completed a drone-MAG survey on the Lamarche prospect. Furthermore, the Company launched a ground-based IP geophysical survey on the Lamarche prospect. The geophysical work was performed by Géophysique TMC located in Val d'Or, Québec and was completed in February 2021.

During Q2-2021, the Company completed a ground-based IP geophysical survey on the newly established 42km exploration grid on the Lamarche prospect. The geophysical work was performed by Géophysique TMC located in Val d'Or, Québec.

During the month of February 2021 (Q3-2021), the Company completed a ground-based IP geophysical survey as well as a drone-Mag survey on the Lamarche prospect of the Sakami property.

During the month of March 2021 (Q3-2021), the Company began the interpretation of the drone-MAG survey and the IP geophysical survey as part of the planification of the imminent drilling campaign targeting the prospective areas of Lamarche and GoldenEye.

### **Iserhoff Property (Québec)**

On November 2018, the Company purchased a 100% interest in the Iserhoff Property in consideration of the issuance of 500,000 common shares of the Company. The property is subject to a 2% NSR on production, of which half can be bought back for a cash payment of \$1,000,000.

The Iserhoff Property is located in the northern Abitibi Greenstone belt, Quebec in the central and western areas of Bergères Township, about 55 km NNE of Lebel-sur-Quévillion, Québec. The gold property was originally comprised of 29 mining claims totaling 1,621.68 ha or 16.22 km<sup>2</sup> which were 100% owned by Genius Metals. The property can be accessed by a network of forestry roads some of which join provincial highway 113 connecting Lebel-sur-Quévillion with Chibougamau.

During the month of November 2018 (Q2-2019) the Company staked an additional 22 claims on the property to form a new consolidated block of claims which brings the property to a total of 51 claims.

The property is underlain by highly and multiply deformed Archean intermediate volcanic rocks (andesite-dacite) and metasediments (greywacke) metamorphosed to the amphibolite grade. Iserhoff was acquired in view of the encouraging drilling campaign results obtained by O'Brien Gold Mines Limited showing five short DDHs extending for 3.5 km along strike and yielding anomalous gold values at shallow depth (ex: 1.40 g/t @ 8.3 m, 1.24 g/t @ 14.5 m and 1.24 g/t @ 5.9 m) with locally, some associated silver, lead and zinc content. Strong IP anomalies in the central portion of the Iserhoff property are related to narrow (0.5 to 3 m), somewhat

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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discontinuous, bands of massive to semi-massive pyrrhotite and pyrite-rich-rocks which returned low base metal values.

As part of the 2018-2019 exploration campaign, the Company conducted an induced polarization ground-based survey on the Iserhoff Property. The IP survey totaled approximately 26 km.

During the Q2-2019, letters were sent to specific members of the Waswanipi Community (Chief and the Tallyman) to inform about the Company's 2019 exploration program in their area.

During Q1-2020 a prospecting campaign principally consisting of rock sampling in areas of geophysical anomalies was completed. A team composed of a geologist and three prospectors devoted a week to explore the property and a total of 16 grab rock samples were sent for gold assaying in Val d'Or.

On December 5, 2019 (Q2-2020), the Company initiated a 1,000m drilling campaign on the Iserhoff property. The 1,000m drilling contract was given to Roby Drilling in Val d'Or. A crew composed of 2 camp managers, 1 geologist, 4 drillers and 1 foreman was mobilized on site. The drilling work was performed on a 24h/day 7 days/week schedule. The drill core was logged on site and was later sent to Val d'Or for cutting and gold assaying. After 600m of drilling, the Company has to date been unable to reproduce the historical gold values and has suspended drilling while it re-assesses the prospect.

During Q4-2020, the Company chose to abandon 9 of its 51 claims.

### **Meaghers Gold Property, Nova Scotia**

On September, 2017, Genius announced the staking of 243 new mining claims in Nova Scotia covering an area of 39.3 square kilometres adjacent to Atlantic Gold's most developed resource: the Touquoy gold deposit.

The four Atlantic Gold deposits (Atlantic Gold Touquoy Open Pit Mine, Beaver Dam, Fifteen Mile Stream and Cochrane Hills Gold Mines) are associated with a weak aeromagnetic anomaly representing an overturned anticline composed of sedimentary rocks.

