



**GENIUS METALS INC.**

**Condensed Interim Financial Statements**

**(Unaudited and unreviewed by the Company's Independent Auditors)**

**Three-month periods ended  
October 31, 2021 and 2020**

# GENIUS METALS INC.

## Condensed Interim Financial Statements

Three-month periods ended October 31, 2021 and 2020

---

### Condensed Interim Financial Statements

Condensed Interim Statements of Financial Position .....	1
Condensed Interim Statement of Loss and Comprehensive Loss .....	2
Condensed Interim Statement of Changes in Equity .....	3
Condensed Interim Statement of Cash Flows .....	4

### Notes to Condensed Interim Financial Statements

1 Reporting entity and nature of operations .....	5
2 Going concern .....	5
3 Basis of preparation .....	5
4 Significant accounting policies .....	6
5 Cash and cash equivalents .....	6
6 Short-term investments .....	7
7 Marketable securities in a quoted company .....	7
8 Other receivables .....	7
9 Mining properties .....	8
10 Exploration and evaluation assets .....	11
11 Share capital and warrants .....	12
12 Share-based compensation .....	16
13 Supplemental cash flow information .....	18
14 Related party transactions .....	18
15 Financial assets and liabilities .....	19
16 Capital management policies and procedures .....	20
17 Financial instrument risks .....	20

# GENIUS METALS INC.

## Condensed Interim Statements of Financial Position

As at October 31, 2021 and July 31, 2021

(in Canadian dollars)

	Note	October 31 2021	July 31 2021
		\$	\$
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	5	1,644,829	315,679
Short-term investments	6	30,000	15,000
Marketable securities	7	11,250	13,750
Other receivables	8	807,890	532,637
Prepaid expenses		48,262	34,511
<b>Total current assets</b>		<b>2,542,231</b>	<b>911,577</b>
<b>Non-current assets:</b>			
Deposits related to exploration and evaluation activities		-	260,000
Property and equipment		5,235	4,075
Mining properties	9	1,251,886	1,235,694
Exploration and evaluation assets	10	2,394,471	2,052,026
<b>Total non-current assets</b>		<b>3,651,592</b>	<b>3,551,795</b>
<b>Total assets</b>		<b>6,193,823</b>	<b>4,463,372</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Trade accounts payable and other liabilities		100,658	972,336
Other liability related to flow-through financings		105,783	-
<b>Total current liabilities</b>		<b>206,441</b>	<b>972,336</b>
<b>Non-current liabilities:</b>			
Loan		33,980	32,803
<b>Total non-current liabilities</b>		<b>33,980</b>	<b>32,803</b>
<b>Total liabilities</b>		<b>240,421</b>	<b>1,005,139</b>
<b>Equity:</b>			
Share capital	11	8,247,426	6,058,664
Warrants	11	1,131,196	652,080
Share options	12	567,149	359,631
Contributed surplus		196,051	196,051
Deficit		(4,188,420)	(3,808,193)
<b>Total equity</b>		<b>5,953,402</b>	<b>3,458,233</b>
<b>Total liabilities and equity</b>		<b>6,193,823</b>	<b>4,463,372</b>

Going concern, see Note 2.

The accompanying notes are an integral part of these condensed interim financial statements.

These financial statements were approved and authorized for issue by the Board of Directors on December 23, 2021.

(S) Guy Goulet  
Director

(S) John Booth  
Director

# GENIUS METALS INC.

## Condensed Interim Statement of Loss and Comprehensive Loss

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

	Three-month period ended	
	October 31 2021	October 31 2020
	\$	\$
<b>General and administrative expenses:</b>		
Salaries and employee benefit expense	67,286	58,647
Management and consulting fees	46,858	42,890
Travel, promotion and marketing	117,542	30,803
Registration, listing fees and shareholders information	93,477	8,011
Professional fees	54,883	27,113
Supplies and office expenses	10,614	9,271
Share-based compensation	207,518	174,610
Part XII.6 tax	-	1,252
Depreciation of property and equipment	557	453
<b>Operating loss before other (revenues) expenses and income tax</b>	<b>598,735</b>	<b>353,050</b>
<b>Other (revenues) expenses:</b>		
Gain on settlement/adjustment of trade accounts payable and other liabilities	(212,239)	-
Finance expense	2,432	1,587
Change in fair value of marketable securities	2,500	3,750
Exchange loss	471	133
<b>Total other (revenues) expenses</b>	<b>(206,836)</b>	<b>5,470</b>
<b>Loss before income tax</b>	<b>(391,899)</b>	<b>(358,520)</b>
Income tax recovery	11,672	34,891
<b>Net loss and comprehensive loss</b>	<b>(380,227)</b>	<b>(323,629)</b>
<b>Weighted average number of common shares outstanding</b>	<b>42,478,990</b>	<b>24,876,958</b>
<b>Basic and diluted loss per share:</b>	<b>(0.01)</b>	<b>(0.01)</b>

The accompanying notes are an integral part of these condensed interim financial statements.

# GENIUS METALS INC.

## Condensed Interim Statement of Changes in Equity

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

	Note	Number of shares outstanding	Share capital \$	Warrants \$	Share Options \$	Contributed surplus \$	Deficit \$	Total equity \$
<b>Balance as at July 31 2021</b>		33,791,184	6,058,664	652,080	359,631	196,051	(3,808,193)	3,458,233
Shares and units issued:								
Private placements	11	9,562,500	1,492,478	420,022				1,912,500
Flow-through private placements	11	3,383,238	806,091	59,094				865,185
As payment of consulting fees	11	23,750	6,175					6,175
Share issuance costs	11		(115,982)					(115,982)
Share-based compensation	12				207,518			207,518
Transaction with owners		46,760,672	8,247,426	1,131,196	567,149	196,051	(3,808,193)	6,333,629
Net loss and comprehensive loss for the period							(380,227)	(380,227)
<b>Balance as at October 31 2021</b>		46,760,672	8,247,426	1,131,196	567,149	196,051	(4,188,420)	5,953,402
<b>Balance as at July 31 2020</b>		21,686,113	4,182,783	210,234	185,021	196,051	(2,519,584)	2,254,505
Shares and units issued:								
Private placements	11	3,454,776	461,919	159,941				621,860
Share issuance costs	11		(6,424)					(6,424)
Share-based compensation	12				174,610			174,610
Transaction with owners		25,140,889	4,638,278	370,175	359,631	196,051	(2,519,584)	3,044,551
Net loss and comprehensive loss for the period							(323,629)	(323,629)
<b>Balance as at October 31 2020</b>		25,140,889	4,638,278	370,175	359,631	196,051	(2,843,213)	2,720,922

The accompanying notes are an integral part of these condensed interim financial statements.

