



GENIUS METALS INC.

Condensed Interim Financial Statements
(Unaudited and unreviewed by the Company's Independent Auditors)

Three-month and nine-month periods ended
April 30, 2022 and 2021

GENIUS METALS INC.

Condensed Interim Financial Statements

Three-month and nine-month periods ended April 30, 2022 and 2021

Condensed Interim Financial Statements

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GENIUS METALS INC.

Condensed Interim Statements of Financial Position

As at April 30, 2022 and July 31, 2021

(in Canadian dollars)

	Note	April 30 2022	July 31 2021
		\$	\$
Assets			
Current assets:			
Cash	5	634,594	315,679
Short-term investments	6	30,000	15,000
Marketable securities	7	10,000	13,750
Other receivables	8	631,848	532,637
Prepaid expenses		23,892	34,511
Total current assets		1,330,334	911,577
Non-current assets:			
Deposits related to exploration and evaluation activities		94,500	260,000
Equipment		4,059	4,075
Mining properties	9	1,247,698	1,235,694
Exploration and evaluation assets	10	2,945,325	2,052,026
Total non-current assets		4,291,582	3,551,795
Total assets		5,621,916	4,463,372
Liabilities and Equity			
Current liabilities:			
Trade accounts payable and other liabilities		67,137	972,336
Other liability related to flow-through financings		17,047	-
Total current liabilities		84,184	972,336
Non-current liabilities:			
Loan		-	32,803
Total non-current liabilities		-	32,803
Total liabilities		84,184	1,005,139
Equity:			
Share capital	11	8,247,426	6,058,664
Warrants	11	758,394	652,080
Share options	12	613,202	359,631
Contributed surplus		568,853	196,051
Deficit		(4,650,143)	(3,808,193)
Total equity		5,537,732	3,458,233
Total liabilities and equity		5,621,916	4,463,372

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 June 27, 2022.

(S) Guy Goulet
Director

(S) John Booth
Director

GENIUS METALS INC.

Condensed Interim Statement of Loss and Comprehensive Loss

Three-month and nine-month periods ended April 30, 2022 and 2021

(in Canadian dollars)

		Three-month period ended		Nine-month period ended	
	Note	April 30 2022	April 30 2021	April 30 2022	April 30 2021
		\$	\$	\$	\$
General and administrative expenses:					
Salaries and employee benefit expense		70,642	59,049	230,886	181,269
Management and consulting fees		46,516	39,161	161,231	121,233
Travel, promotion and marketing		16,052	23,711	223,744	121,731
Registration, listing fees and shareholders information		9,439	5,941	134,153	41,934
Professional fees		1,678	3,797	86,240	77,817
Supplies and office expenses		7,367	12,529	33,673	37,806
Share-based compensation	12	10,814	-	253,571	174,610
Write-down of mining properties	9	-	2,907	5,023	2,907
Write-down of exploration and evaluation assets	10	-	5,843	10,573	5,843
Part XII.6 tax		-	-	-	(2,486)
Depreciation of equipment		579	439	1,733	1,345
Operating loss before other (revenues) expenses and income tax		163,087	153,377	1,140,827	764,009
Other expenses (revenues):					
Gain on settlement/adjustment of trade accounts payable and other liabilities		-	-	(212,239)	-
Loss on settlement of loans		3,649	-	3,649	-
Finance expense		1,409	1,643	5,904	5,001
Change in fair value of marketable securities	7	-	3,750	3,750	9,375
Government assistance		-	(12,170)	-	(12,170)
Exchange loss		-	4	467	143
Total other expenses (revenues)		5,058	(6,773)	(198,469)	2,349
Loss before income tax		(168,145)	(146,604)	(942,358)	(766,358)
Income tax recovery		62,005	3,579	100,408	91,551
Net loss and comprehensive loss		(106,140)	(143,025)	(841,950)	(674,807)
Weighted average number of common shares outstanding		46,760,672	29,455,537	45,317,760	26,938,663
Basic and diluted loss per share:		(0.00)	(0.01)	(0.02)	(0.03)