Genius staked property contains several gold showings, old exploration works such as the Meaghers Au-As Prospect, several DDHs collared for Au-Pb-Zn exploration and two abandoned gold adits. These gold-bearing structures are all in trend with the magnetic anomaly associated with Atlantic Gold's four deposits. This suggests the extension of the gold mineralized zones is probably hidden under a thick overburden and/or forms deeply buried new mineralization.

The Meaghers property is located in South-Central Nova Scotia. It forms part of the Meguma Terrane and is underlain by folded Cambro-Ordovician age sedimentary sequences of the Meguma Group containing the gold prospective Goldenville Formation. The latter is invaded by Mid-Devonian granitoids.

On August 9, 2018, GENI has filed on SEDAR a National Instrument 43-101 ("NI 43-101") technical report for its Meagher Property located in Nova Scotia. The technical report entitled "The Meaghers Property, Halifax County, Nova Scotia Canada, NTS 11D/14D" dated July 21, 2018. The technical report was independently prepared by Michel Boily, PhD, geo of Montreal, Quebec.

### **2018-2019 Exploration Program**

Starting mid-July 2018, GENI began exploration work on Meaghers. The work consisted of prospecting, geological mapping and rock sampling to generate exploration targets on which to focus more detailed work, such as channel sampling, trenching and geophysics. The objective was to evaluate the gold potential of the Goldenville Formation exposed in the Meaghers property near the contact with Atlantic Gold's mining claims.

Over the course of the 2019 fiscal year, the Company abandoned 42 claims which were located on the southwestern portion of the property. The decision to abandon those claims was justified by the presence of a golf club nearby the Company's claim which renders exploration impossible. The Company also performed 'merging operations' with its claims which brought the total of active and effective claims to 100.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## **Option Agreement**

On December 4, 2019, the Company has entered into an option agreement with MegumaGold Corp. ("MGC"), whereby MGC may earn a 70% interest in the Meaghers Property. Under the terms of the agreement the MGC may earn up to a 70% interest in 6 Genius Metals mineral exploration licences totalling 100 claims (1,620 Hectares) by satisfying the following conditions:

- MGC shall issue to Genius Metals on or before December 18, 2019, 250,000 common shares ("NSAU:CNX"); and
- To earn the initial 49.9% interest, MGC shall, on or before June 4, 2021, incur initial exploration expenses made up of ground surveys to pre-drilling targeting work, totalling at least \$100,000;
- To earn an additional 20.1% interest, MGC shall, within 12 months from the latest date of which MGC satisfies its 49.9% first initial earning, incur, a diamond drilling program on the Property, totalling at least \$150,000; and
- Upon MGC fully exercising the option in its entirety to earn 70% of the Meaghers Property, Genius Metals shall have the option to convert its remaining 30% interest into a 2% net smelter royalty ("NSR"), resulting in MGC owning a 100% interest, and Genius Metals owning a 2% NSR on the Meaghers Property. MGC will have an option to acquire 50% of the 2% NSR for \$1.0 million, leaving Genius Metals with a 1.0% NSR.

## **A Lake Property (New Brunswick)**

In 2018, Genius Metals has completed due diligence of the Property involving a review of geological information available and of prior exploration work. A visit to the property was conducted by a qualified geologist who collected various copper mineralized samples from float material obtained by trenching. The samples collected were submitted for precious, base and trace element analysis.

The A-Lake property is located in southern New Brunswick within the Charlotte County, NTS map 21G07. It consists of seven claims containing 118 units covering 28.6 km<sup>2</sup>. The mineralization is found within the Late Devonian Mount Douglas Granite units hosting endogranitic granophile element Sn-, Mo-, Zn-, Bi and U greisen/sheeted veins. The claims are located < 20 km from the W-Mo Mount Pleasant deposit associated with hydrothermally porphyritic granites intruding intracaldera Late Devonian volcanic and sedimentary rocks of the Piskahegan Group.

The property was prospected during the late summer and fall of 2018. A total of 32 mineralized monzogranite rock samples, mostly floats, were recovered from various parts of the property including from one 25 x 1 m trench. Assay values reveal 22 samples with significant copper values (0.12-7.96 %), 10 with Pb concentrations > 2600 ppm (0.26-1.43 %) and 11 having Zn values ranging from 0.1 to > 1%. High values of Ag (23-100 ppm), Mo (1990-2880 ppm), W (>200 ppm) are accompanied by anomalous Li, Sn, Bi concentrations as a testimony of the association of the mineralization to the endogranitic granophile element type.