# GENIUS METALS INC.

## Condensed Interim Statement of Cash Flows

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

	Note	Three-month period ended October 31 2021	October 31 2020
		\$	\$
<b>Operating activities:</b>			
Net loss		(380,227)	(323,629)
Adjustments for:			
Income tax recovery		(11,672)	(34,891)
Consulting fees paid through issuance of shares		6,175	-
Change in fair value of marketable securities		2,500	3,750
Depreciation of property and equipment		557	453
Effective interest on loan		1,177	766
Gain on settlement/adjustment of trade accounts payable and other liabilities		(212,239)	-
Share-based compensation		207,518	174,610
Operating activities before changes in working capital items		(386,211)	(178,941)
Change in sales tax receivables		(112,650)	(60,158)
Change in prepaid expenses		(13,751)	(17,666)
Change in trade accounts payable and accrued liabilities		(119,498)	(92,098)
Change in working capital items		(245,899)	(169,922)
<b>Cash flows used for operating activities</b>		(632,110)	(348,863)
<b>Financing activities:</b>			
Proceeds from private placement		1,912,500	621,860
Proceeds from flow-through placement		982,640	-
Government contribution		-	6,000
Share issuance costs		(115,982)	(7,259)
<b>Cash flows from financing activities</b>		2,779,158	620,601
<b>Investing activities:</b>			
Purchase of short-term investment		(15,000)	-
Acquisition of equipment		(1,717)	-
Acquisition of mining properties		(14,512)	(58,447)
Decrease in deposits related to exploration and evaluation activities		260,000	-
Increase in exploration and evaluation assets		(1,046,669)	(475,868)
<b>Cash flows used for investing activities</b>		(817,898)	(534,315)
<b>Net change in cash and cash equivalents</b>		1,329,150	(262,577)
<b>Cash and cash equivalents, beginning of period</b>		315,679	405,380
<b>Cash and cash equivalents, end of period</b>		1,644,829	142,803

Additional disclosures of cash flows information (Note 13).

The accompanying notes are an integral part of these condensed interim financial statements.

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 1. Reporting entity and nature of operations:

Genius Metals Inc. (hereafter the "Company" or "Genius Metals" or "GENI") is engaged in the acquisition and exploration of mineral properties.

Genius Metals is a company domiciled in Canada. Genius Metals was incorporated on May 25, 2018 under the Canada Business Corporations Act. Genius Metals is a public company and was listed since October 31, 2018 on the Canadian Securities Exchange ("CSE") and its trading symbol is "GENI". The Company has since listed on the TSX.V Stock Exchange ("TSXV") trading under the symbol "GENI" and has begun trading solely on this exchange since September 30, 2021.

The Company's head office, which is also the main establishment is located at 22 Lafleur Avenue North, suite 203, Saint-Sauveur, Québec, Canada J0R 1R0 and its web site is [www.geniusmetals.com](http://www.geniusmetals.com).

### 2. Going concern:

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 three-month period ended October 31, 2021, the Company recorded a net loss of \$380,227 (\$323,629 for the three-month period ended October 31, 2020) and has an accumulated deficit of \$4,188,420 as at October 31, 2021 (\$3,808,193 as at July 31, 2021). 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 October 31, 2021, the Company had a working capital of \$2,335,790 (a negative working capital of \$60,759 as at July 31, 2021) consisting of cash and cash equivalents of \$1,644,829 (\$315,679 in cash and cash equivalents as at July 31, 2021). 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 three-month period ended October 31, 2021, the Company has raised \$2,895,140 (\$2,391,438 during the year ended July 31, 2021) 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.

### 3. Basis of preparation:

#### 3.1 Statement of compliance:

These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") in accordance with IAS 34, Interim Financial Reporting.

Certain information, in particular the accompanying notes, normally included in the audited annual financial statements prepared in accordance with IFRS has been omitted or condensed. Accordingly, these unaudited condensed interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements of the Company and the notes thereto for the year ended July 31, 2021.

#### 3.2 Basis of measurement:

The condensed interim financial statements have been prepared on the historical cost basis except for where IFRS requires recognition at fair value.

#### 3.3 Reporting global event:

Since the beginning of March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These circumstances have increased business uncertainties and have heightened risk levels to operating businesses.

The Company shut down site activities on March 13, 2020 in accordance with provincial requirements as issued by Québec Government and Health Canada/Santé Québec. The Company re-commenced on-site activities in July 2020 and is continuing to further the Company's objectives during this uncertain and rapidly evolving time and is following the recommendations of Québec Government and Health Canada/Santé Québec. It is not possible to reliably estimate the length and severity of these developments and the potential impact on the financial results and condition of the Company and its operations in future periods.

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 3. Basis of preparation (continued):

#### 3.3 Reporting global event (continued):

The Company has put in place a rigorous protocol, in accordance with INSPQ (Institut national de santé publique du Québec) and CNESST (Commission des normes, de l'équité, de la santé et de la sécurité du travail) guidelines, to ensure the protection of all stakeholders in the region in the context of the COVID-19 pandemic. There was no material impact on the Company's operations at the date of these financial statements identified by management.

To help companies mitigate the negative effects of the COVID-19 pandemic, *Canada Revenue* has extended by 12 months the deadlines for eligible exploration and evaluation expenses incurred in connection with flow-through financing completed in 2019 and 2020. This means that the original deadlines of December 31, 2020 and 2021 for funding concluded in 2019 and 2020 respectively, have been postponed to December 31, 2021 and 2022.

#### 3.4 Functional and presentation currency:

The condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

#### 3.5 Use of estimates and judgements:

Critical judgments in applying the accounting policies of the Company in the preparation of these condensed interim financial statements and key assumptions related to these estimation uncertainties are the same as the ones listed and described in Note 3.5 of the annual audited financial statements of the Company as at July 31, 2021.

### 4. Significant accounting policies:

These condensed interim financial statements have been prepared following the same accounting policies used in Note 5 of the annual audited financial statements for the year ended July 31, 2021.

#### 4.1 Adoption of new accounting standard:

There was no adoption of new accounting policies in preparing the condensed interim financial statements as at October 31, 2021.

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

Since the issuance of the Company's audited financial statements for the year ended July 31, 2021, the IASB and IFRIC have issued no additional new and revised standards and interpretations which are applicable to the Company.

### 5. Cash and cash equivalents:

	October 31 2021	July 31 2021
Cash	\$ 1,643,611	\$ 315,679
Cash in trust	1,218	-
	<b>1,644,829</b>	<b>315,679</b>

#### Funds reserved for exploration and evaluation expenditures:

On December 21, 2020, the Company completed two flow-through private placements of \$18,980. The Company has until December 31, 2021 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of flow-through private placement. As at October 31, 2021, the Company has fulfilled its obligation by incurring an amount of \$18,980 in exploration and evaluation expenditures before December 31, 2021 (completed during the quarter ended January 31, 2021).

On December 29, 2020, the Company completed two flow-through private placements of \$133,700. The Company has until December 31, 2021 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of flow-through private placement. As at October 31, 2021, the Company has fulfilled its obligation by incurring an amount of \$133,700 in exploration and evaluation expenditures before December 31, 2021 (completed during the quarter ended January 31, 2021).

