GENIUS METALS INC.

Condensed Interim Financial Statements

Three-month period ended
October 31, 2018

GENIUS METALS INC.
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GENIUS METALS INC.

Condensed Interim Statements of Financial Position

As at October 31, 2018 and July 31, 2018

(in Canadian dollars)

	Note	October 31 2018	July 31 2018
		$	$
Assets			
Current assets:			
Cash and cash equivalents	6	759,266	-
Other receivables	7	20,320	10
Prepaid expenses		998	-
Total current assets		780,584	10
Non-current assets:			
Property and equipment	8	2,849	-
Mining properties	9	3,502,005	-
Exploration and evaluation assets	10	477,570	-
Total non-current assets		3,982,424	-
Total assets		4,763,008	10
Liabilities and Equity			
Current liabilities:			
Trade accounts payable and other liabilities	11	494,416	-
Other liability related to flow-through financings		17,613	-
Total current liabilities		512,029	-
Equity:			
Share capital	12	4,213,214	10
Warrants	12	190,927	-
Deficit		(153,162)	-
Total equity		4,250,979	10
Total liabilities and equity		4,763,008	10

Going concern, see Note 2.

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

These financial statements were approved and authorized for issue by the Board of Directors on December 31, 2018.

(S) Guy Goulet	(S) John Booth
Director	Director

GENIUS METALS INC.
Condensed Interim Statement of Comprehensive Loss
Three-month period ended October 31, 2018
(in Canadian dollars)

	Note	Three-month period ended October 31 2018
		$
General and administrative expenses:		
Salaries and employee benefit expense		9,000
Management and consulting fees		34,080
Travel and promotion		8,345
Registration, listing fees and shareholders information		10,575
Professional fees		83,551
Supplies and office expenses		2,041
Depreciation of equipment		151
Loss from operating activities		147,743
Other items:		
Loss on settlement of accounts payable		17,390
Finance expense	13	197
Total other items		17,587
Net loss before income tax		(165,330)
Income tax recovery		12,168
Net loss		(153,162)
Weighted average number of common shares outstanding		3,903,527
Basic and diluted loss (earnings) per share:		(0.04)
Basic and diluted loss per share:		(0.04)

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 period ended October 31, 2018

(in Canadian dollars)

	Note	Number of shares outstanding	Share capital	Warrants	Deficit	Total equity
			$	$	$	$
Balance as at July 31 2018		10	10	-	-	10
Shares and units issued:						
Private placement	12	2,486,667	464,501	157,166		621,667
Flow-through private placement	12	848,429	263,189	33,761		296,950
As consideration for the acquisition of the net asset	12	9,797,790	3,463,660			3,463,660
As a settlement of accounts payables	12	168,000	59,390			59,390
Repurchase of shares for cancellation		(10)	(10)			(10)
Share issuance costs	12		(37,526)			(37,526)
Transaction with owners		13,300,886	4,213,214	190,927	-	4,404,141
Net loss and comprehensive loss for the period					(153,162)	(153,162)
Balance as at October 31 2018		13,300,886	4,213,214	190,927	(153,162)	4,250,979

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

GENIUS METALS INC.
Condensed Interim Statement of Cash Flows
Three-month period ended October 31, 2018
(in Canadian dollars)

	Note	Three-month October 31 2018
		$
Operating activities:		
Net loss		(153,162)
Adjustments for:		
Income tax recovery		(12,168)
Depreciation of property and equipment		151
Loss on settlement of accounts payable		17,390
Operating activities before changes in working capital items		(147,789)
Change in other receivables		(20,320)
Change in prepaid expenses		(998)
Change in trade accounts payable and accrued liabilities		74,401
Change in working capital items		53,083
Cash flows used for operating activities		(94,706)
Financing activities:		
Proceeds from private placement		621,667
Proceeds from flow-through placement		296,950
Share issuance costs		(31,386)
Cash flows from financing activities		887,231
Investing activities:		
Acquisition of mining properties		(1,440)
Increase in exploration and evaluation assets		(31,819)
Cash flows used for investing activities		(33,259)
Net change in cash and cash equivalents		759,266
Cash and cash equivalents, beginning of period		-
Cash and cash equivalents, end of period		759,266

Interest paid -

Additional disclosures of cash flows information (Note 14).

