



GENIUS METALS INC.

Condensed Interim Financial Statements

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

**Three-month periods ended
October 31, 2023 and 2022**

GENIUS METALS INC.

Condensed Interim Financial Statements

Three-month periods ended October 31, 2023 and 2022

Condensed Interim Financial Statements

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

GENIUS METALS INC.

Condensed Interim Statements of Financial Position

As at October 31, 2023 and July 31, 2023

(in Canadian dollars)

	Note	October 31 2023	July 31 2023
		\$	\$
Assets			
Current assets:			
Cash	5	437,221	890,117
Short-term investments	6	30,000	30,000
Marketable securities	7	36,000	54,000
Other receivables	8	536,821	519,422
Deposits related to exploration and evaluation activities		250,000	-
Prepaid expenses		20,010	22,727
Total current assets		1,310,052	1,516,266
Non-current assets:			
Equipment		642	1,088
Mining properties	9	1,603,688	1,601,655
Exploration and evaluation assets	10	4,309,560	3,930,376
Total non-current assets		5,913,890	5,533,119
Total assets		7,223,942	7,049,385
Liabilities and Equity			
Current liabilities:			
Trade accounts payable and other liabilities		709,221	780,506
Total current liabilities		709,221	780,506
Equity:			
Share capital	11	10,551,587	10,139,428
Warrants	11	334,942	206,960
Share options	12	680,936	715,824
Contributed surplus		1,362,135	1,327,247
Deficit		(6,414,879)	(6,120,580)
Total equity		6,514,721	6,268,879
Total liabilities and equity		7,223,942	7,049,385

Going concern, see Notes 2.

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

These financial statements were approved and authorized for issue by the Board of Directors on December 20, 2023.

(S) Guy Goulet
Director

(S) John Booth
Director

GENIUS METALS INC.

Condensed Interim Statements of Loss and Comprehensive Loss

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

		Three-month period ended	
	Note	October 31 2023	October 31 2022
		\$	\$
General and administrative expenses:			
Salaries and employee benefit expense		74,285	63,862
Management and consulting fees		47,206	46,403
Travel, promotion and marketing		62,108	29,714
Registration, listing fees and shareholders information		15,166	10,757
Professional fees		60,658	52,522
Office and other expenses		13,367	19,925
Share-based compensation	12	-	1,716
Write-down of mining properties	9	-	870
Write-down of exploration and evaluation assets	10	-	12,565
Part XII.6 tax		2,024	-
Depreciation of equipment		446	598
Operating loss before other expenses (revenues) and income tax		275,260	238,932
Other expenses (revenues):			
Finance expense		725	564
Change in fair value of marketable securities	7	18,000	5,000
Exchange loss		314	(8)
Total other expenses (revenues)		19,039	5,556
Net loss and comprehensive loss		(294,299)	(244,488)
Weighted average number of common shares outstanding		93,210,147	46,760,672
Basic and diluted loss per share:		(0.00)	(0.01)

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

GENIUS METALS INC.

Condensed Interim Statements of Changes in Equity

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

	Note	Number of shares outstanding	Share capital \$	Warrants \$	Share Options \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance as at July 31 2023		86,556,343	10,139,428	206,960	715,824	1,327,247	(6,120,580)	6,268,879
Units issued:								
Private placements	11	11,130,000	428,518	127,982				556,500
Share issuance costs	11		(16,359)					(16,359)
Share options expired	11				(34,888)	34,888		-
Transaction with owners		97,686,343	10,551,587	334,942	680,936	1,362,135	(6,120,580)	6,809,020
Net loss and comprehensive loss for the period							(294,299)	(294,299)
Balance as at October 31 2023		97,686,343	10,551,587	334,942	680,936	1,362,135	(6,414,879)	6,514,721
Balance as at July 31 2022		46,760,672	8,247,426	634,869	618,848	692,378	(5,106,852)	5,086,669
Warrants expired	11			(116,926)		116,926		-
Share-based compensation	12				1,716			1,716
Transaction with owners		46,760,672	8,247,426	517,943	620,564	809,304	(5,106,852)	5,088,385
Net loss and comprehensive loss for the period							(244,488)	(244,488)
Balance as at October 31 2022		46,760,672	8,247,426	517,943	620,564	809,304	(5,351,340)	4,843,897

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

GENIUS METALS INC.