On April 29, 2021, the Company completed two flow-through private placements of \$27,998. The Company has until December 31, 2022 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of flow-through private placement. As at October 31, 2021, the Company has fulfilled its obligation by incurring an amount of \$27,998 in exploration and evaluation expenditures before December 31, 2022 (completed during the quarter ended July 31, 2021).

On August 27, 2021, the Company completed two flow-through private placements of \$982,640. The Company has until December 31, 2022 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of flow-through private placement. As at October 31, 2021, the Company incurred an amount of \$81,718 in exploration and evaluation expenditures and consequently has the obligation to incur the remaining amount of \$900,922 in exploration and evaluation expenditures before December 31, 2022.



# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 5. Cash and cash equivalents (continued):

#### Funds reserved for exploration and evaluation expenditures (continued):

There is no guarantee that the Company's exploration and evaluation expenditures will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities could have a negative tax impact for investors.

### 6. Short-term investments:

	October 31 2021	July 31 2021
	\$	\$
Guaranteed investment certificate, 0.10 % maturing in October 2022 is used as guarantee for credit cards	30,000	-
Guaranteed investment certificate, 0.15 % maturing in December 2021 is used as guarantee for credit card <sup>(1)</sup>	-	15,000
	30,000	15,000

(1) Guaranteed investment certificate cashed on October 13, 2021 and replaced by a guaranteed investment certificate of \$30 000.

### 7. Marketable securities in a quoted company:

Number of shares					Carrying value				
	July 31 2021	Acquisition	Disposition	October 31 2021	July 31 2021	Acquisition	Disposition	Change in fair value	October 31 2021
					\$	\$	\$	\$	\$
<b>Shares</b>									
NSAU	250,000	-	-	250,000	13,750	-	-	(2,500)	11,250
	250,000	-	-	250,000	13,750	-	-	(2,500)	11,250

  

Number of shares					Carrying value				
	July 31 2020	Acquisition	Disposition	July 31 2021	July 31 2020	Acquisition	Disposition	Change in fair value	July 31 2021
					\$	\$	\$	\$	\$
<b>Shares</b>									
NSAU	125,000 <sup>(1)</sup>	125,000 <sup>(2)</sup>	-	250,000	18,750	11,875 <sup>(2)</sup>	-	(16,875)	13,750
	125,000	125,000	-	250,000	18,750	11,875	-	(16,875)	13,750

(1) On December 9, 2019, the Company received 125,000 shares of MegumaGold Corp, ("NSAU") valued at \$21,250 in accordance with the terms of the Meaghers option agreement (Note 9).

(2) On December 29, 2020, the Company received 125,000 shares of NSAU valued at \$11,875 in accordance with the terms of the Meaghers option agreement (Note 9).

### 8. Other receivables:

	October 31 2021	July 31 2021
	\$	\$
Sales tax receivable	226,261	113,611
Mining tax credits receivable	65,315	47,062
Tax credits related to resources receivable	516,314	371,964
	807,890	532,637

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 9. Mining properties:

Mining properties can be detailed as follows:

	July 31 2021	Acquisition	Licences & permits	Impairment	Disposition	October 31 2021
	\$	\$	\$	\$	\$	\$
<b>Gold Properties:</b>						
Sakami - QC	672,551	-	10,057	-	-	682,608
Iserhoff - QC	105,217	-	2,765	-	-	107,982
Meaghers - NS	4,704	-	2,500	-	-	7,204
Blockhouse - NS	22,290	-	-	-	-	22,290
Kemptville - NS	5,955	-	-	-	-	5,955
Chocolate Lake - NS	7,649	-	-	-	-	7,649
Gold River - NS	1,905	-	-	-	-	1,905
<b>Total Gold Properties</b>	<b>820,271</b>	<b>-</b>	<b>15,322</b>	<b>-</b>	<b>-</b>	<b>835,593</b>
<b>Base Metals:</b>						
A Lake - NB	76,243	-	870	-	-	77,113
<b>Total Base Metals</b>	<b>76,243</b>	<b>-</b>	<b>870</b>	<b>-</b>	<b>-</b>	<b>77,113</b>
<b>Industrials &amp; High-Tech Metals:</b>						
Dissimieux Lake - QC	327,258	-	-	-	-	327,258
KM381 - QC	11,922	-	-	-	-	11,922
<b>Total Industrials &amp; High-Tech Metals</b>	<b>339,180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339,180</b>
<b>Grand total</b>	<b>1,235,694</b>	<b>-</b>	<b>16,192</b>	<b>-</b>	<b>-</b>	<b>1,251,886</b>

	July 31 2020	Acquisition	Licences & permits	Impairment	Disposition	July 31 2021
	\$	\$	\$	\$	\$	\$
<b>Gold Properties:</b>						
Sakami - QC	629,680	-	42,871	-	-	672,551
Iserhoff - QC	105,046	-	171	-	-	105,217
Meaghers - NS	12,870	-	105	-	(8,271)	4,704
Blockhouse - NS	24,969	-	228	(2,907)	-	22,290
Kemptville - NS	5,755	-	200	-	-	5,955
Chocolate Lake - NS	7,529	-	120	-	-	7,649
Gold River - NS	1,885	-	20	-	-	1,905
<b>Total Gold Properties</b>	<b>787,734</b>	<b>-</b>	<b>43,715</b>	<b>(2,907)</b>	<b>(8,271)</b>	<b>820,271</b>
<b>Base Metals:</b>						
A Lake - NB	51,071	60,000	227	(35,055)	-	76,243
<b>Total Base Metals</b>	<b>51,071</b>	<b>60,000</b>	<b>227</b>	<b>(35,055)</b>	<b>-</b>	<b>76,243</b>
<b>Industrials &amp; High-Tech Metals:</b>						
Dissimieux Lake - QC	326,095	-	1,163	-	-	327,258
KM381 - QC	2,696	-	9,226	-	-	11,922
Mt Cameron - NS	267,194	-	-	(267,194)	-	-
<b>Total Industrials &amp; High-Tech Metals</b>	<b>595,985</b>	<b>-</b>	<b>10,389</b>	<b>(267,194)</b>	<b>-</b>	<b>339,180</b>
<b>Grand total</b>	<b>1,434,790</b>	<b>60,000</b>	<b>54,331</b>	<b>(305,156)</b>	<b>(8,271)</b>	<b>1,235,694</b>

#### Sakami Property (Gold):

The Property is located in the James Bay area of the Province of Québec. The property straddles the contact between Opinaca and La Grande geological sub-provinces over a distance of 35 km. The gold property comprises 588 mining claims (30,234 Hectares). During the year ended July 31, 2021, the Company acquired 224 additional claims.

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 9. Mining properties (continued):

#### Iserhoff Property (Gold):

On November 13, 2018, the Company acquired a 100% interest in Iserhoff Property from an independent prospector (former consultant) by issuing on November 23, 2018, 500,000 common shares at a price of \$0.24 per share for a consideration of \$120,000. The Property is subject to a 2% net smelter returns royalty (NSR) on production, of which 1% may be purchased at any time by the Company for \$1,000,000 at any time. The Iserhoff Property is located in the northern Abitibi Greenstone belt, Québec in the central and western areas of Bergères Township, about 55 km NNE of Lebel-sur-Quévillon, Québec. The gold property comprises 43 mining claims totaling 2,405 hectares which will be 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-Quévillon with Chibougamau. During the year ended July 31, 2021, the Company acquired 1 additional claim.

