



**GENIUS METALS INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Three-month period ended

October 31, 2021

(First Quarter)

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

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 ended October 31, 2021. It includes a review of the Company's financial condition and a review of operations for the three-month period October 31, 2021 as compared to the three-month period ended October 31, 2020.

This MD&A complements the condensed interim financial statements for the three-month period ended October 31, 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 October 31, 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, 2021.

The condensed interim financial statements for the three-month periods ended October 31, 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 October 31, 2021. On December 23, 2021, the Board of Directors approved, for issuance, the condensed interim 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 was listed since October 31, 2018 on the Canadian Securities Exchange ("CSE") and its trading symbol was "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.

## REPORT'S DATE

The MD&A was prepared with the information available as at December 23, 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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to 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, Nova Scotia and New-Brunswick

## BUSINESS DEVELOPMENT HIGHLIGHTS

- During Q1-2022, 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 continues to assess the impact COVID-19 may have on its business activities. The extent of the effect of the COVID-19 pandemic on the Company is uncertain.
- On Thursday September 29, the Company listed its common shares on the TSXV effective as of the close of market. The common shares began trading on the TSXV at the opening of market on Thursday, September 30, 2021. The Corporation has applied to have its shares delisted from the Canadian Securities Exchange. The last day of trading of the Corporation's common shares on the CSE was on September 30, 2021.
- 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 proceeds of \$1,412,500. 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.
- 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 proceeds of \$452,640. The Company has the obligation to incur \$452,640 in exploration expenditures in its Québec mining properties no later than 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 proceeds of \$530,000. 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. The Company has the obligation to incur \$530,000 in exploration expenditures in its Québec mining properties no later than December 31, 2022.
- 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 proceeds of \$200,000. 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.
- 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 proceeds of \$300,000. 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.
- On September 16, 2021, the Company granted 320,000 share options to members of the technical committee, consultants and employee at an exercise price of \$0.30 per share, expiring on September 16,

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

2024 and granted 1,110,000 share options to directors and officers at an exercise price of \$0.30 per share, expiring on September 16, 2026.

- In addition, on September 16, 2021, the Company granted 450,000 share options to a consultant at an exercise price of \$0.35 per share, expiring on September 16, 2024.

## SUBSEQUENT BUSINESS DEVELOPMENT HIGHLIGHTS

The Company does not have business development events to report.

## CORPORATE OBJECTIVES FOR 2022:

- As highlighted by the business development highlights, the Company is well funded to pursue a year-long exploration campaign on Sakami in 2022. The Company intends to focus on developing its Sakami property during 2022
- On Sakami, the Company intends to continue to expand the scope of the known prospective zones (GoldenEye and Lamarche) while continuing to prospect the property to identify new prospective exploration targets. A special emphasis will be placed on the newly acquired claims in the Langelier Complex where the Company recently reported significant channel samples results (up to 2.62 g/t Au over 7.4m) as well as the discovery of a new showing named Doukha (6.10 g/t Au accompanied by 1.80% Cu). The Company intends to produce a high-resolution MAG survey on the entirety of the newly acquired claims. On GoldenEye, the Company intends increase the size of the exploration grid by completing line-cutting work in the South-West extension of this zone. This grid will be used to produce an extension of the 2017-2018 IP survey and to better understand the gold-bearing structure that was identified as part of the 2021 drilling program.