Condensed Interim Statements of Cash Flows

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

	Three-month period ended	
	October 31	October 31
Note	2023	2022
	\$	\$
Operating activities:		
Net loss	(294,299)	(244,488)
Adjustments for:		
Change in fair value of marketable securities	18,000	5,000
Depreciation of property and equipment	446	598
Share-based compensation	-	1,716
Write-down of mining properties	-	870
Write-down of exploration and evaluation assets	-	12,565
Operating activities before changes in working capital items	(275,853)	(223,739)
Change in other receivables	1,148	-
Change in sales tax receivables	(18,547)	127,474
Change in prepaid expenses	2,717	4,190
Change in trade accounts payable and accrued liabilities	(50,063)	(41,427)
Change in working capital items	(64,745)	90,237
Cash flows used for operating activities	(340,598)	(133,502)
Financing activities:		
Proceeds from private placement	556,500	-
Share issuance costs	(22,053)	-
Cash flows from financing activities	534,447	-
Investing activities:		
Acquisition of mining properties	(14,753)	(2,701)
Increase in deposits related to exploration and evaluation activities	(250,000)	(5,000)
Increase in exploration and evaluation assets	(381,992)	(158,092)
Cash flows used for investing activities	(646,745)	(165,793)
Net change in cash	(452,896)	(299,295)
Cash, beginning of period	890,117	373,265
Cash, end of period	437,221	73,970

Additional disclosures of cash flows information (Note 13).

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

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements

Three-month periods ended October 31, 2023 and 2022

(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". On February 1st 2023, the Company's shares were moved from the OTCQB Market to the OTC Pink Market where the shares are still trading 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 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, 2023, the Company recorded a net loss of \$294,299 (\$244,488 for the three-month period ended October 31, 2022) and had negative cash flows from operations of \$340,598 (\$133,502 for the three-month period ended October 31, 2022). In addition, the Company had accumulated deficit of \$6,414,879 as at October 31, 2023. 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, 2023, the Company had a working capital (total current assets less total current liabilities) of \$600,831 (a working capital of \$735,760 as at July 31, 2023) including cash of \$437,221 (\$890,117 in cash as at July 31, 2023). Management believes that these funds will not be sufficient to meet the obligations and liabilities of the Company. These material 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, 2023, the Company has raised \$556,500 (\$1,793,340 during the year ended July 31, 2023) 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, 2023.

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 Functional and presentation currency:

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

3.4 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 3.4 of the annual audited financial statements of the Company as at July 31, 2023.

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

4. Significant accounting policies:

These condensed interim financial statements have been prepared following the same accounting policies used in Note 4 of the annual audited financial statements for the year ended July 31, 2023.

4.1 Adoption of new accounting standard:

There was no adoption of new accounting policies in preparing the condensed interim financial statements as at October 31, 2023.

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:

Funds reserved for exploration and evaluation expenditures:

On November 28, 2022 and December 13, 2022, the Company completed two flow-through private placements of \$378,020. The Company has until December 31, 2023 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of flow-through private placement. As at October 31, 2023, the Company has fulfilled its obligation by incurring an amount of \$378,020 in exploration and evaluation expenditures before December 31, 2023 (completed during the quarter ended October 31, 2023).

On June 29, 2023, the Company completed a flow-through private placement of \$243,320. The Company has until December 31, 2024 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of flow-through private placement. As at October 31, 2023, the Company incurred an amount of \$69,827 in exploration and evaluation expenditures and consequently has the obligation to incur the amount of \$173,493 in exploration and evaluation expenditures before December 31, 2024.