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 and nine-month periods ended April 30, 2022 and 2021

(in Canadian dollars)

	Note	Number of shares outstanding	Share capital	Warrants	Share Options	Contributed surplus	Deficit	Total equity
			\$	\$	\$	\$	\$	\$
Balance as at July 31 2021		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)
Warrants expired	11			(372,802)		372,802		-
Share-based compensation	12				253,571			253,571
Transaction with owners		46,760,672	8,247,426	758,394	613,202	568,853	(3,808,193)	6,379,682
Net loss and comprehensive loss for the period							(841,950)	(841,950)
Balance as at April 30 2022		46,760,672	8,247,426	758,394	613,202	568,853	(4,650,143)	5,537,732
Balance as at July 31 2020		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	10,249,276	1,573,232	400,392				1,973,624
Flow-through private placements	11	634,545	131,211	2,627				133,838
As payment of consulting fees	11	47,500	9,382					9,382
Share issuance costs	11		(29,505)					(29,505)
Share-based compensation	12				174,610			174,610
Transaction with owners		32,617,434	5,867,103	613,253	359,631	196,051	(2,519,584)	4,516,454
Net loss and comprehensive loss for the period							(674,807)	(674,807)
Balance as at April 30 2021		32,617,434	5,867,103	613,253	359,631	196,051	(3,194,391)	3,841,647

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

GENIUS METALS INC.

Condensed Interim Statement of Cash Flows

Three-month and nine-month periods ended April 30, 2022 and 2021

(in Canadian dollars)

	Note	Nine-month period ended	
		April 30 2022	April 30 2021
		\$	\$
Operating activities:			
Net loss		(841,950)	(674,807)
Adjustments for:			
Income tax recovery		(100,408)	(91,551)
Consulting fees paid through issuance of shares		6,175	-
Change in fair value of marketable securities		3,750	9,375
Depreciation of property and equipment		1,733	1,345
Effective interest on loan		3,548	273
Gain on settlement/adjustment of trade accounts payable and other liabilities		(212,239)	-
Loss on settlement of loans		3,649	-
Share-based compensation		253,571	174,610
Write-down of mining properties		5,023	2,907
Write-down of exploration and evaluation assets		10,573	5,843
Operating activities before changes in working capital items		(866,575)	(572,005)
Change in sales tax receivables		16,330	4,873
Change in prepaid expenses		10,619	(21,548)
Change in trade accounts payable and accrued liabilities		(148,536)	(156,088)
Change in working capital items		(121,587)	(172,763)
Cash flows used for operating activities		(988,162)	(744,768)
Financing activities:			
Proceeds from private placement		1,912,500	1,881,142
Proceeds from flow-through placement		982,640	239,678
Proceeds from a loan		-	10,000
Repayment of the loan		(40,000)	-
Government contribution		-	15,000
Share issuance costs		(115,982)	(37,483)
Cash flows from financing activities		2,739,158	2,108,337
Investing activities:			
Purchase of short-term investment		(15,000)	-
Acquisition of equipment		(1,717)	-
Acquisition of mining properties		(20,688)	(104,694)
Decrease in deposits related to exploration and evaluation activities		165,500	-
Increase in exploration and evaluation assets		(1,607,238)	(1,016,736)
Mining tax credits received		47,062	-
Cash flows used for investing activities		(1,432,081)	(1,121,430)
Net change in cash		318,915	242,139
Cash, beginning of period		315,679	405,380
Cash, end of period		634,594	647,519

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 and nine-month periods ended April 30, 2022 and 2021

(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. On January 18, 2022, in addition to trading on the TSXV, its shares commenced also trading on the American Stock Exchange OTCQB Market under the symbol "GNSMF".

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.