At A-lake, the Company interpreted the assay results and began the preparation of exploration work. The Company has also staked a new block of 40 claims contiguous to the northwest limit of the property at a cost of \$900.

During Q3-2019, the Company entered into a services agreement with Geotech to perform a VTEM plus survey on the A-lake property at a cost of \$81,150. Since the Company received 30,000\$ in grant from the NBMAP to perform the survey, the Company will be credited \$51,150 of work relative to its option agreement with Atlantic Vanadium Corp.

The VTEM survey revealed: a) Magnetic signatures defining different units and contacts in the Mount Douglas Granite (MGD) and probably the presence of a NS-oriented structure, b) elevated and anomalous Th, U, K concentrations associated with highly differentiated and mineralized granitic units of the MGD, c) and/or from a silt-rich till cover rich in U, Th and REE-bearing minerals related to a NW-SE glacial dispersion. A prospecting campaign which includes a geochemical till survey will be conducted over the 2020 fiscal year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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During Q1-2020, the Company carried out prospection work consisting of till sampling on the property. The samples were analyzed with a handheld XRF spectrometer to locate soil anomalies in base and granophile elements.

During Q2-2020, Thirteen Cu and Zn-mineralized granitic samples collected from the granophile-mineralized Mount Douglas Granite (MDG) were reanalyzed by the peroxide fusion method and showed Sn concentrations 10 to 100 X higher than previously obtained by the 4-acids method. The average concentration now reaches  $0.30 \pm 0.44$  SnO<sub>2</sub> %, with high values of 0.95, 0.92 and >1.27 SnO<sub>2</sub> % respectively. The entirety of the collected samples from A- Lake will thus be reanalyzed by the peroxide fusion method. Comparison with the major and trace element concentrations of fresh granites and mineralized/altered samples have shown considerable K, Na and Si depletion. Consequently, the chemical composition of the MGD rocks especially the K/Th and Na/Th ratios are viewed as pathfinder elements of the mineralization. Genius will carry out further field work to find the source of the mineralized float material guided by the mapping of the A-Lake area (Billiton 1983) that discovered several un-sampled greisen veins on mountain tops. A NS-oriented fault or contact expressed by a strong magnetic contrast could be related to the granophile mineralization.

During the month of October (Q1-2021) the Company launched an exploration campaign on the A-Lake property which entailed the completion of a 25km IP survey and till sampling. The objective of the IP survey was to further investigate a NS-oriented fault or contact expressed by a strong magnetic contrast discovered by the 2019 VTEM airborne survey, by cutting IP lines perpendicular to the contact. Vickers Geophysics from New-Brunswick carried out the IP survey. Furthermore, a geologist and two prospectors spent two weeks on the property to conduct a till sampling campaign to establish glacial dispersion trends and extract Heavy Metal Concentrates that could lead to Sn-Cu-Zn mineralized bodies.

### **KM 381 Lithium Project**

The KM 381 project consists of 29 mining claims totaling 1,621.68 ha or 16.22 km<sup>2</sup>. The project is less than two km east of James Bay Lithium deposit.

The property lies within the Middle and Lower Eastmain River Greenstone Belt on the James Bay Territory (2705-2752 Ma). The GB is composed of Archean volcano-sedimentary assemblages metamorphosed to the amphibolite facies and exposing rocks from komatiitic flows to rhyolites with various sedimentary assemblages present. The Eastmain River Greenstone Belt is overlain by the Auclair Formation paragneiss (Nemiscau and Opinaca basins). Several plutons ranging from tonalitic to monzogranitic compositions intruded the volcanosedimentary rocks (2747-2697 Ma). James Bay Lithium deposit (40.8 Mt @1.40% Li<sub>2</sub>O as Indicated Resource) consists of granitic pegmatite dykes of albite and spodumene. These pegmatite dykes are classified under the rare earth elements (Li-Cs-Ta) type. They form a local group of dykes intruded in paragneiss of the Auclair Formation.

During Q-3 2019, the Company contacted Galaxy Lithium, which holds a world-class lithium deposit near the Company's claims to enquire about a possible joint-venture deal to conduct advancement work on the property. Negotiations have not yet begun between the two companies.