## EXPLORATION HIGHLIGHTS

- During the months of August and September 2021 (Q1-2022), the Company was still working on its 2,000m to 3,000m diamond-drilling campaign focused on the gold-prospective Lamarche and GoldenEye prospects. Drilling targets were defined using the data provided by recently completed mapping, rock sampling, channel sampling and geophysical surveys. The purpose of this campaign was to investigate de Lamarche and GoldenEye prospects at depth. A total of 17 holes were collared on property generating 2,568 m of core material. Results of the seven holes drilled on the Golden Eye prospect returned intersections of 1.45 g/t Au over 6.0 m and 0.27 g/t Au over 7.7 m (SAK-21-10); 0.43 g/t Au over 2.7 m; (SAK-21-11), 2.53 g/t Au over 1.50 m (SAK-21-12) and 0.78 g/t Au sur 0.7 m (SAK-21-16). The mineralized zone is shallow with apparent depths of 11 to 51 m, extends along a NE-SW strike for 410 m and is open to the SW. Data from the seven holes collared on the Lamarche prospect generated 45 g/t Ag over 3.7 m and including an interval of 1.17 g/t Au, 209 g/t Ag and 1.69 % Zn over 0.50 (SAK-21-03) and 0.28 g/t Au and 0.64 % Zn over 4.6 m (SAK-21-08). The Lamarche prospect was found to be Zn and Pb-rich.
- During the month of September 2021, the Company completed a prospecting campaign on the A-Lake property to follow-up on the IP survey completed in 2021. The Company brought a geologist and two prospectors on site with a mechanical excavator for two weeks. As part of this campaign, the overburden covering the IP anomalies was stripped in order for the crew to perform channel samples on those anomalies. Results from this program are still being interpreted.

## SUBSEQUENT EXPLORATION HIGHLIGHTS

The Company does not have subsequent exploration events to report.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## EXPLORATION ACTIVITIES FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2021

During the three-month period ended October 31, 2021, the Company invested \$505,048 in exploration and evaluation assets (net of disposition, impairment and tax credit related to resources and mining tax credits) (\$524,123 during the three-month period ended October 31, 2020) 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 October 31, 2021

|   | Dissimieux<br>Lake<br>QC | Sakami<br>QC | KM381<br>QC | Iserhoff<br>QC | Mt Cameron<br>NS | Blockhouse<br>NS | Kemptville<br>NS | Chocolate<br>Lake<br>NS | Gold River<br>NS | Meaghers<br>NS | A Lake<br>NB | Total     |
|---|--------------------------|--------------|-------------|----------------|------------------|------------------|------------------|-------------------------|------------------|----------------|--------------|-----------|
|   | \$                       | \$           | \$          | \$             | \$               | \$               | \$               | \$                      | \$               | \$             | \$           | \$        |
| <b>Exploration and evaluation assets</b>                  |                          |              |             |                |                  |                  |                  |                         |                  |                |              |           |
| Drilling  | -                        | 464,325      | -           | -              | -                | -                | -                | -                       | -                | -              | -            | 464,325   |
| Stripping   | -                        | -            | -           | -              | -                | -                | -                | -                       | -                | -              | 6,933        | 6,933     |
| Geophysical   | -                        | 427          | -           | -              | -                | -                | -                | -                       | -                | -              | -            | 427       |
| Geology   | -                        | 7,523        | -           | -              | -                | -                | -                | -                       | -                | -              | -            | 7,523     |
| Prospecting   | -                        | 7,791        | -           | -              | -                | -                | -                | -                       | -                | -              | 16,071       | 23,862    |
| General field expenses                                    | 385                      | 813          | -           | -              | -                | -                | -                | -                       | -                | -              | -            | 1,198     |
| Reporting   | -                        | 780          | -           | -              | -                | -                | -                | -                       | -                | -              | -            | 780       |
| Tax credit related to resources<br>and mining tax credits | -                        | (162,603)    | -           | -              | -                | -                | -                | -                       | -                | -              | -            | (162,603) |
|   | 385                      | 319,056      | -           | -              | -                | -                | -                | -                       | -                | -              | 23,004       | 342,445   |
| <b>Mining properties:</b>                                 |                          |              |             |                |                  |                  |                  |                         |                  |                |              |           |
| Mining rights   | -                        | 10,057       | -           | 2,765          | -                | -                | -                | -                       | -                | 2,500          | 870          | 16,192    |
|   | -                        | 10,057       | -           | 2,765          | -                | -                | -                | -                       | -                | 2,500          | 870          | 16,192    |
| <b>Balance, beginning of period</b>                       | 343,596                  | 2,248,180    | 12,051      | 382,458        | -                | 67,084           | 12,153           | 11,224                  | 2,136            | 6,755          | 202,083      | 3,287,720 |
| <b>Balance, end of period</b>                             | 343,981                  | 2,577,293    | 12,051      | 385,223        | -                | 67,084           | 12,153           | 11,224                  | 2,136            | 9,255          | 225,957      | 3,646,357 |