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 nine-month period ended April 30, 2022, the Company recorded a net loss of \$841,950 (\$674,807 for the nine-month period ended April 30, 2021) and has an accumulated deficit of \$4,650,143 as at April 30, 2022 (\$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 April 30, 2022, the Company had a working capital of \$1,246,150 (a negative working capital of \$60,759 as at July 31, 2021) consisting of cash of \$634,594 (\$315,679 in cash as at July 31, 2021). Management believes that these funds may not be sufficient to meet the obligations and liabilities of the Company. These uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new equity instruments. Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. The recovery of the cost of exploration and evaluation assets as well as other tangible and intangible assets, is subject to certain conditions: the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to continue the exploration, evaluation, development, construction and ultimately disposal of these assets. During the nine-month period ended April 30, 2022, 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 and nine-month periods ended April 30, 2022 and 2021

(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 April 30, 2022.

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

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

5. Cash:

	April 30 2022	July 31 2021
	\$	\$
Cash	634,594	315,679
	634,594	315,679

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 April 30, 2022, 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 April 30, 2022, 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 April 30, 2022, 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).

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month and nine-month periods ended April 30, 2022 and 2021

(in Canadian dollars)

5. Cash (continued):

Funds reserved for exploration and evaluation expenditures (continued):

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 April 30, 2022, the Company incurred an amount of \$623,798 in exploration and evaluation expenditures and consequently has the obligation to incur the remaining amount of \$358,842 in exploration and evaluation expenditures before December 31, 2022.

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:

	April 30 2022	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 ⁽¹⁾	-	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	April 30 2022	July 31 2021	Acquisition	Disposition	Change in fair value	April 30 2022
					\$	\$	\$	\$	\$
Shares									
NSAU	250,000	-	-	250,000	13,750	-	-	(3,750)	10,000
	250,000	-	-	250,000	13,750	-	-	(3,750)	10,000
	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
					\$	\$	\$	\$	\$
Shares									
NSAU	125,000 ⁽¹⁾	125,000 ⁽²⁾	-	250,000	18,750	11,875 ⁽²⁾	-	(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:

	April 30 2022	July 31 2021
	\$	\$
Sales tax receivable	97,281	113,611
Mining tax credits receivable	18,253	47,062
Tax credits related to resources receivable	516,314	371,964
	631,848	532,637

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month and nine-month periods ended April 30, 2022 and 2021

(in Canadian dollars)

9. Mining properties:

Mining properties can be detailed as follows:

	July 31 2021	Acquisition	Licences & permits	Impairment	Disposition	April 30 2022
	\$	\$	\$	\$	\$	\$
Gold Properties:						
Sakami - QC	672,551	-	10,432	-	-	682,983
Iserhoff - QC	105,217	-	2,765	(5,023)	-	102,959
Meaghers - NS	4,704	-	2,500	-	-	7,204
Blockhouse - NS	22,290	-	460	-	-	22,750
Kemptville - NS	5,955	-	-	-	-	5,955
Chocolate Lake - NS	7,649	-	-	-	-	7,649
Gold River - NS	1,905	-	-	-	-	1,905
Total Gold Properties	820,271	-	16,157	(5,023)	-	831,405
Base Metals:						
A Lake - NB	76,243	-	870	-	-	77,113
Total Base Metals	76,243	-	870	-	-	77,113
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	327,258	-	-	-	-	327,258
KM381 - QC	11,922	-	-	-	-	11,922
Total Industrials & High-Tech Metals	339,180	-	-	-	-	339,180
Grand total	1,235,694	-	17,027	(5,023)	-	1,247,698
	July 31 2020	Acquisition	Licences & permits	Impairment	Disposition	July 31 2021
	\$	\$	\$	\$	\$	\$
Gold Properties:						
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
Total Gold Properties	787,734	-	43,715	(2,907)	(8,271)	820,271
Base Metals:						
A Lake - NB	51,071	60,000	227	(35,055)	-	76,243
Total Base Metals	51,071	60,000	227	(35,055)	-	76,243
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	326,095	-	1,163	-	-	327,258
KM381 - QC	2,696	-	9,226	-	-	11,922
Mt Cameron - NS	267,194	-	-	(267,194)	-	-
Total Industrials & High-Tech Metals	595,985	-	10,389	(267,194)	-	339,180
Grand total	1,434,790	60,000	54,331	(305,156)	(8,271)	1,235,694