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

1. Reporting entity:

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 listed since October 31, 2018 on the Canadian Securities Exchange (“CSE”) and its trading symbol is “GENI”.

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

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

For the three-month period ended October 31, 2018, the Company recorded a net loss of $153,162 and has an accumulated deficit of $153,162 as at October 31, 2018. 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, 2018, the Company had a working capital of $268,555 ($10 as at July 31, 2018) consisting of cash and cash equivalents of $759,266 ($0 in cash and cash equivalents as at July 31, 2018). Management believes that these funds will not be sufficient to meet the obligations and liabilities of the Company. These uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new equity instruments. Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. The recovery of the cost of exploration and evaluation assets as well as other tangible and intangible assets, is subject to certain conditions: the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to continue the exploration, evaluation, development, construction and ultimately disposal of these assets. During the three-month period ended October 31, 2018, the Company has raised $918,617 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.

3.2 Basis of measurement:

The condensed interim financial statements have been prepared on the historical cost basis.

3.3 Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

3.4 Use of estimates and judgements:

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Basis of preparation (continued):

3.4 Use of estimates and judgements (continued):

(a) Significant management judgment:

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effects on the financial statements.

Going concern

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

(b) Estimation uncertainty:

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities and expenses is provided below. Actual results may be substantially different.

Impairment of exploration and evaluation assets

Determining if there are any facts or circumstances indicating an impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases (see Note 4).

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether a technically or economically viable extraction operation can be established, the probability that the expense will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of existence of reverses, the Company’s capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written down in profit or loss in the period when the new information become available.

Share-based compensation

To estimate expenses for share-based compensation, it is necessary to select an appropriate valuation model and obtain the inputs necessary for the valuation model chosen. The Company estimated the volatility of its own shares or of shares of similar companies and the expected life and the exercise period of options and warrants granted. The model used by the Company is the Black-Scholes valuation model.

Fair value of the company's stock before it goes public

The assessment of the fair value of the Company's shares prior to its stock market listing involves some degree of estimation and judgment. The Company has estimated the fair value of the share using the fair value of the mineral properties acquired during the arrangement (Note 5). This was determined using property information as well as transactions made for properties with similar ore.

Provisions and contingent liabilities

The judgment is used to determine whether a past event has created a liability that should be recorded in the financial statements or whether it should be presented as a contingent liability. Quantify these liabilities involves judgments and estimates.

These judgments and estimates are based on several factors, such as the nature of the claim or dispute, legal procedures and the potential amount to be paid, legal advice obtained, previous experience and the likelihood of the realization of a loss.

3. Basis of preparation (continued):

3.4 Use of estimates and judgements (continued):

(b) Estimation uncertainty (continued):

Tax credits receivable

Tax calculation of the Company's refundable tax credit on qualified exploration expenditure incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit, exploration and evaluation assets, and income tax expense in future periods (see Note 4).

4. Significant accounting policies:

The financial statements have been prepared using accounting policies set out by IFRS effective at the end of the period for submission of financial information (October 31, 2018). The significant accounting policies used in preparing these financial statements are summarized below.

4.1 Financial instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

The Company classifies its financial instruments by category according to their nature and their characteristics. Management determines the classification when the instruments are initially recognized, which is normally the date of the transaction.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs.

Financial assets and financial liabilities are measured subsequently as described below.

(a) Financial assets:

For the purpose of subsequent measurement, financial assets are classified as loans and receivables and available-for-sale assets upon initial recognition.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance expenses or financial income, if applicable.

- *Loans and receivables*

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Discounting is omitted if its effect is not significant.

  Loans and receivables comprise cash and cash equivalents and other receivables (excluding sales tax receivable).

4. Significant accounting policies (continued):

4.1 Financial instruments (continued):

(a) Financial assets (continued):

- *Impairment of financial assets*

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is an objective evidence that a financial asset or a group of financial assets is impaired.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;

- a breach of contract such as a default or delinquency in interest or principal payments; or

- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

(b) Financial liabilities:

Financial liabilities are measured initially at fair value plus transactions costs.