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

6. Short-term investments:

	October 31 2023	July 31 2023
Guaranteed investment certificate, 2.25 % maturing in October 2024 is used as guarantee for credit cards	\$ 30,000	\$ -
Guaranteed investment certificate, 0.75 % maturing in October 2023 is used as guarantee for credit cards	-	30,000
	30,000	30,000

7. Marketable securities in a quoted company:

Number of shares				Carrying value					
	July 31 2023	Acquisition	Disposition	October 31 2023	July 31 2023	Acquisition	Disposition	Change in fair value	October 31 2023
					\$	\$	\$	\$	\$
Shares									
NSAU ⁽¹⁾	250,000	-	-	250,000	-	-	-	-	-
CMET ⁽³⁾	720,000	-	-	720,000	54,000	-	-	(18,000)	36,000
	970,000	-	-	970,000	54,000	-	-	(18,000)	36,000
Number of shares				Carrying value					
	July 31 2022	Acquisition	Disposition	July 31 2023	July 31 2022	Acquisition	Disposition	Change in fair value	July 31 2023
					\$	\$	\$	\$	\$
Shares									
NSAU ⁽¹⁾	250,000	-	-	250,000	5,000	-	-	(5,000) ^(c)	-
CMET ⁽³⁾	-	720,000 ^(c)	-	720,000	-	126,000 ^(c)	-	(72,000)	54,000
	250,000	720,000	-	970,000	5,000	126,000	-	(77,000)	54,000

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

7. Marketable securities in a quoted company (continued):

(1) MegumaGold Corp. - CNSX - Symbol "NSAU"

(2) On November 16, 2022, the shares of MegumaGold Corp. have been delisted from the Canadian Stock Exchange.

(3) Clarity Metals Corp. - CNSX - Symbol "CMET"

(4) On December 29, 2022, the Company received 720,000 shares of Clarity Metals Corp. measured at its fair value of \$126,000 (Note 9 - Lithium381 (formerly KM381) option agreement).

8. Other receivables:

	October 31 2023	July 31 2023
	\$	\$
Other receivable	4,605	5,753
Sales tax receivable	43,687	25,140
Mining tax credits receivable	54,841	54,841
Tax credits related to resources receivable	433,688	433,688
	536,821	519,422

9. Mining properties:

Mining properties can be detailed as follows:

	July 31 2023	Acquisition	Licences & permits	Impairment	Disposition	October 31 2023
	\$	\$	\$	\$	\$	\$
Gold Properties:						
Sakami - QC	734,885	-	180	-	-	735,065
Iserhoff - QC	102,959	-	-	-	-	102,959
Total Gold Properties	837,844	-	180	-	-	838,024
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	336,463	-	-	-	-	336,463
Lithium381 - QC	-	-	-	-	-	-
Paka - QC	427,348	-	1,853	-	-	429,201
Total Industrials & High-Tech Metals	763,811	-	1,853	-	-	765,664
Grand total	1,601,655	-	2,033	-	-	1,603,688
	July 31 2022	Acquisition	Licences & permits	Impairment	Disposition	July 31 2023
	\$	\$	\$	\$	\$	\$
Gold Properties:						
Sakami - QC	689,579	-	45,306	-	-	734,885
Iserhoff - QC	102,959	-	-	-	-	102,959
Meaghers - NS	7,204	-	2,813	(10,017)	-	-
Blockhouse - NS	22,750	-	187	(22,937)	-	-
Total Gold Properties	822,492	-	48,306	(32,954)	-	837,844
Base Metals:						
A Lake - NB	-	-	870	(870)	-	-
A Lake Extension - NB	140	-	-	(140)	-	-
Total Base Metals	140	-	870	(1,010)	-	-
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	327,258	-	9,205	-	-	336,463
Lithium381 - QC	11,922	-	188	-	(12,110)	-
Paka - QC	-	427,348	-	-	-	427,348
Total Industrials & High-Tech Metals	339,180	427,348	9,393	-	(12,110)	763,811
Grand total	1,161,812	427,348	58,569	(33,964)	(12,110)	1,601,655

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

9. Mining properties (continued):

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).