### GENIUS METALS INC.

#### Mining properties & Exploration and evaluation assets For the three-month period ended October 31, 2020

|   | Dissimieux<br>Lake<br>QC | Sakami<br>QC | KM381<br>QC | Iserhoff<br>QC | Mt Cameron<br>NS | Blockhouse<br>NS | Kemptville<br>NS | Chocolate<br>Lake<br>NS | Gold River<br>NS | Meaghers<br>NS | A Lake<br>NB | Total     |
|---|--------------------------|--------------|-------------|----------------|------------------|------------------|------------------|-------------------------|------------------|----------------|--------------|-----------|
|   | \$                       | \$           | \$          | \$             | \$               | \$               | \$               | \$                      | \$               | \$             | \$           | \$        |
| <b>Exploration and evaluation assets</b>                  |                          |              |             |                |                  |                  |                  |                         |                  |                |              |           |
| Geophysical   | -                        | 2,000        | -           | -              | -                | -                | -                | -                       | -                | -              | 62,039       | 64,039    |
| Geology   | 515                      | 24,808       | 140         | 175            | -                | -                | -                | -                       | -                | -              | 1,500        | 27,138    |
| Prospecting   | -                        | 380,661      | -           | -              | -                | -                | -                | -                       | -                | -              | 15,723       | 396,384   |
| General field expenses                                    | -                        | 36,562       | -           | -              | -                | -                | -                | -                       | -                | -              | -            | 36,562    |
| Tax credit related to resources<br>and mining tax credits | (74)                     | (52,229)     | (54)        | (49)           | -                | -                | -                | -                       | -                | -              | -            | (52,406)  |
|   | 441                      | 391,802      | 86          | 126            | -                | -                | -                | -                       | -                | -              | 79,262       | 471,717   |
| <b>Mining properties:</b>                                 |                          |              |             |                |                  |                  |                  |                         |                  |                |              |           |
| Acquisition   | -                        | -            | -           | -              | -                | -                | -                | -                       | -                | -              | 25,000       | 25,000    |
| Mining rights   | -                        | 5,548        | -           | 171            | -                | 175              | -                | -                       | -                | 105            | 175          | 6,174     |
|   | -                        | 5,548        | -           | 171            | -                | 175              | -                | -                       | -                | 105            | 25,175       | 31,174    |
| <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>                             | 341,476                  | 1,528,707    | 2,782       | 382,340        | 303,285          | 75,781           | 11,453           | 8,229                   | 2,116            | 18,630         | 253,646      | 2,928,445 |

- During the month of July 2021 (Q4-2021), the Company launched its 2,000m to 3,000m diamond-drilling campaign focused on the gold-prospective Lamarche and GoldenEye prospects. Drilling targets were defined using the data provided by recently completed mapping, rock sampling, channel sampling and geophysical surveys. The purpose of this campaign was to investigate de Lamarche and GoldenEye prospects at depth. The campaign was completed during the month of September (Q1-2022). A total of 17 holes were collared on property generating 2,568 m of core material.

### 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

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.

During the month of June 2021 (Q4-2021), the Company completed a prospecting campaign on Sakami with a crew of 8 geologists and technicians accompanied by a camp manager, a cook and a helicopter pilot. The crew collected over 200 samples as part of this prospecting campaign aimed at extending the scope of the Lamarche and GoldenEye prospects at surface and to investigate new areas on the property.