#### Meaghers (Gold):

The Meaghers property is located in South-Central Nova Scotia within the Halifax County, 39 km NE from the Halifax-Dartmouth conglomeration. The property consists of a continuous block of seven licenses, 100% owned by the Company, comprising 100 claims. Access from Halifax-Dartmouth urban center to the western end of the property is by a paved road system, whereas several secondary roads crisscross the entire Meaghers property.

On December 4, 2019, the Company has entered into a 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:

To earn its 49.9% initial interest as per the option agreement, MGC must issue common shares and incurred exploration expenses in the following timelines:

	Shares	Exploration expenses
		\$
On or before December 9, 2019	125,000 <sup>(1)</sup>	-
On or before December 4, 2020	125,000 <sup>(2)</sup>	-
On or before June 4, 2021	-	100,000 <sup>(3)</sup>
	250,000	100,000

<sup>(1)</sup> These common shares were issued on December 9, 2019 at a price of \$0.17 per share. The consideration received on December 9, 2019 (125,000 shares of MGC valued at \$21,250) was recorded as a reduction of the mining properties and the exploration and evaluation assets of \$14,764 and \$6,486 respectively.

<sup>(2)</sup> These common shares were issued on December 29, 2020 at a price of \$0.095 per share. The consideration received on December 29, 2020 (125,000 shares of MGC valued at \$11,875) was recorded as a reduction of the mining properties and the exploration and evaluation assets of \$8,271 and \$3,604 respectively.

<sup>(3)</sup> These exploration expenses were incurred on or before the date noted in the agreement.

To earn an additional 21.1% interest as per the option agreement, MGC must incur exploration expenses in the following timelines:

	Exploration expenses
	\$
On or before June 4, 2022 <sup>(1)</sup>	150,000
	150,000

<sup>(1)</sup> Within 12 months from the latest date of which MGC satisfies its 49.9% first initial earn.

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.

As at October 31, 2021, MegumaGold held 49.9% of the Meaghers property.

#### Nova Scotia properties (Gold):

Nova Scotia properties consisted of the following properties: Blockhouse Gold (23 claims), Kemptville NS (10 claims), Chocolate Lake NS (6 claims), and Gold River NS (1 claim). 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. During the year ended July 31, 2021, the Company abandoned 3 claims and wrote down a part of the cost of the Blockhouse Gold property (\$2,907 in mining properties and \$5,843 in exploration and evaluation assets).

#### A-Lake Property (Copper-Tin-Zinc):

On November 14, 2018 the Company has signed a letter of intent the ("Letter of Intent") to acquire the interest of Atlantic Vanadium Corporation ("Atlantic") in the A-Lake Property, located in Nova Scotia. The Company agrees to pay an amount of \$10,000 which will entitle Genius Metals to have access, as soon as they will become available, to reports and presentations on the Property.

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 9. Mining properties (continued):

#### A-Lake Property (Copper-Tin-Zinc) (continued):

On January 21, 2019 and amended on July 6, 2021, the Company has entered into an option agreement (the "Agreement") with Atlantic Vanadium Corporation ("AVC") to acquire 100% of the A-Lake (Cu-Sn-Zn) Property in New-Brunswick. The A-Lake property is located in southern New Brunswick within the Charlotte County, NTS map 21G07. It consists of one unit (8840) containing 87 claims. The Property is subject to a 2.5% net smelter returns royalty (NSR) on production, of which 1.5% may be purchased at any time by the Company for \$3,000,000, at any time on or prior to December 31, 2021. During the year ended July 31, 2021, the Company abandoned 40 claims and wrote down a part of the cost of the A-Lake property (\$35,055 in mining properties and \$57,858 in exploration and evaluation assets).

To earn its 100% interest, the Company must make cash payments and incurred exploration expenses in the following timelines:

	Cash payments	Exploration expenses <sup>(1)</sup>
	\$	\$
On January 21, 2019	20,000 <sup>(2)</sup>	-
On July 4, 2019	10,000 <sup>(2)</sup>	-
On or before April 15, 2020	-	100,000 <sup>(3)</sup>
On or before May 31, 2020	25,000 <sup>(4)</sup>	-
On or before May 31, 2021	35,000 <sup>(6)</sup>	-
On or before September 22, 2022	-	600,000
	90,000	700,000

<sup>(1)</sup> Any excess work incurred in any year may be carried forward and applied against the subsequent year's exploration expenses commitments.

<sup>(2)</sup> These cash payments were made on the dates noted in the agreement.

<sup>(3)</sup> These exploration expenses were incurred on or before the date noted in the agreement.

<sup>(4)</sup> This cash payment was made on August 19, 2020.

<sup>(6)</sup> This cash payment was made in April, 2021.

#### Dissimieux Lake (Phosphate):

The property consists of 15 claims covering 833 hectares, 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.

#### KM381 (Lithium):

The KM381 project consists of 21 mining claims (1,108 Hectares). Easy access, 55km NNE of Lebel-sur-Quévillon, The project is in and less than two Km East of James Bay Lithium deposit.

#### Mt Cameron Property (Graphite):

On November 13, 2018, March 18, 2020 and June 30, 2020, the Company amended its option agreement with Mt Cameron Minerals Incorporated. The Company has to incur exploration expenditures as follows: \$500,000 on or before October 31, 2020 and \$500,000 on or before December 31, 2020 instead of \$500,000 on or before December 31, 2018, \$500,000 on or before December 31, 2019 and \$500,000 on or before June 30, 2020. In consideration for the postponement of the deadlines of one year to incur the exploration expenditures, the Company issued on January 11, 2019, 100,000 common shares to shareholders of Mt Cameron Minerals Inc. The Property is located 25 kilometers west of Sydney, Nova Scotia and is comprised of 7 licenses (82 claims over 13.3 km<sup>2</sup>). The property is easily accessible by paved roads and in close proximity of powerlines. With the potential construction of NOVAPORT, a deep-water mega-terminal in Sydney, trans-Atlantic shipping would be readily available. Sydney has a highly skilled workforce, having an extensive history in steel manufacturing and coal mining.

On July 6, 2021, the Company decided to terminate the option agreement of MT Cameron property. Consequently, the Company wrote down to \$Nil the cost of the MT Cameron property and the exploration and evaluation expenditures incurred, as they no longer fit the Company's development strategy (\$267,194 in mining properties and \$36,091 in exploration and evaluation assets).