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.

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 49.9% interest in a first option and an additional 21.1% interest in a second option for a total of 71.0% interest in the Meaghers Property. On June 4, 2021, MGC acquired the 49.9% interest by meeting the conditions of the first option as per the option agreement. On October 11, 2022, the Company confirmed that MGC did not meet the commitment as per the timeline of the Agreement for its second option.

During the year ended July 31, 2023, the Company wrote down to \$Nil the cost of the Meaghers property and the exploration and evaluation expenditures incurred, as it no longer fit the Company's development strategy (\$10,017 in mining properties and \$2,051 in exploration and evaluation assets).

MegumaGold holds 49.9% of the Meaghers property since June 4, 2021.

Nova Scotia property (Gold):

Nova Scotia property consisted of the following property: Blockhouse Gold (23 claims). The property is 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, 2023, the Company wrote down to \$Nil the cost of the Blockhouse Gold property and the exploration and evaluation expenditures incurred, as it no longer fit the Company's development strategy (\$22,937 in mining properties and \$46,094 in exploration and evaluation assets).

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

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.

On October 11, 2022, the Company confirmed that it has not met the exploration expenses commitment as per the Agreement and wrote down to \$Nil the cost of the A-Lake property and the exploration and evaluation expenditures incurred, as they no longer fit the Company's development strategy (\$870 in mining properties and \$12,565 in exploration and evaluation assets during the year ended July 31, 2023).

Dissimieux Lake (Phosphate):

The property consists of 70 claims covering 3,887 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. The Property is dominated by steep hills, with elevations ranging from 435 m to 700 m above sea level. During the year ended July 31, 2023, the Company acquired 55 additional claims.

Lithium381 (formerly KM381):

The Lithium381 property consists of 21 mining claims (1,108 Hectares). The property is located in the James Bay Eeyou Istchee territory, Quebec, Canada, approximately 3km NE from the James Bay Road (Billy-Diamond Highway) and the KM381 service station, which serves as an infrastructure for the local area.

On December 6, 2022, the Company has entered into an option agreement (the "Agreement") with Clarity Gold Corp. ("Clarity") to acquire 50% of the Lithium381 Property in Québec. Following the exercise of the option for the acquisition of the 50% interest by Clarity, a joint venture will be created by the Company and Clarity as per a 50% share each.

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

9. Mining properties (continued):

Lithium381 (formerly KM381) (continued):

To earn its 50% interest, Clarity must issued shares and incurred exploration expenses in the following timelines:

	Shares	Exploration expenses
		\$
On December 29, 2022	720,000 ⁽¹⁾	-
On or before December 31, 2024	-	750,000
	720,000	750,000

(1) These common shares were issued on December 29, 2022 at a price of \$0.175 per share. The shares will be released in tranches of 90,000 shares every 4 months beginning on April 29, 2023 and ending on August 29, 2025. The consideration received on December 29, 2022 (720,000 shares of Clarity valued at \$126,000) was recorded as a reduction of the mining properties and the exploration and evaluation assets of \$12,110 and \$11,180 respectively and consequently resulting in a gain on disposal of 50% of the mining properties of \$102,711.

Paka (Lithium):

On June 27, 2023, the Company signed a Sales and Purchase Agreement with one individual in order to acquire a 100% interest in 189 contiguous claims covering 9,700 Hectares.

The property is subject to a 2% net smelter returns royalty (NSR) on production in favour of the vendor which can be bought back entirely or in two tranches of 1% by paying an amount of 1,000,000\$ per tranche of 1%, for total cash consideration of \$2,000,000.

To earn its 100% interest, the Company must make a cash payment and issue shares in the following timelines:

	Cash payments	Shares
	\$	\$
On June 27, 2023	60,000 ⁽¹⁾	-
On or before July 27, 2023	-	6,000,000 ⁽²⁾
	60,000	6,000,000

(1) The cash payment was made on July 11, 2023..

(2) These common shares were issued on July 6, 2023 at a price of \$0.06 per share for a value of \$360,000. The shares will be released on July 6, 2024.