During the month of July 2021 (Q4-2021), the Company launched its 2,000m to 3,000m diamond-drilling campaign focused on the gold-prospective Lamarche and GoldenEye prospects. Drilling targets were defined using the data provided by recently completed mapping, rock sampling, channel sampling and geophysical surveys. The purpose of this campaign was to investigate de Lamarche and GoldenEye prospects at depth. A total of 17 holes were collared on property generating 2,568 m of core material.

During the month of May 2021 (Q4-2021), 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.

### **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.

During the month of May 2021 (Q4-2021), 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.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

## 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 Wememdjji 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

---

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.

During the month of June 2021 (Q4-2021), the Company completed a prospecting campaign on Sakami with a crew of 8 geologists and technicians accompanied by a camp manager, a cook and a helicopter pilot. The crew collected over 200 samples as part of this prospecting campaign aimed at extending the scope of the Lamarche and GoldenEye prospects at surface and to investigate new areas on the property.

During the month of July 2021 (Q4-2021), the Company launched its 2,000m to 3,000m diamond-drilling campaign focused on the gold-prospective Lamarche and GoldenEye prospects. Drilling targets were defined using the data provided by recently completed mapping, rock sampling, channel sampling and geophysical surveys. The purpose of this campaign was to investigate de Lamarche and GoldenEye prospects at depth. A total of 17 holes were collared on property generating 2,568 m of core material.

### **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-Quévillon, 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



## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

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 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.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## **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.

## **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 x1 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

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 NBJMAP 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.

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.

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.

During the month of May 2021 (Q4-2021), 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.

### **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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

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.

### **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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

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

---

## FINANCIAL INFORMATION

### Functional and presentation currency

These selected quarterly financial information and other 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, 2021.

### Use of estimates and judgements

Please refer to Note 3.5 of the audited annual financial statements for the year ended July 31, 2021 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 period ended October 31, 2021.

### 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.

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.

### 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 period ended October 31, 2021.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## 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 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