### **Dissimieux Lake**

The Project consists of 15 claims covering 8.4 km<sup>2</sup>, and is accessible via Provincial Highway #138 from Forestville, then driving northward on Highway #385 to Labrieville, and from there using a network of secondary gravel forestry roads to reach the east-southeast shore of Dissimieux Lake. The Property hosts titanium-phosphate (ilmenite-apatite) mineralization located near the southern margin of the La Blache Anorthositic Complex (the "LBAC"). The LBAC is elongated in a northeast-southwest direction and is 15 to 25 km wide over 60 km. It was emplaced into a highly metamorphosed and folded package of steeply dipping, N-NE dipping paragneiss and amphibolites of the Grenville Geological Province. The Property is dominated by steep hills, with elevations ranging from 435 m to 700 m above sea level.

These claims are in good standing and remain an integral part of the assets of the Company.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## **Blockhouse Gold and other (Nova Scotia)**

Nova Scotia properties originally consisted of the following: Blockhouse Gold NS, Dares Lake NS, Kemptville NS, Chocolate Lake NS and Gold River NS. The properties are subject to a 1.5% NSR of which two-thirds (2/3) may be purchased at any time by the Company for \$1,000,000. The majority of the Property lies within NTS area 21A and the land package includes 14 licenses comprised of 107 claims covering approximately 1,733 hectares (17.33 km<sup>2</sup>).

There are several documented gold bearing veins on the Blockhouse Property, most notably the Prest Vein that saw limited underground (narrow vein) production in the late 1800s up until the early 1930s. This property was revisited in the 1980s when 10 diamond drill holes were completed, testing near surface potential of the property. The drill results and historical mining results are documented in a 1989 drill summary report by James E. Tilsley & Associates Ltd. (filed as an assessment report AR 89-105 with the Nova Scotia DNR) where it is reported that 3,500 ounces of gold was recovered from 6,200 tons of mined and milled material from underground workings between the surface and 90 meters depth. It is further reported that most of the gold was recovered from the fissure vein that was within a very dark arenaceous slate horizon, they refer to this production area as the "Prest Shoot". Historical records on file with Nova Scotia Department of Natural Resources indicate that the Prest Shoot accounted for 2,043 tons of mill feed between 1896 and 1935, yielding 3,259 ounces of gold for an average grade of 1.59 ounces per ton (49.6 g/t). The width of the Prest Vein within the historically mined shoot is reported to average 0.25 meters (range of 0.15 to 0.61 m) and the wall rock where sampled is reported to average 0.085 ounces per ton (2.9 g/t), however there was insufficient sample data to determine how extensive the gold mineralization is within the host wall rock. Underground mapping and sampling of the 60-metre level occurred in the late 1930s, the Prest Shoot as described was traced for 138 metres in the north drift and averaged 0.35 metres in width with an average gold content of 0.37 ounces per ton.

There are also three other saddle type veins within the Blockhouse property, the Thompson Vein, the Centre Vein and the East Vein (aka Laxer vein). Samples of the Thompson and East vein have reportedly assayed in the order of 0.02 to 0.5 ounces per ton, the Centre vein has yet to be reported to contain gold. There was no underground work reported on these three veins.

The Blockhouse Property (and the nearby Dares Lake Property) are underlain by metasedimentary rocks of the Meguma Series, the Goldenville Group (formerly Formation) is composed of arkosic quartzites and interbedded shales, it in turn is overlain by the Halifax Group (formerly Formation) that consists of a series of slates and shales, with a predominance of quartzite near the base.

On Blockhouse, the property is composed of a system of mineralized veins, the property consists of many claim blocks, one of which covers the Prest Vein. During the fiscal year 2019, the Company chose to abandon 14 of the 40 claims which are located the farthest from the Prest Vein and were historically deemed exploration/secondary targets. The Company kept a core of 26 claims in good standing.

During the month of December 2020, the Company conducted a two-day till sampling campaign on its Chocolate Lake property located in Nova-Scotia. The Company also produced a work report on its Kemptville property (Nova-Scotia) based on the 2018 geophysical airborne survey completed by Atlantic Corporation (now St. Barbara Ltd.). The till sampling and the work report were produced by AMK Geoscience based in Nova-Scotia. The Company will use the work credits on those two properties to renew the property claims.