The Company's financial liabilities include trade accounts payable and accrued liabilities (except Part XII.6 tax).

Financial liabilities are measured subsequently at amortized cost using the effective interest method. All interest related charges are reported within finance expenses, if applicable.

4.2 Basic and diluted loss per share:

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting loss attributable to common shareholders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include options and warrants. Dilutive potential common shares are deemed to have been converted into common shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential common shares. The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding warrants and share options.

4.3 Cash and cash equivalents:

Cash and cash equivalent consist of cash, cash in trust and guaranteed investment certificate, as well as other highly-liquid short-term investments, easily convertible in a known amount of cash and subject to negligible risk of value impairment.

4.4 Tax Credit Related to Resources and Mining Tax Credit:

The Company is entitled to refundable tax credits on eligible exploration expenses incurred and to refundable mining rights tax credits as duties under the law on the mining tax. These tax credits are recorded based on management's estimates and provided that the Company is reasonably certain that they will be collected. Tax credits are recorded as a reduction of the deferred exploration and evaluation expenses.

4.5 Grants:

Grants are recognized as a reduction of the related expenses or assets. The Company records these grants when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

4.6 Property and equipment:

Property and equipment are held at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred initially to acquire or construct an item of property and equipment, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs incurred subsequently to add to or replace part thereof.

Recognition of costs in the carrying amount of an item of property and equipment ceases when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

4. Significant accounting policies (continued):

4.6 Property and equipment (continued):

Depreciation is recognized on a straight-line basis to write down the cost to its estimated residual value, with a constant charge over the useful life of the asset. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The estimated useful lives are as follows:

Asset	Period
Rolling stock	5 years

The residual value, depreciation method and useful life of each asset are reviewed at least at each financial year-end.

The carrying amount of an item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognized.

4.7 Impairment of mining properties, exploration and evaluation assets and property and equipment:

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset’s or cash-generating unit’s carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the asset’s or cash-generating unit’s recoverable amount exceeds its carrying amount.

4.8 Mining Properties Options Agreements:

Options on interests in mining properties acquired by the Company are recorded at the value of the consideration paid, including other future benefit given up but excluding the commitment for future expenditures. Commitment for future expenditures does not meet the definition of a liability and thus are not accounted for immediately. Expenditures are accounted for only when incurred by the Company.

When the Company sells interest in a mining property, it uses the carrying amount of the interest before the sale of the option as the carrying amount for the portion of the property retained, and credits any cash consideration received against the carrying of this portion (any excess is recognized as a gain in profit or loss).

4. Significant accounting policies (continued):

4.9 Exploration and evaluation assets:

Exploration and evaluation expenditures are costs incurred in the course of the initial search of mineral resources before the technical feasibility and commercial viability of extracting a mineral resources are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling, general expenses, financial charges, management fees and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts, the difference is then immediately recognized in profit or loss.
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When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

To date, neither the technical feasibility nor the commercial viability of extracting a mineral resource has been demonstrated.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

4.10 Provisions, contingent liabilities and contingent assets:

Provisions are recognized when present legal or constructive obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible, given that the Company's operations are still in the exploration and evaluation stage. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

As at October 31, 2018, the Company had no contingent liabilities and therefore no provision was recorded in the annual financial statements.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4. Significant accounting policies (continued):

4.11 Income taxes:

When applicable, tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

However, since the Company is in the exploration phase and has no taxable income, tax expense recognized in profit or loss is currently comprise only of deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company’s forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax in profit or loss, except where they relate to items that are recognized directly in equity, in which case the related deferred tax is also recognized in equity.

Under the provisions of tax legislation relating to flow-through shares, the Company is required to renounce its right to tax deductions for expenses related to exploration activities to the benefit of the investors. When the Company has renounced to its tax deductions and has incurred its admissible expenditures, the sale of tax deductions is recognized in profit or loss as a reduction to deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of admissible expenditures capitalized as an asset and its tax base.

4.12 Equity:

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs.