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 10. Exploration and evaluation assets:

Exploration and evaluation assets by nature are detailed as follows:

	October 31 2021	July 31 2021
	\$	\$
<b>Exploration and evaluation costs:</b>		
Drilling	464,325	433,651
Geology	7,523	56,647
Prospecting	23,862	541,979 <sup>(1)</sup>
Geophysics	427	390,640 <sup>(1)</sup>
Stripping	6,933	-
Reporting	780	16,049
General field expenses	1,198	144,718
<b>Other item:</b>		
Tax credits related to resources and mining tax credits	(162,603)	(419,026)
Disposition	-	(3,604)
Impairment	-	(99,792)
	342,445	1,061,262
<b>Balance, beginning of period/year</b>	2,052,026	990,764
<b>Balance, end of period/year</b>	2,394,471	2,052,026

Exploration and evaluation assets by properties are detailed as follows:

	July 31 2021	Exploration costs	Tax credits	Impairment	Disposition	October 31 2021
	\$	\$	\$	\$	\$	\$
<b>Gold Properties:</b>						
Sakami - QC	1,575,629	481,659	(162,603)	-	-	1,894,685
Iserhoff - QC	277,241	-	-	-	-	277,241
Meaghers - NS	2,051	-	-	-	-	2,051
Blockhouse - NS	44,794	-	-	-	-	44,794
Kemptville - NS	6,198	-	-	-	-	6,198
Chocolate Lake - NS	3,575	-	-	-	-	3,575
Gold River - NS	231	-	-	-	-	231
<b>Total Gold Properties</b>	1,909,719	481,659	(162,603)	-	-	2,228,775
<b>Base Metals:</b>						
A Lake - NB	125,840	23,004	-	-	-	148,844
<b>Total Base Metals</b>	125,840	23,004	-	-	-	148,844
<b>Industrials &amp; High-Tech Metals:</b>						
Dissimieux Lake - QC	16,338	385	-	-	-	16,723
KM381 - QC	129	-	-	-	-	129
<b>Total Industrials &amp; High-Tech Metals</b>	16,467	385	-	-	-	16,852
<b>Grand total</b>	2,052,026	505,048	(162,603)	-	-	2,394,471

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 10. Exploration and evaluation assets (continued):

	July 31 2020	Exploration costs	Tax credits	Impairment	Disposition	July 31 2021
	\$	\$	\$	\$	\$	\$
<b>Gold Properties:</b>						
Sakami - QC	501,677	1,492,460	(418,508)	-	-	1,575,629
Iserhoff - QC	276,997	333	(89)	-	-	277,241
Meaghers - NS	5,655	-	-	-	(3,604)	2,051
Blockhouse - NS	50,637	-	-	(5,843)	-	44,794
Kemptville - NS	5,698	500	-	-	-	6,198
Chocolate Lake - NS	700	2,875	-	-	-	3,575
Gold River - NS	231	-	-	-	-	231
<b>Total Gold Properties</b>	<b>841,595</b>	<b>1,496,168</b>	<b>(418,597)</b>	<b>(5,843)</b>	<b>(3,604)</b>	<b>1,909,719</b>
<b>Base Metals:</b>						
A Lake - NB	98,138	85,560 <sup>(1)</sup>	-	(57,858)	-	125,840
<b>Total Base Metals</b>	<b>98,138</b>	<b>85,560</b>	<b>-</b>	<b>(57,858)</b>	<b>-</b>	<b>125,840</b>
<b>Industrials &amp; High-Tech Metals:</b>						
Dissimieux Lake - QC	14,940	1,728	(330)	-	-	16,338
KM381 - QC	-	228	(99)	-	-	129
Mt Cameron - NS	36,091	-	-	(36,091)	-	-
<b>Total Industrials &amp; High-Tech Metals</b>	<b>51,031</b>	<b>1,956</b>	<b>(429)</b>	<b>(36,091)</b>	<b>-</b>	<b>16,467</b>
<b>Grand total</b>	<b>990,764</b>	<b>1,583,684</b>	<b>(419,026)</b>	<b>(99,792)</b>	<b>(3,604)</b>	<b>2,052,026</b>

(1) A contribution of \$ 23,000 from the Government of New Brunswick has been recorded as a reduction of exploration and evaluation assets (\$15,000 against geophysics and \$8,000 against prospecting activity).

### 11. Share capital and warrants:

#### (a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares, without par value, issuable in series.

#### (b) Issued and outstanding:

##### 2022:

On August 16, 2021, the Company issued to service providers 23,750 common shares valued at \$6,175 for business development consultancy.

On August 27 2021, the Company concluded a private placement by issuing 7,062,500 units at a price of \$0.20 per unit for net proceeds of \$1,381,003 after deducting share issuance costs of \$31,497. A finder's fee of \$30,800 was paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 7,062,500 common shares and 7,062,500 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.35 until February 27, 2023. These warrants have been recorded at a value of \$314,873 based on the Black-Scholes option pricing model using the assumptions described below. (Note 11 (c)).

On August 27, 2021, the Company concluded a private placement by issuing 1,616,571 flow-through shares at a price of \$0.28 per unit for net proceeds of \$430,814 after deducting share issuance costs of \$21,826. A finder's fee of \$21,000 was paid in connection with this private placement. An amount of \$64,663 representing the premium paid by the investors was recorded in liability related to flow-through shares based on the residual value method. The Company has the obligation to incur \$452,640 in exploration expenditures in its Québec mining properties no later than December 31, 2022. As at October 31, 2021, the Company incurred an amount of \$81,718 in exploration and evaluation expenditures and consequently has the obligation to incur the remaining amount of \$370,922 in exploration and evaluation expenditures before December 31, 2022.

On August 27, 2021, the Company concluded a private placement by issuing 1,766,667 flow-through units at a price of \$0.30 per unit for net proceeds of \$499,067 after deducting share issuance costs of \$30,933. A finder's fee of \$30,000 was paid in connection with this private placement. Each unit consists of one flow-through share and one-half warrant for a total of 1,766,667 flow-through shares and 833,333 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.40 until February 27, 2023. These warrants have been recorded at a value of \$59,094 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)). An amount of \$52,792 representing the premium paid by the investors was recorded in liability related to flow-through shares based on the residual value method. As at October 31, 2021, the Company has the obligation to incur \$530,000 in exploration expenditures in its Québec mining properties no later than December 31, 2022.

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 11. Share capital and warrants (continued):

#### (b) Issued and outstanding (continued):

##### 2022 (continued):

On September 10 2021, the Company concluded a private placement by issuing 1,000,000 units at a price of \$0.20 per unit for net proceeds of \$187,310 after deducting share issuance costs of \$12,690. No commission or finder's fee was paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 1,000,000 common shares and 1,000,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.35 until March 10, 2023. These warrants have been recorded at a value of \$42,457 based on the Black-Scholes option pricing model using the assumptions described below. (Note 11 (c)).

On September 16 2021, the Company concluded a private placement by issuing 1,500,000 units at a price of \$0.20 per unit for net proceeds of \$280,964 after deducting share issuance costs of \$19,036. No commission or finder's fee was paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 1,500,000 common shares and 1,500,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.35 until March 16, 2023. These warrants have been recorded at a value of \$62,692 based on the Black-Scholes option pricing model using the assumptions described below. (Note 11 (c)).