## **QUALIFIED PERSONS**

Dr. Michel Boily P.Geol, is the qualified person under NI 43-101 who has reviewed and approved the technical information contained in this document.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## FINANCIAL INFORMATION

### Functional and presentation currency

These selected financial information are presented in Canadian dollars, the Company's functional currency.

### IFRS Accounting policies

The Company's significant accounting policies under IFRS are disclosed in Note 5 in the audited annual financial statements for the year ended July 31, 2020.

### Use of estimates and judgements

Please refer to Note 3.5 of the audited annual financial statements for the year ended July 31, 2020 for an extended description of the information concerning the Company's significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses.

### Changes in accounting policies

The Company's changes to accounting policies are disclosed in Note 4.1 in the condensed interim financial statements for the three-month and nine-month periods ended April 30, 2021.

### Reporting global event

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

The Company has implemented the health measures recommended by the Canadian and Québec authorities to reduce physical contact: significant reduction in travel, teleworking and video conferences and others. The Company is continuing its activities to further the Company's objectives during this uncertain and rapidly evolving time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods. Due to market uncertainty the Company may be restricted in its ability to raise additional funding.

### New standards and interpretations that have not yet been adopted

The information is provided in Note 4.2 of the condensed interim financial statements for the three-month and nine-month periods ended April 30, 2021.

### Dividends

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the Board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

## SELECTED QUARTERLY FINANCIAL INFORMATION

Genius Metals anticipates that the quarterly and annual results of operations will primarily be impacted for the near future by several factors, including the timing and efforts of the exploration's expenditures and efforts

# MANAGEMENT'S DISCUSSION AND ANALYSIS

related to the development of the Company. Due to these fluctuations, the Company believes that the quarter to quarter and the year-to-year comparisons of the operating results may not be a good indication of its future performance.

The following selected quarterly financial information is derived from our unaudited condensed interim financial statements.

## GENIUS METALS INC.

### SELECTED QUARTERLY FINANCIAL INFORMATION

	2021				2020		2019
	Q3	Q2	Q1	Q4	Q3	Q2	Q4
	\$	\$	\$	\$	\$	\$	\$
<b>STATEMENTS OF LOSS AND COMPREHENSIVE LOSS</b>							
<b>General and administrative expenses:</b>							
Salaries and employee benefit expense	59,049	63,573	58,647	33,647	44,776	52,231	50,609
Management and consulting fees	39,161	39,182	42,890	42,278	39,148	39,253	24,375
Travel and promotion	23,711	67,217	30,803	7,391	12,564	17,877	3,927
Registration, listing fees and shareholders information	5,941	27,982	8,011	6,068	7,552	18,285	5,949
Professional fees	3,797	46,907	27,113	1,924	7,891	56,132	854
Supplies and office expenses	12,529	16,006	9,271	10,738	9,255	10,082	14,784
Share-based compensation	-	-	174,610	-	-	-	13,890
Write-down of mining properties	2,907	-	-	22,511	12,424	-	1,029,780
Write-down of exploration and evaluation assets	5,843	-	-	59,357	-	-	100,918
Part XII.6 tax and other non-compliance penalty	-	(3,738)	1,252	564	1,926	92	4,984
Depreciation of property and equipment	439	453	453	453	444	453	453
	153,377	257,582	353,050	184,931	135,980	194,405	1,249,681
<b>Other (revenues) expenses:</b>							
Gain on settlement of trade accounts payable and other liabilities	-	-	-	-	-	(35,937)	(24,782)
Write-off of payables	-	-	-	-	-	(12,730)	-
Finance expense	1,643	1,771	1,587	1,201	736	1,005	240
Change in fair value of marketable securities	3,750	1,875	3,750	(1,250)	1,875	1,875	-
Government assistance	(12,170)	-	-	(19,299)	-	-	-
Exchange loss	4	6	133	5	(7)	13	2
	(6,773)	3,652	5,470	(19,343)	2,604	(45,774)	(24,540)
<b>Income tax recovery</b>	3,579	53,081	34,891	8,774	830	77,375	73,606
	143,025	208,153	323,629	156,814	137,754	71,256	1,151,535
<b>Net loss and comprehensive loss</b>							
<b>Basic and diluted loss per share:</b>	0.01	0.01	0.01	0.01	0.01	0.00	0.07
<b>STATEMENTS OF FINANCIAL POSITION</b>							
Cash and cash equivalents	647,519	476,329	142,803	405,380	34,049	174,592	112,109
Short-term investments	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Mining properties	1,494,879	1,457,885	1,465,964	1,434,790	1,423,111	1,434,267	1,398,472
Exploration and evaluation assets	1,748,711	1,711,229	1,462,481	990,764	925,561	913,140	576,523
Total assets	4,180,431	3,876,885	3,279,651	2,906,673	2,444,059	2,637,213	2,138,720
Total current liabilities	307,118	573,193	536,570	630,775	418,884	474,284	631,792
Loan	31,666	22,954	22,159	21,393	-	-	-
Equity	3,841,647	3,280,738	2,720,922	2,254,505	2,025,175	2,162,929	1,506,928