10. Exploration and evaluation assets:

Exploration and evaluation assets by nature are detailed as follows:

	October 31 2023	July 31 2023
	\$	\$
Exploration and evaluation costs:		
Drilling	-	1,018,086
Geology	1,340	4,194
Prospecting	312,406	73,178
Geophysics	43,710	12,565
Geochemistry	-	750
General field expenses	21,728	193,381
Other item:		
Tax credits related to resources and mining tax credits	-	(488,529)
Disposition	-	(11,180)
Impairment	-	(61,704)
	379,184	740,741
Balance, beginning of period/year	3,930,376	3,189,635
Balance, end of period/year	4,309,560	3,930,376

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

10. Exploration and evaluation assets (continued):

Exploration and evaluation assets by properties are detailed as follows:

	July 31 2023	Exploration costs	Tax credits	Impairment	Disposition	October 31 2023
	\$	\$	\$	\$	\$	\$
Gold Properties:						
Sakami - QC	3,623,347	241,702	-	-	-	3,865,049
Iserhoff - QC	276,637	16,732	-	-	-	293,369
Total Gold Properties	3,899,984	258,434	-	-	-	4,158,418
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	22,663	628	-	-	-	23,291
Lithium381 - QC	5,229	140	-	-	-	5,369
Paka - QC	2,500	119,982	-	-	-	122,482
Total Industrials & High-Tech Metals	30,392	120,750	-	-	-	151,142
Grand total	3,930,376	379,184	-	-	-	4,309,560
	July 31 2022	Exploration costs	Tax credits	Impairment	Disposition	July 31 2023
	\$	\$	\$	\$	\$	\$
Gold Properties:						
Sakami - QC	2,857,931	1,249,429	(484,013)	-	-	3,623,347
Iserhoff - QC	266,792	9,845	-	-	-	276,637
Meaghers - NS	2,051	-	-	(2,051)	-	-
Blockhouse - NS	44,794	1,300	-	(46,094)	-	-
Total Gold Properties	3,171,568	1,260,574	(484,013)	(48,145)	-	3,899,984
Base Metals:						
A Lake - NB	-	12,565	-	(12,565)	-	-
A Lake Extension - NB	-	994	-	(994)	-	-
Total Base Metals	-	13,559	-	(13,559)	-	-
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	17,938	4,725	-	-	-	22,663
Lithium381 - QC	129	20,796	(4,516)	-	(11,180)	5,229
Paka - QC	-	2,500	-	-	-	2,500
Total Industrials & High-Tech Metals	18,067	28,021	(4,516)	-	(11,180)	30,392
Grand total	3,189,635	1,302,154	(488,529)	(61,704)	(11,180)	3,930,376

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:

2024:

On September 6, 2023, the Company concluded a private placement by issuing 11,130,000 units at a price of \$0.05 per unit for net proceeds of \$540,141 after deducting share issuance costs of \$16,359. There were \$5,600 of finder's fees paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 11,130,000 common shares and 11,130,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.10 until September 6, 2025. These warrants have been valued at \$127,982 based on the Black-Scholes option pricing model, using the assumptions described below. (Note 11 (c)).

2023:

On November 28, 2022, the Company concluded a private placement by issuing 5,650,000 units at a price of \$0.05 per unit for net proceeds of \$274,868 after deducting share issuance costs of \$7,632. There was no finder fee and no commission paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 5,650,000 common shares and 5,650,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.15 until November 28, 2024. These warrants have been recorded at a value of \$32,510 based on the Black-Scholes option pricing model using the assumptions described below. (Note 11 (c)).

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

11. Share capital and warrants (continued):

(b) Issued and outstanding (continued):

2023 (continued):

On November 28, 2022, the Company concluded a private placement by issuing 5,866,999 flow-through shares at a price of \$0.06 per share for net proceeds of \$332,442 after deducting share issuance costs of \$19,578. There were \$11,340 of finder's fees paid in connection with this private placement. There was no premium paid by the investors related to flow-through shares based on the residual value method.