##### 2021:

On August 5, 2020, the Company concluded a private placements by issuing 2,053,221 units at a price of \$0.18 per unit for net proceeds of \$364,100 after deducting share issuance costs of \$5,480. There was a commission of \$4,590 paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 2,053,221 common shares and 2,053,221 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.30 until February 5, 2022. These warrants have been recorded at a value of \$95,031 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)).

On August 10, 2020, the Company concluded a private placements by issuing 1,401,555 units at a price of \$0.18 per unit for net proceeds of \$251,336 after deducting share issuance costs of \$944. There was no commission paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 1,401,555 common shares and 1,401,555 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.30 until February 10, 2022. These warrants have been recorded at a value of \$64,910 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)).

On November 16, 2020, the Company issued to service providers 23,750 common shares valued at \$5,107 for business development consultancy and consulting fees.

On December 21, 2020, the Company concluded a private placement by issuing 2,400,000 units at a price of \$0.20 per unit for net proceeds of \$466,418 after deducting share issuance costs of \$13,582. There was no commission paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 2,400,000 common shares and 2,400,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.35 until June 21, 2022. These warrants have been recorded at a value of \$88,577 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)).

On December 21, 2020, the Company concluded a private placement by issuing 16,600 flow-through units at a price of \$0.30 per unit for net proceeds of \$4,481 after deducting share issuance costs of \$499. There was a commission of \$299 paid in connection with this private placement. Each unit consists of one flow-through share and one-half warrant for a total of 16,600 flow-through shares and 8,300 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.40 until December 21, 2021. These warrants have been recorded at a value of \$275 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)). An amount of \$1,642 representing the premium paid by the investors was recorded in liability related to flow-through shares based on the residual value method. As at October 31, 2021, the Company has fulfilled its obligation by incurring \$4,980 in exploration expenditures (completed during the quarter ended January 31, 2021) in its Québec mining properties no later than December 31, 2021 (extended to December 31, 2022 due to COVID-19 outbreak).

On December 21, 2020, the Company concluded a private placement by issuing 50,000 flow-through shares at a price of \$0.28 per unit for net proceeds of \$14,000 after deducting share issuance costs of \$Nil. There was no commission paid in connection with this private placement. An amount of \$4,500 representing the premium paid by the investors was recorded in liability related to flow-through shares based on the residual value method. As at October 31, 2021, the Company has fulfilled its obligation by incurring \$14,000 in exploration expenditures (completed during the quarter ended January 31, 2021) in its Québec mining properties no later than December 31, 2021 (extended to December 31, 2022 due to COVID-19 outbreak).

On December 29, 2020, the Company concluded a private placement by issuing 295,000 units at a price of \$0.20 per unit for net proceeds of \$58,003 after deducting share issuance costs of \$997. There was no commission paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 295,000 common shares and 295,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.35 until June 29, 2022. These warrants have been recorded at a value of \$11,122 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)).

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 11. Share capital and warrants (continued):

#### (b) Issued and outstanding (continued):

##### 2021 (continued):

On December 29, 2020, the Company concluded a private placement by issuing 67,000 flow-through units at a price of \$0.30 per unit for net proceeds of \$20,100 after deducting share issuance costs of \$Nil. There was no commission paid in connection with this private placement. Each unit consists of one flow-through share and one-half warrant for a total of 67,000 flow-through shares and 33,500 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.40 until December 29, 2021. These warrants have been recorded at a value of \$1,191 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)). An amount of \$6,212 representing the premium paid by the investors was recorded in liability related to flow-through shares based on the residual value method. As at October 31, 2021, the Company has fulfilled its obligation by incurring \$20,100 in exploration expenditures (completed during the quarter ended January 31, 2021) in its Québec mining properties no later than December 31, 2021 (extended to December 31, 2022 due to COVID-19 outbreak).

On December 29, 2020, the Company concluded a private placement by issuing 405,714 flow-through shares at a price of \$0.28 per unit for net proceeds of \$113,400 after deducting share issuance costs of \$200. There was no commission paid in connection with this private placement. An amount of \$34,486 representing the premium paid by the investors was recorded in liability related to flow-through shares based on the residual value method. As at October 31, 2021, the Company has fulfilled its obligation by incurring \$113,600 in exploration expenditures (completed during the quarter ended January 31, 2021) in its Québec mining properties no later than December 31, 2021 (extended to December 31, 2022 due to COVID-19 outbreak).

On January 27, 2021, the Company concluded a private placement by issuing 700,000 units at a price of \$0.20 per unit for net proceeds of \$133,300 after deducting share issuance costs of \$6,700. There was a commission of \$6,700 paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 700,000 common shares and 700,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.35 until July 27, 2022. These warrants have been recorded at a value of \$23,826 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)).

On February 22, 2021, the Company issued to service providers 23,750 common shares valued at \$4,275 for business development consultancy and consulting fees.

On April 16, 2021, the Company concluded a private placement by issuing 2,050,000 units at a price of \$0.20 per unit for net proceeds of \$409,297 after deducting share issuance costs of \$703. There was no commission paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 2,050,000 common shares and 2,050,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.35 until October 16, 2022. These warrants have been recorded at a value of \$67,343 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)).

On April 29, 2021, the Company concluded a private placement by issuing 1,349,500 units at a price of \$0.20 per unit for net proceeds of \$269,900 after deducting share issuance costs of \$Nil. There was no commission paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 1,349,500 common shares and 1,349,500 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.35 until October 29, 2022. These warrants have been recorded at a value of \$49,583 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)).

On April 29, 2021, the Company concluded a private placement by issuing 28,571 flow-through shares at a price of \$0.28 per unit for net proceeds of \$7,800 after deducting share issuance costs of \$200. There was no commission paid in connection with this private placement. An amount of \$2,000 representing the premium paid by the investors was recorded in liability related to flow-through shares based on the residual value method. As at October 31, 2021, the Company has fulfilled its obligation by incurring \$8,000 in exploration expenditures (completed during the quarter ended July 31, 2021) in its Québec mining properties no later than December 31, 2022.

On April 29, 2021, the Company concluded a private placement by issuing 66,660 flow-through units at a price of \$0.30 per unit for net proceeds of \$19,798 after deducting share issuance costs of \$200. There was no commission paid in connection with this private placement. Each unit consists of one flow-through share and one-half warrant for a total of 66,660 flow-through shares and 33,330 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.40 until April 29, 2022. These warrants have been recorded at a value of \$1,161 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)). An amount of \$5,136 representing the premium paid by the investors was recorded in liability related to flow-through shares based on the residual value method. As at October 31, 2021, the Company has fulfilled its obligation by incurring \$19,998 in exploration expenditures (completed during the quarter ended July 31, 2021) in its Québec mining properties no later than December 31, 2022.

On June 16, 2021, the Company issued to service providers 23,750 common shares valued at \$4,275 for business development consultancy and consulting fees.

On July 6, 2021, the Company concluded a private placement by issuing 1,150,000 units at a price of \$0.20 per unit for net proceeds of \$229,400 after deducting share issuance costs of \$600. There was no commission paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 1,150,000 common shares and 1,150,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.35 until January 6, 2023. These warrants have been recorded at a value of \$38,827 based on the Black-Scholes option pricing model using the assumptions described below (Note 11 (c)).



# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 11. Share capital and warrants (continued):

#### (c) Warrants:

The changes to the number of outstanding warrants granted by the Company and their weighted average exercise price are as follows:

	October 31 2021		July 31 2021	
	Number of outstanding warrants	Weighted average exercise price	Number of outstanding warrants	Weighted average exercise price
		\$		\$
Outstanding at beginning	16,004,683	0.33	4,530,277	0.30
Granted	10,445,833	0.35	11,474,406	0.34
Outstanding at end	26,450,516	0.34	16,004,683	0.33

The following table provides outstanding warrants information as at October 31, 2021:

Expiry date	Outstanding warrants		
	Number of outstanding warrants	Exercise price	Remaining life
		\$	(years)
December 21, 2021	8,300	0.40	0.1
December 29, 2021	33,500	0.40	0.2
January 31, 2022	2,160,277	0.30	0.3
January 31, 2022 <sup>(1)</sup>	2,370,000	0.30	0.3
February 5, 2022	2,053,221	0.30	0.3
February 10, 2022	1,401,555	0.30	0.3
April 29, 2022	33,330	0.40	0.5
June 21, 2022	2,400,000	0.35	0.6
June 29, 2022	295,000	0.35	0.7
July 27, 2022	700,000	0.35	0.7
October 19, 2022	2,050,000	0.35	1.0
October 29, 2022	1,349,500	0.35	1.0
January 6, 2023	1,150,000	0.35	1.2
February 27, 2023	7,062,500	0.35	1.3
February 27, 2023	883,333	0.40	1.3
March 10, 2023	1,000,000	0.35	1.4
March 17, 2023	1,500,000	0.35	1.4
	26,450,516	0.34	0.9

The following table provides outstanding warrants information as at July 31, 2021:

Expiry date	Outstanding warrants		
	Number of outstanding warrants	Exercise price	Remaining life
		\$	(years)
December 21, 2021	8,300	0.40	0.4
December 29, 2021	33,500	0.40	0.4
January 31, 2022	2,160,277	0.30	0.5
January 31, 2022 <sup>(1)</sup>	2,370,000	0.30	0.5
February 5, 2022	2,053,221	0.30	0.5
February 10, 2022	1,401,555	0.30	0.5
April 29, 2022	33,330	0.40	0.7
June 21, 2022	2,400,000	0.35	0.9
June 29, 2022	295,000	0.35	0.9
July 27, 2022	700,000	0.35	1.0
October 19, 2022	2,050,000	0.35	1.2
October 29, 2022	1,349,500	0.35	1.3
January 6, 2023	1,150,000	0.35	1.4
	16,004,683	0.33	0.8

(1) On May 5, 2021, the expiry date has been extended to January 31, 2022.

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 11. Share capital and warrants (continued):

#### (c) Warrants:

The following table provides the weighted average fair value of warrants granted:

	October 31 2021	July 31 2021
Weighted average fair value of warrants granted	\$ 0.0459	\$ 0.0385

The fair value of each warrant granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	October 31 2021	July 31 2021
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	\$0.238	\$0.212
Weighted average expected volatility <sup>(1)</sup>	83.89%	82.22%
Weighted average risk-free interest rate	0.44%	0.28%
Weighted average exercise price at grant date	\$0.354	\$0.335
Weighted average expected life	1.5 years	1.5 years

(1) Since July 2020, the volatility is based on the historical stock price of the Company.

### 12. Share-based compensation:

#### (a) Share option plan:

The Company has a share option plan "The Plan" whereby the Board of Directors, may grant to directors, officers or consultants of the Company, options to acquire common shares. The Board of Directors has the authority to determine the terms and conditions of the grant of options. The Board of Directors approved a 'share option plan reserving a maximum of 4,600,000 share options of the Company, with a vesting period allowed of zero to a period fixed by the Board of Directors, when the grant of option is made at market price, for the benefit of its directors, officers, employees and consultants. The Plan provides that no single person may hold options representing more than 5% of the outstanding common shares.

The exercise price of any option granted under The Plan is fixed by the Board of Directors at the time of the grant and cannot be less than the market price per common share the day before the grant. The term of an option will not exceed ten years from the date of grant. Options are not transferable and can be exercised while the beneficiary remains a director, an officer, an employee or consultant of the Company.

The changes to the number of outstanding share options granted by the Company and their weighted average exercise price are as follows:

	October 31 2021		July 31 2021	
	Number of outstanding share options	Weighted average exercise price \$	Number of outstanding share options	Weighted average exercise price \$
Outstanding at beginning	2,500,000	0.27	1,350,000	0.25
Granted	1,880,000	0.31	1,150,000	0.30
Expired	-	-	-	-
Outstanding at end	4,380,000	0.29	2,500,000	0.27
Exercisable at end	3,930,000	0.28	2,500,000	0.27

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 12. Share-based compensation (continued):

#### (a) Share option plan (continued):

The following table provides outstanding share options information as at October 31, 2021:

Outstanding share options				
Expiry date	Number of granted share options	Number of exercisable share options	Exercise price	Remaining life
			\$	(years)
August 31, 2023	280,000	280,000	0.30	1.8
March 6, 2024	1,025,000	1,025,000	0.25	2.4
March 23, 2024	225,000	225,000	0.25	2.4
May 18, 2024	100,000	100,000	0.25	2.6
August 31, 2025	870,000	870,000	0.30	3.8
September 16, 2024	320,000	320,000	0.30	2.9
September 16, 2024	450,000	-	0.35	2.9
September 16, 2026	1,110,000	1,110,000	0.30	4.9
	4,380,000	3,930,000	0.29	3.4

The following table provides outstanding share options information as at July 31, 2021:

Outstanding share options				
Expiry date	Number of granted share options	Number of exercisable share options	Exercise price	Remaining life
			\$	(years)
August 31, 2023	280,000	280,000	0.30	2.1
March 6, 2024	1,025,000	1,025,000	0.25	2.6
March 23, 2024	225,000	225,000	0.25	2.6
May 18, 2024	100,000	100,000	0.25	2.8
August 31, 2025	870,000	870,000	0.30	4.1
	2,500,000	2,500,000	0.27	3.1

The following table provides the weighted average fair value of share options granted:

	October 31 2021	July 31 2021
	\$	\$
Weighted average fair value of share options granted	0.1388	0.1518

The fair value of each share option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	October 31 2021	July 31 2021
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	\$0.23	\$0.23
Weighted average expected volatility <sup>(1)</sup>	93.35%	98.38%
Weighted average risk-free interest rate	0.73%	0.37%
Weighted average exercise price at grant date	\$0.312	\$0.30
Weighted average expected life	4.18 years	4.51 years

(1) The volatility was determined in comparison with the volatility of comparable publicly traded companies.