The net loss and comprehensive loss of \$323,629 for Q1-2021 is mainly attributable to the grant of 1,150,000 share options to directors, officers, members of the technical committee, consultants and employees which the fair value was estimated at \$174,610.

The net loss and comprehensive loss of \$1,151,535 for Q4-2019 is attributable to a significant write-down of mining properties of \$1,086,794 and a write-down of exploration and evaluation assets of \$112,936.

The net loss and comprehensive loss of \$435,089 for Q3-2019 is mainly attributable to the grant of 1,250,000 share options to directors, officers, members of the technical committee, consultants and an employee which the fair value was estimated at \$175,401.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## Results of operations for the three-month period ended April 30, 2021

### ***Net loss and comprehensive loss***

The basic and diluted loss per share for the three-month period ended April 30, 2021 is \$0.01 as compared to \$0.01 for the three-month period ended April 30, 2020.

During the three-month period ended April 30, 2021, the Company realized a net loss and comprehensive loss of \$143,025 as compared to a net loss and comprehensive loss of \$137,754 for the three-month period ended April 30, 2020. There were no major changes in Q3-2021 compared to Q3-2020.

### ***General and administrative expenses***

During the three-month period ended April 30, 2021, general and administrative expenses were \$153,377 as compared to \$135,980 for the three-month period ended April 30, 2020. There were no major changes in Q3-2021 compared to Q3-2020.

### ***Other (revenues) expenses***

During the three-month period ended April 30, 2021, the other revenues were \$6,773 as compared to other expenses of \$2,604 for the three-month period ended April 30, 2020. There were no major changes in Q3-2021 compared to Q3-2020.

## Results of operations for the nine-month period ended April 30, 2021

### ***Net loss and comprehensive loss***

The basic and diluted loss per share for the nine-month period ended April 30, 2021 is \$0.03 as compared to \$0.02 for the nine-month period ended April 30, 2020.

During the nine-month period ended April 30, 2021, the Company realized a net loss and comprehensive loss of \$674,807 as compared to a net loss and comprehensive loss of \$319,591 for the nine-month period ended April 30, 2020. The increase of \$355,216 in net loss and comprehensive loss is mostly attributable to an increase of \$295,765 in general and administrative expenses (\$764,009 for the nine-month period ended April 30, 2021 compared to \$468,244 for the nine-month period ended April 30, 2020) combined with an increase of \$44,829 in other expenses (\$2,349 in other expenses for the nine-month period ended April 30, 2021 compared to \$42,480 in other revenues for the nine-month period ended April 30, 2020).

### ***General and administrative expenses***

During the nine-month period ended April 30, 2021, general and administrative expenses were \$764,009 as compared to \$468,244 for the nine-month period ended April 30, 2020. The increase of \$295,765 in general and administrative expenses is mostly attributable to an increase of \$89,022 in travel and promotion expenses (\$121,731 for the nine-month period ended April 30, 2021 compared to \$32,709 for the nine-month period ended April 30, 2020) combined with an increase of \$174,610 in share-based compensation (\$174,610 for the nine-month period ended April 30, 2021 compared to \$Nil for the nine-month period ended April 30, 2020).

### ***Other expenses (revenues)***

During the nine-month period ended April 30, 2021, the other expenses were \$2,349 as compared to other revenues of \$42,480 for the nine-month period ended April 30, 2020.

The increase of \$44,829 in other expenses is attributable to a decrease of \$35,937 in gain on settlement of trade accounts payable and other liabilities (\$Nil for the nine-month period ended April 30, 2021 compared to \$35,937 for the nine-month period ended April 30, 2020) combined with a decrease of \$12,730 in write-off of



# MANAGEMENT'S DISCUSSION AND ANALYSIS

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payables (\$Nil for the nine-month period ended April 30, 2021 as compared to \$12,730 for the nine-month period ended April 30, 2020).