On December 13, 2022, the Company concluded a private placement by issuing 600,000 units at a price of \$0.05 per unit for net proceeds of \$28,676 after deducting share issuance costs of \$1,324. There was no finder fee and no commission paid in connexion with this private placement. Each unit consists of one common share and one warrant for a total of 600,000 common shares and 600,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.15 until December 13, 2024. These warrants have been recorded at a value of \$3,505 based on the Black-Scholes option pricing model using the assumptions described below. (Note 11 (c)).

On December 13, 2022, the Company concluded a private placement by issuing 433,340 flow-through shares at a price of \$0.06 per share for net proceeds of \$24,653 after deducting share issuance costs of \$1,347. There was no finder fee and no commission paid in connexion with this private placement. There was no premium paid by the investors related to flow-through shares based on the residual value method.

On June 29, 2023, the Company concluded a private placement by issuing 17,190,000 units at a price of \$0.05 per unit for net proceeds of \$839,576 after deducting share issuance costs of \$19,924. There were \$6,650 of finder's fees paid in connexion with this private placement. Each unit consists of one common share and one warrant for a total of 17,190,000 common shares and 17,190,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.10 until June 29, 2025. These warrants have been recorded at a value of \$170,945 based on the Black-Scholes option pricing model using the assumptions described below. (Note 11 (c)).

On June 29, 2023, the Company concluded a private placement by issuing 4,055,332 flow-through shares at a price of \$0.06 per share for net proceeds of \$238,747 after deducting share issuance costs of \$4,573. There was no finder's fee and no commission paid in connexion with this private placement. There was no premium paid by the investors related to flow-through shares based on the residual value method.

On July 6, 2023, the Company issued 6,000,000 common shares valued at \$360,000 for the acquisition of the Paka property (See Note 9).

(c) Warrants:

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

	October 31 2023		July 31 2023	
	Number of outstanding warrants	Weighted average exercise price	Number of outstanding warrants	Weighted average exercise price
		\$		\$
Outstanding at beginning	23,440,000	0.11	14,995,333	0.35
Granted	11,130,000	0.10	23,440,000	0.11
Expired	-	-	(14,995,333)	0.35
Outstanding at end	34,570,000	0.11	23,440,000	0.11

The following table provides outstanding warrants information as at October 31, 2023:

	Outstanding warrants		
Expiry date	Number of outstanding warrants	Exercise price	Remaining life (years)
November 28, 2024	5,650,000	\$ 0.15	1.1
December 13, 2024	600,000	0.15	1.1
June 29, 2025	17,190,000	0.10	1.7
September 6, 2025	11,130,000	0.10	1.9
	34,570,000	0.11	1.6

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

11. Share capital and warrants (continued):

(c) Warrants (continued):

The following table provides outstanding warrants information as at July 31, 2023:

Expiry date	Number of outstanding warrants	Outstanding warrants	
		Exercise price	Remaining life
November 28, 2024	5,650,000	\$ 0.15	(years) 1.3
December 13, 2024	600,000	0.15	1.4
June 29, 2025	17,190,000	0.10	1.9
	23,440,000	0.11	1.8

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

	October 31 2023	July 31 2023
Weighted average fair value of warrants granted	\$ 0.0058	\$ 0.0459

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

	October 31 2023	July 31 2023
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	\$0.065	\$0.061
Weighted average expected volatility ⁽¹⁾	73.58%	66.93%
Weighted average risk-free interest rate	4.68%	4.46%
Weighted average exercise price at grant date	\$0.10	\$0.113
Weighted average expected life	2.0 years	2.0 years

(1) 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", amended on July 27, 2023, 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 8,600,000 share options of the Company, with a vesting period allowed of zero to a period fixed by the Board of Directors, when the grant of option is made at market price, for the benefit of its directors, officers, employees and consultants. The Plan provides that no single person may hold options representing more than 5% of the outstanding common shares.