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 and nine-month periods ended April 30, 2022 and 2021

(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 41 mining claims totaling 2,293 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. During the nine-month period ended April 30, 2022, the Company abandoned 2 claims and wrote down a part of the cost of the Iserhoff property (\$5,023 in mining properties and \$10,573 in exploration and evaluation assets).

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 ⁽¹⁾	-
On or before December 4, 2020	125,000 ⁽²⁾	-
On or before June 4, 2021	-	100,000 ⁽³⁾
	250,000	100,000

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ 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 ⁽¹⁾	150,000
	150,000

⁽¹⁾ 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 April 30, 2022, 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 and nine-month periods ended April 30, 2022 and 2021

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

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

⁽²⁾ These cash payments were made on the dates noted in the agreement.

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

⁽⁴⁾ This cash payment was made on August 19, 2020.

⁽⁶⁾ 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 km²). 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 and nine-month periods ended April 30, 2022 and 2021

(in Canadian dollars)

10. Exploration and evaluation assets:

Exploration and evaluation assets by nature are detailed as follows:

	April 30 2022	July 31 2021
	\$	\$
Exploration and evaluation costs:		
Drilling	606,427	433,651
Geology	15,940	56,647
Prospecting	39,577 ⁽¹⁾	541,979 ⁽²⁾
Geophysics	215,849	390,640 ⁽²⁾
Stripping	6,933	-
Line cutting	47,749	-
Reporting	1,030	16,049
General field expenses	132,970	144,718
Other item:		
Tax credits related to resources and mining tax credits	(162,603)	(419,026)
Disposition	-	(3,604)
Impairment	(10,573)	(99,792)
	893,299	1,061,262
Balance, beginning of period/year	2,052,026	990,764
Balance, end of period/year	2,945,325	2,052,026

Exploration and evaluation assets by properties are detailed as follows:

	July 31 2021	Exploration costs	Tax credits	Impairment	Disposition	April 30 2022
	\$	\$	\$	\$	\$	\$
Gold Properties:						
Sakami - QC	1,575,629	1,044,807	(162,603)	-	-	2,457,833
Iserhoff - QC	277,241	188	-	(10,573)	-	266,856
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
Total Gold Properties	1,909,719	1,044,995	(162,603)	(10,573)	-	2,781,538
Base Metals:						
A Lake - NB	125,840	20,285 ⁽¹⁾	-	-	-	146,125
Total Base Metals	125,840	20,285	-	-	-	146,125
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	16,338	1,195	-	-	-	17,533
KM381 - QC	129	-	-	-	-	129
Total Industrials & High-Tech Metals	16,467	1,195	-	-	-	17,662
Grand total	2,052,026	1,066,475	(162,603)	(10,573)	-	2,945,325

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month and nine-month periods ended April 30, 2022 and 2021

(in Canadian dollars)

10. Exploration and evaluation assets (continued):

	July 31 2020	Exploration costs	Tax credits	Impairment	Disposition	July 31 2021
	\$	\$	\$	\$	\$	\$
Gold Properties:						
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
Total Gold Properties	841,595	1,496,168	(418,597)	(5,843)	(3,604)	1,909,719
Base Metals:						
A Lake - NB	98,138	85,560 ⁽²⁾	-	(57,858)	-	125,840
Total Base Metals	98,138	85,560	-	(57,858)	-	125,840
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	14,940	1,728	(330)	-	-	16,338
KM381 - QC	-	228	(99)	-	-	129
Mt Cameron - NS	36,091	-	-	(36,091)	-	-
Total Industrials & High-Tech Metals	51,031	1,956	(429)	(36,091)	-	16,467
Grand total	990,764	1,583,684	(419,026)	(99,792)	(3,604)	2,052,026

(1) A contribution of \$ 6,471 from the Government of New Brunswick has been recorded as a reduction of exploration and evaluation assets (\$6,471 against prospecting activity).