## CASH FLOWS

### Cash flows used for operating activities

Cash flows used for operating activities were \$744,768 during the nine-month period ended April 30, 2021, an increase of \$368,715 as compared to cash flows of \$376,053 used for operating activities during the nine-month period ended April 30, 2020. The increase of \$368,715 in cash flows used for operating activities is mostly explained by an increase of \$115,098 in cash flows used for operating activities before changes in working capital (negative cash flows of \$572,005 for the nine-month period ended April 30, 2021 as compared to negative cash flows of \$456,907 for the nine-month period ended April 30, 2020) combined with an increase of \$253,617 in cash flows from change in working capital items (negative cash flows of \$172,763 for the nine-month period ended April 30, 2021 as compared to positive cashflows of \$80,854 for the nine-month period ended April 30, 2020).

### Cash flows from financing activities

Cash flows from financing activities were \$2,108,337 during the nine-month period ended April 30, 2021, an increase of \$1,343,934 as compared to cash flows of \$764,403 from financing activities during the nine-month period ended April 30, 2020. The increase of \$1,343,934 is mostly attributable to the proceeds from private placements of \$2,120,820 raised during the nine-month period ended April 30, 2021 as compared to proceeds from private placements of \$775,500 raised during the nine-month period ended April 30, 2020.

### Cash flows used for investing activities

Cash flows used for investing activities were \$1,121,430 during the nine-month period ended April 30, 2021, an increase of 655,020 as compared to cash flows of \$466,410 used for investing activities during the nine-month period ended April 30, 2020 (increase in the exploration activities in 2021 compared to 2020). The investing activities consist primarily of the acquisition of mining properties and exploration and evaluation assets.

## OTHER FINANCIAL DISCLOSURES

### Related party transactions

Please refer to Note 9 and 13 of the condensed interim financial statements for the three-month and nine-month periods ended April 30, 2021 for a summary of the Company's transactions with related parties period end balances.

### Contingency

Governmental laws and regulations regarding environmental protection regulate the Company's operations. The environmental consequences are not easily identifiable, either in terms of results, the impacts or the expiration date. Currently, and to the best knowledge of its management, the Company is in conformity with current laws and regulations.

### Subsequent events

Please refer to Note 17 of the condensed interim financial statements for the three-month and nine-month periods ended April 30, 2021 for a summary of the Company's subsequent events.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## Off-financial position arrangements

As at April 30, 2021, the Company has no off-financial position arrangements.

## Going concern assumption

The accompanying financial statements have been prepared on the basis of the on going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt on the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the nine-month period ended April 30, 2021, the Company recorded a net loss of \$674,807 (\$319,591 for the nine-month period ended April 30, 2020) and has an accumulated deficit of \$3,194,391 as at April 30, 2021 (\$2,519,584 as at July 31, 2020). Besides the usual needs for working capital, the Company must obtain funds to enable it to meet the timelines of its exploration programs and to pay its overhead and administrative costs. As at April 30, 2021, the Company had a working capital of \$625,195 (a negative working capital of \$155,529 as at July 31, 2020) consisting of cash and cash equivalents of \$647,519 (\$405,380 in cash and cash equivalents as at July 31, 2020). Management believes that these funds will not be sufficient to meet the obligations and liabilities of the Company. These uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new equity instruments. Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. The recovery of the cost of exploration and evaluation assets as well as other tangible and intangible assets, is subject to certain conditions: the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to continue the exploration, evaluation, development, construction and ultimately disposal of these assets. During the nine-month period ended April 30, 2021, the Company has raised \$2,120,820 (\$1,164,350 during the year ended July 31, 2020) from private placements consisting of common shares and flow-through shares to fund exploration works and working capital. There is no assurance that it will succeed in obtaining additional financing in the future.

## Capital management

The Company's capital management objectives are to ensure its ability to continue as a going concern and to maximize the return of its shareholders. The Company's definition of capital includes all components of equity and long-term loan. Capital for the reporting periods under review is summarized in Note 15 and in the statement of changes in equity in the condensed interim financial statements for the three-month and nine-month periods ended April 30, 2021. In order to meet its objectives, the Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. No changes were made in the objectives, policies and processes for managing capital during the reporting periods.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Disclosure of Outstanding share data

The following selected financial information is derived from our unaudited financial statements.