If shares are issued following the exercise of share options, or warrants, this account also includes the charge previously accounted to the warrants and share options accounts. Furthermore, if shares are issued following the acquisition of mining property or other non-financial assets, shares are valued at fair value of mining property on the day the agreement was concluded.

4.13 Unit placements:

The funds from unit placement are allocated between shares and warrants using the relative fair value method. The fair value of the common shares is recognized in equity based on the share price at the date of issue. The fair value of the warrants is determined using the Black-Scholes valuation model and is recorded separately under "warrants".

4.14 Flow-through placements:

Issuance of flow-through shares represents in substance an issue of ordinary shares and the sale of the right to tax deductions to the investors. When the flow-through shares are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the statement of financial position. The proceeds received from flow-through placements are allocated between share capital and other liabilities using the residual method. Proceeds are first allocated to shares according to the quoted price of shares at the time of issuance and the residual proceeds, if any, are allocated to other liabilities. The liability component recorded initially on the issuance of shares is reversed on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred and recognized in profit or loss in reduction of deferred income tax expense.

4. Significant accounting policies (continued):

4.14 Flow-through placements (continued):

The proceeds received from flow-through units are allocated between share capital, warrants and the liability using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and the residual proceeds are allocated to warrants and to the liability, allocating a first amount to warrant measured at fair value using Black-Scholes model.

4.15 Other elements of equity:

Warrants and share options accounts include unrealized charges related to share options and warrants until they are exercised, if applicable. Contributed surplus includes compensation expense related to share options and warrants not exercised.

Deficit includes all current and prior year retained losses.

4.16 Equity-settled share-based compensation:

The Company has an equity-settled share-based compensation plan for its eligible directors, employees and consultants. The Company's plan is not cash-settled.

All goods and services received in exchange for the grant of any share-based compensations are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, it must measure their value indirectly by reference to the fair value of the equity instruments granted.

For transactions with employees and with parties providing similar services, the Company evaluates the fair value of services received by reference to the fair value of equity instruments granted.

All equity-settled share-based compensation (except warrants to brokers) are ultimately recognized as an expense in the profit or loss with a corresponding credit to the Share options account. Equity-settled share-based compensation to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to warrants, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

4.17 Segmental reporting:

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the President and the Board of Directors.

The Company has only one operating segment which consist in the mining activities. All non-current assets are in Canada.

4.18 New standards and interpretations that have not yet been adopted:

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the International Accounting Standards Board (IASB) but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's financial statements.

The following new standards, interpretations and amendments have been issued but are not yet effective and therefore have not been applied in preparing these financial statements:

(in Canadian dollars)

4. Significant accounting policies (continued):

4.18 New standards and interpretations that have not yet been adopted (continued):

(i) *IFRS 16 - Leases:*

In January 2016, the IASB published IFRS 16 which will replace IAS 17 Leases. IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all lease with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16: changes the definition of a lease; sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods; changes the accounting for sale and leaseback arrangements; largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements.

The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted, but only if the entity is also applying IFRS 15. The Company is required to retrospectively apply IFRS 16 to all existing leases as of the date of transition and has the option to either:

- apply IFRS 16 with full retrospective effect; or
- recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

As a practical expedient, an entity is not required to reassess whether a contract is, or contains, a lease at the date of initial application. The Company is assessing the impact of this standard on its financial statements; however, the Company believes that on adoption of the standard there will be an increase to assets and liabilities, as the Company will be required to record a right-of-use asset and a corresponding lease liability on its statements of financial position, as well as a decrease to operating costs, an increase to finance costs (due to accretion of the lease liability) and an increase to depreciation (due to depreciation of the right-of-use asset).

5. Asset transfer agreement:

On October 5, 2018, Cerro de Pasco Resources Inc. (''Cerro de Pasco'') (formerly Genius Properties Ltd. (''Genius Properties'')) completed the Asset Transfer Agreement pursuant to which Cerro de Pasco transferred the ownership of all mining rights and titles, a part of its trade accounts payable and other liabilities and the other liability related to flow-through shares. In consideration for such transfer, Genius Metals issued to Cerro de Pasco 9,797,970 Genius Metals common shares for a consideration of $3,463,660. The transfer was recorded at the carrying amount of the assets and liabilities transferred.