(2) 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 April 30, 2022, the Company incurred an amount of \$268,828 in exploration and evaluation expenditures and consequently has the obligation to incur the remaining amount of \$183,812 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 April 30, 2022, 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 and nine-month periods ended April 30, 2022 and 2021

(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 April 30, 2022, 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 April 30, 2022, 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 and nine-month periods ended April 30, 2022 and 2021

(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 April 30, 2022, 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 April 30, 2022, 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 April 30, 2022, 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 April 30, 2022, 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 and nine-month periods ended April 30, 2022 and 2021

(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:

	April 30 2022		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
Expired	(8,060,183)	0.30	-	-
Outstanding at end	18,390,333	0.35	16,004,683	0.33

The following table provides outstanding warrants information as at April 30, 2022:

Expiry date	Outstanding warrants		
	Number of outstanding warrants	Exercise price	Remaining life
		\$	(years)
June 21, 2022	2,400,000	0.35	0.1
June 29, 2022	295,000	0.35	0.2
July 27, 2022	700,000	0.35	0.2
October 19, 2022	2,050,000	0.35	0.5
October 29, 2022	1,349,500	0.35	0.5
January 6, 2023	1,150,000	0.35	0.7
February 27, 2023	7,062,500	0.35	0.8
February 27, 2023	883,333	0.40	0.8
March 10, 2023	1,000,000	0.35	0.9
March 17, 2023	1,500,000	0.35	0.9
	18,390,333	0.35	0.6

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 ⁽¹⁾	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 and nine-month periods ended April 30, 2022 and 2021

(in Canadian dollars)

11. Share capital and warrants (continued):

(c) Warrants:

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

	April 30 2022	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:

	April 30 2022	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 ⁽¹⁾	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:

	April 30 2022		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
Outstanding at end	4,380,000	0.29	2,500,000	0.27
Exercisable at end	4,155,000	0.29	2,500,000	0.27

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month and nine-month periods ended April 30, 2022 and 2021

(in Canadian dollars)

12. Share-based compensation (continued):

(a) Share option plan (continued):

The following table provides outstanding share options information as at April 30, 2022:

Expiry date	Number of granted share options	Number of exercisable share options	Outstanding share options	
			Exercise price \$	Remaining life (years)
August 31, 2023	280,000	280,000	0.30	1.3
March 6, 2024	1,025,000	1,025,000	0.25	1.9
March 23, 2024	225,000	225,000	0.25	1.9
May 18, 2024	100,000	100,000	0.25	2.1
August 31, 2025	870,000	870,000	0.30	3.3
September 16, 2024	320,000	320,000	0.30	2.4
September 16, 2024	450,000	225,000	0.35	2.4
September 16, 2026	1,110,000	1,110,000	0.30	4.4
	4,380,000	4,155,000	0.29	2.9

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

Expiry date	Number of granted share options	Number of exercisable share options	Outstanding 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:

	April 30 2022	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:

	April 30 2022	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 ⁽¹⁾	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 vesting period	0.48 years	0 years
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 \$10,814 and \$253,571 of share-based compensation were accounted for in the statement of loss and comprehensive loss for the three-month and nine-month periods ended April 30, 2022 respectively (\$Nil and \$174,610 for the three-month and nine-month periods ended April 30, 2021 respectively). As at April 30, 2022, an amount of \$10,814 (\$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)

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13. Supplemental cash flow information:

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

	Nine-month period ended	
	April 30 2022	April 30 2021
	\$	\$
Non-cash financing activities:		
Share issuance costs in trade accounts payable and accrued liabilities	-	703
Non-cash investing activities:		
Marketable securities received on optioning of mining properties	-	18,750
Exploration and evaluation assets in trade accounts payable and accrued liabilities	42,760	10,251

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		Nine-month period ended	
	April 30 2022	April 30 2021	April 30 2022	April 30 2021
	\$	\$	\$	\$
Management and consulting fees	24,000	24,000	87,000	72,000
Salaries and director's fees	41,491	32,073	121,686	96,515
Share-based compensation	-	-	148,150	91,542
	65,491	56,073	356,836	260,057

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 April 30, 2022, trade accounts payable and other liabilities include an amount of \$Nil (\$3,079 as at July 31, 2021) due to this related party. The following table provides a summary of the expenses charged from the law firm:

	Three-month period ended		Nine-month period ended	
	April 30 2022	April 30 2021	April 30 2022	April 30 2021
	\$	\$	\$	\$
Legal fees	778	3,222	49,901	42,527
Share issuance cost	-	703	13,782	7,326
	778	3,925	63,683	49,853

A company controlled by the Vice-President Exploration offers consulting services to Genius Metals. As at April 30, 2022, 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		Nine-month period ended	
	April 30 2022	April 30 2021	April 30 2022	April 30 2021
	\$	\$	\$	\$
Management and consulting fees	4,310	-	13,171	-
Exploration and evaluation assets	10,695	14,998	31,834	39,998
	15,005	14,998	45,005	39,998

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 and nine-month periods ended April 30, 2022 and 2021

(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:

	April 30 2022		July 31 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Fair value through profit or loss (FVTPL)				
Marketable securities - Equities	10,000	10,000	13,750	13,750
	10,000	10,000	13,750	13,750
Financial assets				
Amortized cost				
Cash	634,594	634,594	315,679	315,679
Short-term investments	30,000	30,000	15,000	15,000
	664,594	664,594	330,679	330,679
Financial liabilities				
Amortized cost				
Trade accounts payable and accrued liabilities	67,137	67,137	760,051	760,051
Loan	-	-	32,803	32,803
	67,137	67,137	792,854	792,854

The fair values of the marketable securities are \$10,000 as at April 30, 2022 (\$13,750 as at July 31, 2021) and are determined by using the closing price as at April 30, 2022 and July 31, 2021.

The fair values of the loans is \$Nil as at April 30, 2022 (\$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, 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.

	April 30 2022		
	Level 1	Level 2	Level 3
	\$	\$	\$
Marketable securities			
Fair value through profit or loss (FVTPL)	10,000	-	-
Loan			
Amortized cost	-	-	-
	10,000	-	-

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month and nine-month periods ended April 30, 2022 and 2021

(in Canadian dollars)

15. Financial assets and liabilities (continued):

	July 31 2021		
	Level 1	Level 2	Level 3
	\$	\$	\$
Marketable securities			
Fair value through profit or loss (FVTPL)	13,750	-	-
Loan			
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 April 30, 2022, the Company has the obligation to incur \$358,842 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.

	April 30 2022	July 31 2021
	\$	\$
Loan	-	32,803
Equity	5,537,732	3,458,233
	5,537,732	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 short-term investment is considered negligible, since the counterparty which holds the cash is a reputable bank with excellent external credit rating.

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month and nine-month periods ended April 30, 2022 and 2021

(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 as at April 30, 2022 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:

				April 30 2022
	Less than 1 year	1-5 years	More than 5 years	Total
	\$	\$	\$	\$
Trade accounts payable and accrued liabilities	67,137	-	-	67,137
Loans	-	-	-	-

				July 31 2021
	Less than 1 year	1-5 years	More than 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 75.08% has been observed during the nine-month period ending April 30, 2022 (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 \$7,508 as at April 30, 2022 (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 \$7,508 as at April 30, 2022 (\$7,909 as at July 31, 2021).