An amount of \$207,518 of share-based compensation were accounted for in profit or loss for the three-month period ended October 31, 2021 (\$174,610 for the three-month period ended October 31, 2020) and share options. As at October 31, 2021, an amount of \$53,415 (\$Nil for the year ended July 31, 2021) remains to be amortized until September 16, 2022 related to the grant of stock options not vested.

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 13. Supplemental cash flow information:

The Company entered into the following transactions which had no impact on the cash flows:

	Three-month period ended	
	October 31	October 31
	2021	2020
	\$	\$
Non-cash financing activities:		
Shares issued as payment of expenses	6,175	-
Share issuance costs in trade accounts payable and accrued liabilities	-	7,846
Non-cash investing activities:		
Mining properties in trade accounts payable and accrued liabilities	5,341	311
Exploration and evaluation assets in trade accounts payable and accrued liabilities	41,901	175,395

### 14. Related party transactions:

Related parties include the Company's joint key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

	Three-month period ended	
	October 31	October 31
	2021	2020
	\$	\$
Management and consulting fees	24,000	34,000
Salaries and director's fees	39,189	31,501
Share-based compensation	148,150	91,542
	211,339	157,043

In addition to the related party transactions presented elsewhere in these financial statements, the following is a summary of other transactions:

A director of the Company is a partner in a law firm that offers legal services to Genius Metals. As at October 31, 2021, there was no amount due to this related party (\$3,079 as at July 31, 2021). The following table provides a summary of the expenses charged from the law firm:

	Three-month period ended	
	October 31	October 31
	2021	2020
	\$	\$
Legal fees	30,338	7,254
Share issuance cost	13,782	3,044
	44,120	10,298

A company controlled by the Vice-President Exploration offers consulting services to Genius Metals. As at October 31, 2021, trade accounts payable and other liabilities include an amount of \$5,749 (\$5,749 as at July 31, 2021) due to this related party. The following table provides a summary of the services charged from the company controlled by the Vice-President Exploration:

	Three-month period ended	
	October 31	October 31
	2021	2020
	\$	\$
Management and consulting fees	5,173	-
Exploration and evaluation assets	9,827	10,000
	15,000	10,000

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 15. Financial assets and liabilities:

The carrying amount and fair value of financial instruments presented in the statements of financial position related to the following classes of assets and liabilities:

	October 31 2021		July 31 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
<b>Financial assets</b>				
Fair value through profit or loss (FVTPL)				
Marketable securities - Equities	11,250	11,250	13,750	13,750
	11,250	11,250	13,750	13,750
<b>Financial assets</b>				
Amortized cost				
Cash and cash equivalents	1,644,829	1,644,829	315,679	315,679
Short-term investments	30,000	30,000	15,000	15,000
	1,674,829	1,674,829	330,679	330,679
<b>Financial liabilities</b>				
Amortized cost				
Trade accounts payable and accrued liabilities	100,658	100,658	760,051	760,051
Loan	33,980	33,980	32,803	32,803
	134,638	134,638	792,854	792,854

The fair values of the marketable securities are \$11,250 as at October 31, 2021 (\$13,750 as at July 31, 2021) and are determined by using the closing price as at October 31, 2021 and July 31, 2021.

The fair values of the loans is \$33,980 as at October 31, 2021 (\$32,803 as at July 31, 2021) and is determined by using the estimated market rate that the Company would have obtained for a similar financing.

The fair value of cash and cash equivalents, short-term investments and trade accounts payable and other liabilities is comparable to its carrying amount given the short period to maturity, i.e. the time value of money is not significant.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (that is, derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

	October 31 2021		
	Level 1	Level 2	Level 3
	\$	\$	\$
<b>Marketable securities</b>			
Fair value through profit or loss (FVTPL)			
	11,250	-	-
<b>Loan</b>			
Amortized cost			
	-	33,980	-
	11,250	33,980	-

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 15. Financial assets and liabilities (continued):

	July 31 2021		
	Level 1	Level 2	Level 3
	\$	\$	\$
<b>Marketable securities</b>			
Fair value through profit or loss (FVTPL)	13,750	-	-
<b>Loan</b>			
Amortized cost	-	32,803	-
	13,750	32,803	-

### 16. Capital management policies and procedures:

The Company considers the items included in equity as capital components.

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders of the Company.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity. Capital for the reporting periods are presented in the statement of changes in equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which the amount should be used for exploration work. As at October 31, 2021, the Company has the obligation to incur \$900,922 in exploration expenditures no later than December 31, 2022 in order to comply with the requirements of flow-through private placement concluded in August 2021 (see Note 5).

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. 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.

	October 31 2021	July 31 2021
	\$	\$
Loan	33,980	32,803
Equity	5,953,402	3,458,233
	5,987,382	3,491,036

### 17. Financial instrument risks:

The Company is exposed to various risks in relation to financial instruments. The main types of risks the Company is exposed to are credit risk and liquidity risk.

The Company manages risks in close cooperation with the board of directors. The Company focuses on actively securing short-term to medium-term cash flows by minimizing the exposure to financial markets.

#### (a) Credit risk:

Credit risk is the risk that the other party to a financial instrument fails to honour one of its obligations and, therefore, causes the Company to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date.

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

Credit risk of cash and cash equivalents and short-term investment is considered negligible, since the counterparty which holds the cash and cash equivalents is a reputable bank with excellent external credit rating.

# GENIUS METALS INC.

## Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2021 and 2020

(in Canadian dollars)

### 17. Financial instrument risks (continued):

#### (a) Credit risk (continued):

None of the Company's financial assets are secured by collateral or other credit enhancements.

#### (b) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

In previous reporting periods, the Company has financed its acquisitions of mining rights, exploration and evaluation assets and working capital needs through private financings consisting of issuance of common shares and flow-through shares. Management estimates that the cash and cash equivalents as at October 31, 2021 will not be sufficient to meet the Company's needs for cash during the coming year (see Note 2).

Contractual maturities of financial liabilities are as follows:

				October 31
				2021
	Less than	1-5 years	More than	\$
	1 year		5 years	Total
Trade accounts payable and accrued liabilities	\$ 100,658	\$ -	\$ -	\$ 100,658
Loans	-	40,000	-	40,000

  

				July 31
				2021
	Less than	1-5 years	More than	\$
	1 year		5 years	Total
Trade accounts payable and accrued liabilities	\$ 760,051	\$ -	\$ -	\$ 760,051
Loans	-	40,000	-	40,000

#### (c) Price risk:

The Company is exposed to fluctuations in the market prices of its marketable securities in a quoted mining exploration company. The fair value of the marketable securities represents the maximum exposure to price risk. For the marketable securities in quoted mining exploration companies, an average volatility of 73.66% has been observed during the three-month period ending October 31, 2021 (57.52% for the year ended July 31, 2021).

This volatility figure is considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If quoted stock price for these securities had increased as per the volatility, profit and loss would have changed by a markup of \$8,287 as at October 31, 2021 (markup of \$7,909 as at July 31, 2021) or If quoted stock price for these securities had decreased as per the volatility, profit and loss would have changed by a markdown of \$8,287 as at October 31, 2021 (\$7,909 as at July 31, 2021).