	July 31 2018
	$
Mining properties	3,495,578
Exploration and evaluation assets	416,736
Trade accounts payable and other liabilities	(418,873)
Other liability related to flow-through financings	(29,781)
	3,463,660

6. Cash and cash equivalents:

	October 31 2018	**July 31 2018**
	$	**$**
Cash	759,266	-
	759,266	-

Funds reserved for exploration and evaluation expenditures

As part of the Asset Transfer Agreement of October 5, 12018, the Company has until December 31, 2018 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of a flow-through private placement of $212,500 concluded in December 2017 by Genius Properties. As at October 31, 2018, the Company has the obligation to incur an amount of $88,068 in exploration and evaluation expenditures until December 31, 2018.

(in Canadian dollars)

6. Cash and cash equivalents (continued):

On October 5, 2018, the Company completed a flow-through private placement of $296,950. The Company has until December 31, 2019 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of flow-through private placement. As at October 31, 2018, the Company has the obligation to incur an amount of $296,950 in exploration and evaluation expenditures until December 31, 2018.

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.

7. Other receivables:

	October 31 2018	July 31 2018
	$	$
Sales tax receivable	20,320	-
Other	-	10
	20,320	10

8. Property and equipment:

	Rolling stock	Total
	$	$
Cost		
As at July 31, 2018	-	-
Acquisitions	3,000	3,000
As at October 31, 2018	3,000	3,000
Accumulated depreciation		
As at July 31, 2018	-	-
Depreciation	151	151
As at October 31, 2018	151	151
Net book value		
As at July 31, 2018	-	-
As at October 31, 2018	2,849	2,849

9. Mining properties:

Mining properties can be detailed as follows:

	July 31 2018	Asset Transfer Agreement	Acquisition	Licences & permits	Impairment	October 31 2018
	$	$	$	$	$	$
Precious metals:						
Blockhouse NS	-	52,659	-	-	-	52,659
Kemptville NS	-	11,488	-	-	-	11,488
Chocolate Lake NS	-	10,053	-	-	-	10,053
Leipsigate NS	-	7,522	-	-	-	7,522
Dares Lake NS	-	48,147	-	-	-	48,147
Gold River NS	-	2,398	-	-	-	2,398
Meaghers NS	-	8,459	-	-	-	8,459
Sakami QC	-	1,236,632	-	-	-	1,236,632
Robelin QC	-	1,306,367	-	-	-	1,306,367
Iserhoff QC	-	-	1,440	-	-	1,440
Others	-	-	1,500	-	-	1,500
Total precious metals	-	2,683,725	2,940	-	-	2,686,665

(in Canadian dollars)

9. Mining properties (continued):

	July 31 2018	Asset Transfer Agreement	Acquisition	Licences & permits	Impairment	October 31 2018
	$	$	$	$	$	$
Industrial metals:						
Dissimieux Lake QC	-	465,053	-	-	-	465,053
Mt Cameron NS	-	342,955	2,047	1,440	-	346,442
Others	-	3,845	-	-	-	3,845
Total industrial metals	-	811,853	2,047	1,440	-	815,340
Grand total	-	3,495,578 (1)	4,987	1,440	-	3,502,005

(1) See Note 5.

Nova Scotia properties (Gold):

Nova Scotia properties consisted of the following properties: Blockhouse Gold (26 claims), Kemptville NS (10 claims), Chocolate Lake NS (6 claims), Leipsigate NS (4 claims), Dares 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.

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 243 claims and covering 3,934 ha. 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.

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 property is subject to a 2.0% NSR on production, of which half (1/2) may be purchased at any time by the Company for $1,000,000.

Robelin Property (Polymetallic):

The Robelin Property is located 85 km East South East from the town of Kuujjuaq in the Province of Québec. The property is subject to a 2.0% NSR on production, of which half (1/2) may be purchased at any time by the Company for $1,000,000.

Iserhoff Property (Gold - Silver - Zinc):

The Iserhoff Property is located in the northern Abitibi Greenstone Belt about 55 km NNE of Lebel-sur-Quévillion in the Province of Québec. The property is underlain by highly deformed and metamorphosed Archean intermediate volcanic rocks (andesite-dacite) and metasediments (wacke).