### GENIUS METALS INC.

Disclosure of outstanding share data (as at June 25, 2021)

<b>Outstanding common shares:</b>	32,641,184			
<b>Outstanding share options:</b>	2,500,000			
Average exercise price of:	\$0.273			
Average remaining life of:	3.17	years		
			<b>Exercise price</b>	<b>Remaining life</b>
	<b>Expiry date</b>	<b>Number</b>	<b>price</b>	<b>life</b>
			<b>\$</b>	<b>(years)</b>
	August 31, 2023	280,000	0.30	2.18
	March 6, 2024	1,025,000	0.25	2.70
	March 23, 2024	225,000	0.25	2.74
	May 18, 2024	100,000	0.25	2.90
	August 31, 2025	870,000	0.30	4.18
		<u>2,500,000</u>		
<b>Outstanding warrants:</b>	14,854,683			
Average exercise price of:	\$0.323			
Average remaining life of:	0.87	years		
			<b>Exercise price</b>	<b>Remaining life</b>
	<b>Expiry date</b>	<b>Number</b>	<b>price</b>	<b>life</b>
			<b>\$</b>	<b>(years)</b>
	December 21, 2021	8,300	0.40	0.49
	December 29, 2021	33,500	0.40	0.51
	January 31, 2022	2,160,277	0.30	0.60
	January 31, 2022 <sup>(1)</sup>	2,370,000	0.30	0.60
	February 5, 2022	2,053,221	0.30	0.62
	February 10, 2022	1,401,555	0.30	0.63
	April 29, 2022	33,330	0.40	0.84
	June 21, 2022	2,400,000	0.35	0.99
	June 29, 2022	295,000	0.35	1.01
	July 27, 2022	700,000	0.35	1.09
	October 16, 2022	2,050,000	0.35	1.31
	October 29, 2022	1,349,500	0.35	1.34
		<u>14,854,683</u>		

(1) On May 5, 2021, the expiration date of 2,370,000 warrants that were originally scheduled to expire between May 22 and July 1, 2021 was extended until January 31, 2022.

## RISK AND UNCERTAINTIES

An investment in the common shares of the GENI should be considered highly speculative. Genius Metals Inc. is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

### Financial instrument risks

Please refer to Note 16 of the condensed interim financial statements for the three-month and nine-month periods ended April 30, 2021 for a summary of the Company's financial instruments risks.

### COVID-19

The COVID-19 pandemic is causing significant financial market and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. The Company continues to monitor the financial markets, its ability to finance itself and assess the impact COVID-

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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19 will have on its business activities. The extent of the effect of the COVID-19 pandemic on the Company is uncertain.

## Exploration and mining risks

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration and evaluation stage only. The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. Currently, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs.

The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

## Titles to property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

## Permits and licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

## Metal prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

## Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## **Environmental regulations**

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

## **Conflicts of interest**

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

## **Stage of development**

The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or providing a return on investment, and in future, there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

## **Industry conditions**

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

## **Uninsured risks**

The Company's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental regulations, political uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

## **Capital needs**

The exploration and evaluation, development, mining and processing of the Company's properties may require substantial additional financing. The only current source of future funds available to the Company is the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Company or that it will be obtained on terms favourable to the Company or will provide the Company

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position.

In addition, any future equity financings by the Company may result in a substantial dilution of the existing shareholders. Failure to obtain sufficient financing may result in delaying or indefinite postponement of further exploration and evaluation, development or production on any or all of the Company's properties or even a loss of property interest.

## Key employees

Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

## Canada Customs and Revenue Agency

No assurance can be made that Canada Customs and Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada).

## CERTIFICATION OF INTERIM FILINGS

The President and Chief Executive Officer and the Chief Financial Officer have signed the Basic Certifications of Interim Filings as required by National Instrument 52-109 for venture issuer, thus confirming, the review, the absence of misrepresentations and the fair presentation of the interim filings.

- The President and Chief Executive Officer and the Chief Financial Officer confirm to have reviewed the interim financial report and the interim MD&A (together, the "interim filings") of the Company for the three-month period ended April 30, 2021.
- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.
- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the period presented in the interim filings.