|   | 2022             |                  |                  |                  | 2021             |                  |                  | 2020             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | Q1               | Q4               | Q3               | Q2               | Q1               | Q4               | Q3               | Q2               |
|   | \$               | \$               | \$               | \$               | \$               | \$               | \$               | \$               |
| <b>STATEMENTS OF LOSS AND COMPREHENSIVE LOSS</b>                              |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>General and administrative expenses:</b>                                   |                  |                  |                  |                  |                  |                  |                  |                  |
| Salaries and employee benefit expense   | 67,286           | 63,161           | 59,049           | 63,573           | 58,647           | 33,647           | 44,776           | 52,231           |
| Management and consulting fees  | 46,858           | 39,859           | 39,161           | 39,182           | 42,890           | 42,278           | 39,148           | 39,253           |
| Travel, promotion and marketing   | 117,542          | 27,790           | 23,711           | 67,217           | 30,803           | 7,391            | 12,564           | 17,877           |
| Registration, listing fees and shareholders information                       | 93,477           | 46,498           | 5,941            | 27,982           | 8,011            | 6,068            | 7,552            | 18,285           |
| Professional fees   | 54,883           | 8,474            | 3,797            | 46,907           | 27,113           | 1,924            | 7,891            | 56,132           |
| Supplies and office expenses  | 10,614           | 12,751           | 12,529           | 16,006           | 9,271            | 10,738           | 9,255            | 10,082           |
| Share-based compensation  | 207,518          | -                | -                | -                | 174,610          | -                | -                | -                |
| Write-down of mining properties   | -                | 302,249          | 2,907            | -                | -                | 22,511           | 12,424           | -                |
| Write-down of exploration and evaluation assets                               | -                | 93,949           | 5,843            | -                | -                | 59,357           | -                | -                |
| Part XII.6 tax  | -                | -                | -                | (3,738)          | 1,252            | 564              | 1,926            | 92               |
| Depreciation of property and equipment  | 557              | 453              | 439              | 453              | 453              | 453              | 444              | 453              |
|   | <b>598,735</b>   | <b>595,184</b>   | <b>153,377</b>   | <b>257,582</b>   | <b>353,050</b>   | <b>184,931</b>   | <b>135,980</b>   | <b>194,405</b>   |
| <b>Other (revenues) expenses:</b>   |                  |                  |                  |                  |                  |                  |                  |                  |
| Gain on settlement/adjustment of trade accounts payable and other liabilities | (212,239)        | -                | -                | -                | -                | -                | -                | (35,937)         |
| Write-off of payables   | -                | -                | -                | -                | -                | -                | -                | (12,730)         |
| Finance expense   | 2,432            | 1,798            | 1,643            | 1,771            | 1,587            | 1,201            | 736              | 1,005            |
| Change in fair value of marketable securities                                 | 2,500            | 7,500            | 3,750            | 1,875            | 3,750            | (1,250)          | 1,875            | 1,875            |
| Government assistance   | -                | -                | (12,170)         | -                | -                | (19,299)         | -                | -                |
| Exchange loss   | 471              | (1)              | 4                | 6                | 133              | 5                | (7)              | 13               |
|   | <b>(206,836)</b> | <b>9,297</b>     | <b>(6,773)</b>   | <b>3,652</b>     | <b>5,470</b>     | <b>(19,343)</b>  | <b>2,604</b>     | <b>(45,774)</b>  |
| <b>Income tax recovery (expense)</b>  | <b>11,672</b>    | <b>(9,321)</b>   | <b>3,579</b>     | <b>53,081</b>    | <b>34,891</b>    | <b>8,774</b>     | <b>830</b>       | <b>77,375</b>    |
| <b>Net loss and comprehensive loss</b>  | <b>380,227</b>   | <b>613,802</b>   | <b>143,025</b>   | <b>208,153</b>   | <b>323,629</b>   | <b>156,814</b>   | <b>137,754</b>   | <b>71,256</b>    |
| <b>Basic and diluted loss per share:</b>                                      | <b>0.01</b>      | <b>0.02</b>      | <b>0.01</b>      | <b>0.01</b>      | <b>0.01</b>      | <b>0.01</b>      | <b>0.01</b>      | <b>0.00</b>      |
| <b>STATEMENTS OF FINANCIAL POSITION</b>                                       |                  |                  |                  |                  |                  |                  |                  |                  |
| Cash and cash equivalents   | 1,644,829        | 315,679          | 647,519          | 476,329          | 142,803          | 405,380          | 34,049           | 174,592          |
| Other receivables   | 807,890          | 532,637          | 222,207          | 172,111          | 150,528          | 31,327           | 12,583           | 58,977           |
| Deposits related to exploration and evaluation activities                     | -                | 260,000          | -                | -                | -                | -                | -                | -                |
| Mining properties   | 1,251,886        | 1,235,694        | 1,494,879        | 1,457,885        | 1,465,964        | 1,434,790        | 1,423,111        | 1,434,267        |
| Exploration and evaluation assets   | 2,394,471        | 2,052,026        | 1,748,711        | 1,711,229        | 1,462,481        | 990,764          | 925,561          | 913,140          |
| Total assets  | <b>6,193,823</b> | <b>4,463,372</b> | <b>4,180,431</b> | <b>3,876,885</b> | <b>3,279,651</b> | <b>2,906,673</b> | <b>2,444,059</b> | <b>2,637,213</b> |
| Total current liabilities   | 206,441          | 972,336          | 307,118          | 573,193          | 536,570          | 630,775          | 418,884          | 474,284          |
| Loan  | 33,980           | 32,803           | 31,666           | 22,954           | 22,159           | 21,393           | -                | -                |
| Equity  | <b>5,953,402</b> | <b>3,458,233</b> | <b>3,841,647</b> | <b>3,280,738</b> | <b>2,720,922</b> | <b>2,254,505</b> | <b>2,025,175</b> | <b>2,162,929</b> |

The net loss and comprehensive loss of \$380,227 for Q1-2022 is mainly attributable to a gain on settlement/adjustment of trade accounts payable and other liabilities of \$212,239, offset by share-based compensation of \$207,518, and combined with general and administrative expenses of \$391,217 net of share-based compensation of \$207,518.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

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.