Dissimieux Lake (Phosphate):

The property consists of 15 claims covering 8.4 km2, 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.

Mt Cameron Property (Graphite) :

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.

(in Canadian dollars)

10. Exploration and evaluation assets:

Exploration and evaluation assets by nature are detailed as follows:

	October 31 2018	July 31 2018
	$	$
Exploration and evaluation costs:		
Geology	125	-
Prospecting	32,951	-
Geophysics	24,145	-
General field expenses	3,613	-
Other item:		
Asset Transfer Agreement	416,736	-
	477,570	-

Exploration and evaluation assets by properties are detailed as follows:

	July 31 2018	Asset Transfer Agreement	Exploration costs	Tax credits	Impairment	October 31 2018
	$	$	$	$	$	$
Precious metals:						
Blockhouse QC	-	101,101	-	-	-	101,101
Kemptville NS	-	4,879	-	-	-	4,879
Leipsigate NS	-	2,336	-	-	-	2,336
Dares Lake NS	-	3,965	-	-	-	3,965
Meaghers NS	-	32,729	547	-	-	33,276
Sakami QC	-	171,698	60,162	-	-	231,860
Robelin QC	-	31,174	-	-	-	31,174
Total precious metals	-	347,882	60,709	-	-	408,591
Industrial metals:						
Dissimieux Lake QC	-	17,384	125	-	-	17,509
Mt Cameron NS	-	51,470	-	-	-	51,470
Total industrial metals	-	68,854	125	-	-	68,979
	-	416,736 [1]	60,834	-	-	477,570

(1) See Note 5.

11. Trade accounts payable and other liabilities:

	October 31 2018	July 31 2018
	$	$
Trade accounts payable and accrued liabilities:		
To a company controlled by a director and CEO	9,198	-
To a company controlled by a CFO	8,048	-
To a director and CEO	4,928	-
To a company in which a director is a partner	110,288	-
Other	151,963	-
Part XII.6 tax	209,787	-
Source deductions and contributions	204	-
	494,416	-

(in Canadian dollars)

12. 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.

	Number	Amount
		$
Balance as at May 25, 2018	-	-
Issued for cash:		
Initial subscription	10	10
Balance as at July 31, 2018	10	10

(b) Issued and outstanding:

	Number	Amount
		$
Balance as at July 31, 2018	10	10
Pursuant to the Asset Transfer Agreement	9,797,790	3,463,660
Issued for cash:		
Private placements (common shares)	2,486,667	449,798
Private placements (flow-through shares)	848,429	240,366
Issued as settlement of accounts payables	168,000	59,390
Redemption and cancellation of shares	(10)	(10)
Balance as at October 31, 2018	13,300,886	4,213,214

2018:

On October 5, 2018, pursuant to the Asset Transfer Agreement as described in Note 5, the Company issued 9,797,970 common shares valued at $0,3535 per share for an aggregate consideration of $3,463,660 to acquire the ownership of all mining rights and titles, a part of the trade accounts payable and other liabilities and the other liability related to flow-through shares from Genius Properties.

On October 5, 2018, the Company concluded a private placement by issuing 2,486,667 units at a price of $0.25 per unit for net proceeds of $606,964 after deducting share issuance costs of $14,703. A commission of $10,250 was paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 2,486,667 common shares and 2,486,667 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 5, 2019. The Company may, at its option, accelerate the expiry date under certain conditions. These warrants have been recorded at a value of $157,166 based on the Black-Scholes option pricing model using the assumptions described below (Note 12 (c)).

On October 5, 2018, the Company concluded a second private placement by issuing 848,429 flow-through units at a price of $0.35 per unit for net proceeds of $274,127 after deducting share issuance costs of $22,823. A commission of $14,885 was paid in connection with this private placement. Each unit consists of one flow-through share and one-half warrant for a total of 848,429 flow-through shares and 424,214 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.45 until October 5, 2019. The Company may, at its option, accelerate the expiry date under certain conditions. These warrants have been recorded at a value of $33,761 based on the Black-Scholes option pricing model using the assumptions described below (Note 12 (c)).