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

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

	October 31 2023		July 31 2023	
	Number of outstanding share options	Weighted average exercise price	Number of outstanding share options	Weighted average exercise price
Outstanding at beginning	6,580,000	\$ 0.23	4,380,000	\$ 0.29
Granted	-	-	2,200,000	0.10
Expired	(280,000)	0.30	-	-
Outstanding at end	6,300,000	0.22	6,580,000	0.23
Exercisable at end	6,300,000	0.22	6,580,000	0.23

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

12. Share-based compensation (continued):

(a) Share option plan (continued):

The following table provides outstanding share options information as at October 31, 2023:

Expiry date	Number of granted share options	Number of exercisable share options	Outstanding share options	
			Exercise price	Remaining life
			\$	(years)
March 6, 2024	1,025,000	1,025,000	0.25	0.4
March 23, 2024	225,000	225,000	0.25	0.4
May 18, 2024	100,000	100,000	0.25	0.6
September 16, 2024	320,000	320,000	0.30	0.9
September 16, 2024	450,000	450,000	0.35	0.9
August 31, 2025	870,000	870,000	0.30	1.8
September 16, 2026	1,110,000	1,110,000	0.30	2.9
July 27, 2028	2,200,000	2,200,000	0.10	4.7
	6,300,000	6,300,000	0.22	2.6

The following table provides outstanding share options information as at July 31, 2023:

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	0.1
March 6, 2024	1,025,000	1,025,000	0.25	0.6
March 23, 2024	225,000	225,000	0.25	0.7
May 18, 2024	100,000	100,000	0.25	0.8
September 16, 2024	320,000	320,000	0.30	1.1
September 16, 2024	450,000	450,000	0.35	1.1
August 31, 2025	870,000	870,000	0.30	2.1
September 16, 2026	1,110,000	1,110,000	0.30	3.1
July 27, 2028	2,200,000	2,200,000	0.10	5.0
	6,580,000	6,580,000	0.23	2.7

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

	October 31 2023	July 31 2023
	\$	\$
Weighted average fair value of share options granted	-	0.0433

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

	October 31 2023	July 31 2023
Weighted average expected dividend yield	-	0%
Weighted average share price at grant date	-	\$0.07
Weighted average expected volatility ⁽¹⁾	-	83.00%
Weighted average risk-free interest rate	-	4.00%
Weighted average exercise price at grant date	-	\$0.100
Weighted average expected life	-	5.00 years

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

There was no amount of share-based compensation accounted for in the statement of loss and comprehensive loss for the three-month period ended October 31, 2023 (\$1,716 for the three-month period ended October 31, 2022).

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

13. Supplemental cash flow information:

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

	Three-month period ended	
	October 31 2023	October 31 2022
	\$	\$
Non-cash investing activities:		
Mining properties in trade accounts payable and accrued liabilities	-	75
Exploration and evaluation assets in trade accounts payable and accrued liabilities	602,023	660,668

14. Related party transactions:

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

	Three-month period ended	
	October 31 2023	October 31 2022
	\$	\$
Management and consulting fees	24,000 ⁽¹⁾	24,000
Salaries and director's fees	63,091	63,862
	87,091	87,862

⁽¹⁾ As at October 31, 2023, there was no amount due to a company controlled by a director and CEO (\$9,198 as at July 31, 2023).

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

A director of the Company is a partner in a law firm that offers legal services to Genius Metals. As at October 31, 2023, trade accounts payable and other liabilities include an amount of \$1,358 due to this related party (\$12,012 as at July 31, 2023). The following table provides a summary of the expenses charged from the law firm:

	Three-month period ended	
	October 31 2023	October 31 2022
	\$	\$
Legal fees	12,463	4,196
Share issuance cost	4,829	-
	17,292	4,196

A company controlled by the Vice-President Exploration offers consulting services to Genius Metals. As at October 31, 2023, trade accounts payable and other liabilities include an amount of \$5,749 (\$5,749 as at July 31, 2023) due to this related party. The following table provides a summary of the services charged from the company controlled by the Vice-President Exploration:

	Three-month period ended	
	October 31 2023	October 31 2022
	\$	\$
Management and consulting fees	2,000	4,200
Exploration and evaluation assets	13,000	10,800
	15,000	15,000

A company which two of its directors are also directors of the Company, offers back-office services to Genius Metals. As at October 31, 2023, there was no trade accounts payable and other liabilities (\$Nil as at July 31, 2023) due to this related party. The following table provides a summary of the services charged from the company to Genius Metals:

	Three-month period ended	
	October 31 2023	October 31 2022
	\$	\$
Salaries	6,000	6,000
Supplies and office expenses	4,500	4,500
	10,500	10,500

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

14. Related party transactions (continued):

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.

15. Financial assets and liabilities:

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

	October 31 2023		July 31 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Fair value through profit or loss (FVTPL)				
Marketable securities - Equities	36,000	36,000	54,000	54,000
	<u>36,000</u>	<u>36,000</u>	<u>54,000</u>	<u>54,000</u>
Financial assets				
Amortized cost				
Cash	437,221	437,221	890,117	890,117
Short-term investments	30,000	30,000	30,000	30,000
Other receivables (excluding sales tax receivable)	4,605	4,605	5,753	5,753
	<u>471,826</u>	<u>471,826</u>	<u>925,870</u>	<u>925,870</u>
Financial liabilities				
Amortized cost				
Trade accounts payable and accrued liabilities	699,958	699,958	773,294	773,294
	<u>699,958</u>	<u>699,958</u>	<u>773,294</u>	<u>773,294</u>

The fair values of the marketable securities totalize \$36,000 as at October 31, 2023 (\$54,000 as at July 31, 2023) and are determined by using the closing price at each reporting date. (see Note 7) .

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.

	October 31 2023		
	Level 1	Level 2	Level 3
	\$	\$	\$
Marketable securities			
Fair value through profit or loss (FVTPL)	36,000	-	-
	<u>36,000</u>	<u>-</u>	<u>-</u>
	July 31 2023		
	Level 1	Level 2	Level 3
	\$	\$	\$
Marketable securities			
Fair value through profit or loss (FVTPL)	54,000	-	-
	<u>54,000</u>	<u>-</u>	<u>-</u>

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

16. Capital management policies and procedures:

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

The Company's capital management objectives are:

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

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

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

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which the amount should be used for exploration work. As at October 31, 2023, the Company has the obligation to incur \$173,493 in exploration expenditures no later than December 31, 2024 in order to comply with the requirements of flow-through private placements concluded in June 2023 (see Note 5).

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. No changes were made in the objectives, policies and processes for managing capital during the reporting periods.

	October 31 2023	July 31 2023
	\$	\$
Equity	6,514,721	6,268,879
	6,514,721	6,268,879

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.

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 years, 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 October 31, 2023 will not be sufficient to meet the Company's needs for cash during the coming year (see Note 2).

GENIUS METALS INC.

Notes to Condensed Interim Financial Statements (continued)

Three-month periods ended October 31, 2023 and 2022

(in Canadian dollars)

17. Financial instrument risks (continued):

(b) Liquidity risk (continued):

Contractual maturities of financial liabilities are as follows:

				October 31
	Less than	1-5 years	More than	2023
	1 year		5 years	\$
	\$	\$	\$	Total
Trade accounts payable and accrued liabilities	699,958	-	-	699,958

				July 31
	Less than	1-5 years	More than	2023
	1 year		5 years	\$
	\$	\$	\$	Total
Trade accounts payable and accrued liabilities	773,294	-	-	773,294

(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, a weighted average volatility of 109.50% has been observed during the three-month period ended October 31, 2023 (102.80% for the year ended July 31, 2023).

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 \$39,419 as at October 31, 2023 (markup of \$55,510 as at July 31, 2023) or If quoted stock price for these securities had decreased as per the volatility, profit and loss would have changed by a markdown of \$36,000 as at October 31, 2023 (\$54,000 as at July 31, 2023).