### **Results of operations for the three-month period ended October 31, 2021 (Q1-2022)**

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

The basic and diluted loss per share for the three-month period ended October 31, 2021 is \$0.01 as compared to \$0.01 for the three-month period ended October 31, 2020.

During Q1-2022, the Company realized a net loss and comprehensive loss of \$380,227 as compared to a net loss and comprehensive loss of \$323,629 for Q1-2021. The increase of \$56,598 for Q1-2022 as compared to Q1-2021 in net loss and comprehensive loss is mostly attributable to an increase of \$245,685 in general and administrative expenses (\$598,735 for Q1-2022 compared to \$353,050 for Q1-2021) offset by gain on settlement/adjustment of trade accounts payable and other liabilities of \$212,239 in Q1-2022 (\$212,239 for Q1-2022 compared to \$Nil for Q1-2021).

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

During Q1-2022, general and administrative expenses were \$598,735 as compared to general and administrative expenses of \$353,050 for Q1-2021. The increase of \$245,685 in general and administrative expenses is mostly attributable to an increase of \$86,739 in travel, promotion and marketing due to the effort of increasing the promotion of the Company (\$117,542 for Q1-2022 compared to \$30,803 for Q1-2021) combined with an increase of \$27,770 in professional fees (\$54,883 for Q1-2022 compared to \$27,113 for Q1-2021), an increase of \$32,908 in share-based compensation (\$207,518 for Q1-2022 compared to \$174,610 for Q1-2021), and an increase of \$85,466 in registration, listing fees and shareholders information expenses due to the cost legal and administrative fees related to the listing of the Company's stock on the TSX Venture (\$93,477 for Q1-2022 compared to \$8,011 for Q1-2021).

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

During Q1-2022, other revenues were \$206,836 as compared to other expenses of \$5,470 for Q1-2021. The increase of \$212,306 in other revenues is mostly attributable to an increase of \$212,239 in gain on settlement/adjustment of trade accounts payable and other liabilities (\$212,239 for Q1-2022 compared to \$Nil for Q1-2021).

#### ***Income tax recovery***

The income tax recovery is the result of the amortization of the other liability related to flow-through financings. The obligation is reversed with a corresponding income tax recovery recorded as the exploration and evaluation expenditures are incurred.

During Q1-2022, the income tax recovery was \$11,672 compared to income tax recovery of \$34,891 for Q1-2021 (\$81,718 eligible exploration and evaluation expenditures incurred during Q1-2022 as compared to \$273,681 eligible exploration and evaluation expenditures incurred during Q1-2021).



# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

## CASH FLOWS

### Cash flows used for operating activities

Cash flows used for operating activities were \$632,110 during the Q1-2022, an increase of \$283,247 as compared to cash flows of \$348,863 used for operating activities during Q1-2021. The increase of \$283,247 in cash flows used for operating activities is mostly explained by an increase of \$207,270 in cash flows used for operating activities before changes in working capital (negative cash flows of \$386,211 for Q1-2022 as compared to negative cash flows of \$178,941 for Q1-2021) combined with an increase of \$75,977 in cash flows from change in working capital items (negative cash flows of \$245,899 for Q1-2022 as compared to negative cashflows of \$169,922 for Q1-2021).

### Cash flows from financing activities

Cash flows from financing activities were \$2,779,158 during Q1-2022, an increase of \$2,158,557 as compared to cash flows of \$620,601 from financing activities during Q1-2021. The increase of \$2,158,557 is mostly attributable to the proceeds from private placements of \$2,895,140 raised during Q1-2022 as compared to proceeds from private placements of \$621,860 raised during Q1-2021.