On October 5, 2018, the Company issued 168,000 common shares at a fair value of $0.3535 per share for a total value of $59,390 in settlement of accounts payable in the amount of $42,000. No commission was paid in connection with this transaction. These settlements resulted in a loss of $17,390 on settlement of accounts payable, in earnings.

(in Canadian dollars)

12. Share capital and warrants (continued):

(c) Warrants:

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

		October 31 2018		July 31 2018
	Number of outstanding warrants	Weighted average exercise price	Number of outstanding warrants	Weighted average exercise price
		$		$
Outstanding at beginning	-	-	-	-
Granted	5,122,978	0.36	-	-
Expired	-	-	-	-
Outstanding at end	5,122,978	0.36	-	-

The following table provides outstanding warrants information as at October 31, 2018:

			Outstanding warrants
Expiry date	Number of outstanding warrants	Exercise price	Remaining life
		$	(years)
October 5, 2019	4,698,764	0.35	0.9
October 5, 2019	424,214	0.45	0.9
	5,122,978	0.36	0.9

2019:

On October 5, 2018, the Company issued 2,486,667 warrants to shareholders who subscribed to 2,486,667 units offering. Each warrant entitles the holder to subscribe to one common share at an exercise price of $0.35 per share until October 5, 2019. The value of the warrants was estimated at $157,166 at the grant date using the Black-Scholes option pricing model. The assumptions used for the calculation were:

Expected dividend yield	0.0%
Share price at grant date	$0.3535
Expected volatility (1)	84.44%
Risk-free interest rate	2.32%
Expected life	1.0 year

On October 5, 2018, the Company issued 424,214 warrants to shareholders who subscribed to 848,429 flow-through units offering. Each warrant entitles the holder to subscribe to one common share at an exercise price of $0.45 per share until October 5, 2019. The value of the warrants was estimated at $33,761 at the grant date using the Black-Scholes option pricing model. The assumptions used for the calculation were:

Expected dividend yield	0.0%
Share price at grant date	$0.3535
Expected volatility (1)	84.44%
Risk-free interest rate	2.32%
Expected life	1.0 year

On October 5, 2018, the Company issued 2,212,097 warrants (the “Adjustment Warrants”) to holders of common share purchase warrants of Genius Properties listed on August 31, 2018, on the basis of one (1) Adjustment Warrant for six (6) Genius Properties warrants as adjustment of the Genius Properties warrants resulting from the Asset Transfer Agreement (Note 5). Each Adjustment Warrant entitles the holder to subscribe to one common share of the Company at an exercise price of $0.35 per share until October 5, 2019. No value has been recorded as the Company has not receive any goods or services in exchange for the issuance of the Adjustment Warrants.

(1) The volatility was determined by reference to historical data of the Company shares.

(in Canadian dollars)

13. Finance expenses:

Finance expenses recognized in the net loss of the periods is as follows:

	Three-month October 31 2018
	$
Fines, penalties, bank charges & other interest	197
Finance expense	197

14. Supplemental cash flow information:

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

	October 31 2018
	$
Non-cash financing activities:	
Shares issued in settlement of trade accounts payables	59,390
Share issuance costs in trade accounts payable and accrued liabilities	6,140
Non-cash investing activities:	
Property and equipment in trade accounts payable and accrued liabilities	3,000
Mining properties in trade accounts payable and accrued liabilities	4,987
Exploration and evaluation assets in trade accounts payable and accrued liabilities	29,015

15. 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 October 31 2018
	$
Consulting fees	23,000
Director's fees	4,500
	27,500

On November 12, 2018, the Company appointed a new director which is a partner in a law firm that offers legal services to Genius Metals.

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.

(in Canadian dollars)

16. 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 2018		July 31 2018	
	Carrying amount $	**Fair value** $	**Carrying amount** $	**Fair value** $
Financial assets				
Loans and receivables				
Cash and cash equivalents	759,266	759,266	-	-
Other receivables (excluding sales tax receivable)	-	-	10	10
	759,266	759,266	10	10
Financial liabilities				
Financial liabilities measured at amortized cost				
Trade accounts payable and accrued liabilities	284,425	284,425	-	-
	284,425	284,425	-	-

The fair value of cash and cash equivalents, other receivables and trade accounts and accrued 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.