### Cash flows used for investing activities

Cash flows used for investing activities were \$817,898 during Q1-2022, an increase of 283,583 as compared to cash flows of \$534,315 used for investing activities during Q1-2021. The increase is mostly attributable to an increase of \$570,801 in the exploration and evaluation assets in Q1-2022 compared to Q1-2021 (\$1,046,669 for Q1-2022 compared to \$475,868 for Q1-2021) offset by a decrease of \$260,000 in deposits related to exploration and evaluation activities in Q1-2022 (\$260,000 for Q1-2022 compared to \$Nil for Q1-2021). 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 14 of the condensed interim financial statements for the three-month period ended October 31, 2021, for a summary of the Company's transactions with related parties.

### 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

There were no subsequent events to disclose.

### Off-financial position arrangements

As at October 31, 2021, the Company has no off-financial position arrangements.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

## 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 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.

## Capital management policies and procedures

Please refer to Note 16 of the condensed interim financial statements for the three-month period ended October 31, 2021, for a summary of the Company's capital management policies and procedures.

# 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 December 23, 2021)

Outstanding common shares: 46,760,672

Outstanding share options: 4,380,000  
 Average exercise price of: \$0.290  
 Average remaining life of: 3.20 years

| Expiry date        | Number           | Exercise price<br>\$ | Remaining life<br>(years) |
|--------------------|------------------|----------------------|---------------------------|
| August 31, 2023    | 280,000          | 0.30                 | 1.69                      |
| March 6, 2024      | 1,025,000        | 0.25                 | 2.20                      |
| March 23, 2024     | 225,000          | 0.25                 | 2.25                      |
| May 18, 2024       | 100,000          | 0.25                 | 2.40                      |
| September 16, 2024 | 320,000          | 0.30                 | 2.73                      |
| September 16, 2024 | 450,000          | 0.35                 | 2.73                      |
| August 31, 2025    | 870,000          | 0.30                 | 3.69                      |
| September 16, 2026 | 1,110,000        | 0.30                 | 4.73                      |
|                    | <u>4,380,000</u> |                      |                           |

Outstanding warrants: 26,442,216  
 Average exercise price of: \$0.337  
 Average remaining life of: 0.72 years

| Expiry date                     | Number            | Exercise price<br>\$ | Remaining life<br>(years) |
|---------------------------------|-------------------|----------------------|---------------------------|
| December 29, 2021               | 33,500            | 0.40                 | 0.02                      |
| January 31, 2022                | 2,160,277         | 0.30                 | 0.11                      |
| January 31, 2022 <sup>(1)</sup> | 2,370,000         | 0.30                 | 0.11                      |
| February 5, 2022                | 2,053,221         | 0.30                 | 0.12                      |
| February 10, 2022               | 1,401,555         | 0.30                 | 0.13                      |
| April 29, 2022                  | 33,330            | 0.40                 | 0.35                      |
| June 21, 2022                   | 2,400,000         | 0.35                 | 0.49                      |
| June 29, 2022                   | 295,000           | 0.35                 | 0.52                      |
| July 27, 2022                   | 700,000           | 0.35                 | 0.59                      |
| October 16, 2022                | 2,050,000         | 0.35                 | 0.81                      |
| October 29, 2022                | 1,349,500         | 0.35                 | 0.85                      |
| January 6, 2023                 | 1,150,000         | 0.35                 | 1.04                      |
| February 27, 2023               | 7,062,500         | 0.35                 | 1.18                      |
| February 27, 2023               | 883,333           | 0.40                 | 1.18                      |
| March 10, 2023                  | 1,000,000         | 0.35                 | 1.21                      |
| March 16, 2023                  | 1,500,000         | 0.35                 | 1.23                      |
|                                 | <u>26,442,216</u> |                      |                           |

<sup>(1)</sup> 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 17 of the condensed interim financial statements for the three-month period ended October 31, 2021, for a summary of the Company's financial instruments risks.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

## 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-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.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

## 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.

## 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.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

---

## 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 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 October 31, 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.