17. 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, 2018, the Company has the obligation to incur $88,068 in exploration expenditures no later than December 31, 2018 in order to comply with the requirements of flow-through private placement concluded in December 2017 by Genius Properties (see Note 6).

In addition, as at October 31, 2018, the Company has the obligation to incur $296,950 in exploration expenditures no later than December 31, 2019 in order to comply with the requirements of flow-through private placement concluded on October 5, 2018.

(in Canadian dollars)

17. Capital management policies and procedures (continued):

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 2018	July 31 2018
	$	$
Equity	4,250,979	10
	4,250,979	10

18. 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 other receivables and cash and cash equivalents is considered negligible, since the counterparty which holds the cash and cash equivalents is a reputable bank with excellent external credit rating and the amount of other receivables is guaranteed.

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.

During the three-month period ended October 31, 2018, the Company has financed its acquisitions of mining rights, exploration and evaluation assets and working capital needs through private financings consisting of issuance of common shares and flow-through shares. Management estimates that the cash and cash equivalents as at October 31, 2018 will not be sufficient to meet the Company's needs for cash during the coming year (see Note 2).

Contractual maturities of financial liabilities (including capital and interest) are as follows:

				October 31 2018
	Less than 1 year	1-5 years	More than 5 years	$ Total
	$	$	$	$
Trade accounts payable and accrued liabilities	284,425	-	-	284,425

(in Canadian dollars)

18. Financial instrument risks (continued):

(b) Liquidity risk (continued):

	Less than 1 year	1-5 years	More than 5 years	July 31 2018 $ Total
	$	$	$	$
Trade accounts payable and accrued liabilities	-	-	-	-

19. Subsequent events:

On September 20, 2018, a lawsuit has been filed against Genius Properties Ltd by a company controlled by a former President and Chief Executive Officer of Genius. The lawsuit, in the amount of $1,281,646 for alleged unpaid consultant fees, termination fees and change of control fees payable under a consulting agreement. Genius Properties believes the claim is without merit. Pursuant to an Asset Transfer Agreement between Genius Properties and Genius Metals Inc. dated June 6, 2018, Genius Metals will assume all of the liabilities of Genius Properties in connection with the lawsuit.

On October 31, 2018, an agreement was signed between Genius Metals and the perpetrator of the lawsuit filed on September 20, 2018, a company controlled by a former President and Chief Executive Officer of Genius Properties. The claim was settled by the issuance of 300,000 common shares of Genius Metals. The shares were issued on November 5, 2018 for a value of $70,500 (the sums payables amounted to $86,441). A gain on settlement of payables of $15,941 has been recorded in the P&L of Genius Metals.

On November 13, 2018 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 December 31, 2019 and $500,000 on or before December 31, 2020 instead of $500,000 on or before December 31, 2018 and $500,000 on or before December 31, 2019. In consideration for the postponement of the deadlines of one year to incur the exploration expenditures, the Company will issue 100,000 common shares to shareholders of Mt Cameron Minerals Inc.

On November 13, 2018, the Company acquired a 100% interest in Iserhoff Property from an independent prospector by issuing on November 23, 2018, 500,000 common shares at a price of $0.24 per share and granting a 2% NSR Royalty on the claims. The Company shall have the right to purchase 1% of the NSR at any time by paying $1,000,000. 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-Quévillion, Québec. The gold property comprises 29 mining claims totaling 1,621.68 ha or 16.22 km² 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-Quévillion with Chibougamau.

In December 2018, the Company concluded a private placement by issuing 374,357 flow-through units at a price of $0.35 per flow-through unit for proceeds of $131,025. Each flow-through unit consists of one flow-through common share and one-half warrant for a total of 374,357 common shares and 187,178 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.45 for a period of twelve months. In Addition, the Company issued 664,000 units at a price of $0.25 per unit for proceeds of $166,000. Each unit consists of one common share and one warrant for a total of 664,000 common shares and 664,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.35 for a period of twelve months.