



**Notice of Annual Meeting of Shareholders  
to be held on Tuesday, January 28, 2020**

Place:	Lavery, de Billy, L.L.P. 1 Place Ville-Marie, Suite 4000 Montréal, Québec H3B 4M4
Time:	10:00 a.m. (Montréal Time)

**and Management Information Circular**

December 24, 2019

**YOUR VOTE AS A SHAREHOLDER IS IMPORTANT**



## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** the annual meeting of the shareholders (the “**Meeting**”) of Genius Metals Inc. (the “**Corporation**” or the “**Issuer**”) will be held at the offices of Lavery, de Billy, L.L.P., 1 Place Ville Marie, Suite 4000, Montréal, Québec on Tuesday, January 28, 2020 at 10:00 a.m. (Montréal time) for the following purposes:

1. to receive the financial statements of the Corporation for the fiscal year ended July 31, 2019 and the auditors' report thereon;
2. to elect the directors of the Corporation for the forthcoming year;
3. to reappoint Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, as auditors of the Corporation and to authorize the directors to fix the auditors' remuneration; and
4. to transact such other business that may properly be brought before the meeting or any postponement or adjournment thereof.

The management information circular (the “**Circular**”) and the form of proxy (the “**Proxy**”) prepared in respect of the Meeting accompany this notice. The enclosed Circular contains supplementary information on matters to be discussed at the Meeting, as detailed under the heading “**MATTERS TO BE ACTED UPON AT THE MEETING**”, and is hereby deemed to be an integral part of this notice.

Your participation is important to us. In the event you cannot attend, we urge you to express your support by voting, using your Proxy in advance of the Meeting, on the various proposals that will be put forward at the Meeting.

Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc., at 1500 Robert-Bourassa Street, 7th Floor, Montréal, Québec H3A 3S8, no later than 5 p.m. (Montréal Time) on January 24, 2020.

You are entitled to vote at the meeting and any postponement or adjournment thereof if you owned common shares of the Corporation at the close of business on December 24, 2019. For more information on how you may vote, please refer to the section titled “**VOTING INFORMATION**” of the Circular.

Montréal, Québec, December 24, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

(s) *Guy Goulet*

President and Chief Executive Officer

## MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “Circular”) is provided in connection with the solicitation of proxies by the management (“Management”) of Genius Metals Inc. (the “Corporation”) for use at the annual meeting (the “Meeting”) of the holders of common shares of the Corporation (the “Shares” and the holders of the Shares, the “Shareholders”), to be held on January 28, 2020 at the time and place and for the purposes set forth in the accompanying notice of meeting (“Notice of Meeting”) and at any adjournment thereof. Unless otherwise noted, information in this Circular is given as at December 24, 2019. If you cannot attend the Meeting in person, complete and return the enclosed form of proxy (“Proxy”) following the instructions therein.

The enclosed Proxy is being solicited by the management of the Corporation and the costs of this solicitation will be borne by the Corporation. The solicitation will be conducted primarily by mail but proxies may also be solicited personally by officers, employees or agents of the Corporation, without additional compensation. The Corporation shall, upon request, reimburse brokers and other persons holding Shares of the Corporation on their behalf or on behalf of nominees, for reasonable costs incurred in sending the proxy documents to Shareholders.

### VOTING INFORMATION

#### *Who can vote?*

You have the right to vote if you owned Shares of the Corporation on December 24, 2019 (the “Record Date”). Each Share you own entitles you to one vote. Pursuant to the by-laws of the Corporation, business may be transacted at the Meeting if not less than two persons are present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or representative representing not less than 5% of the outstanding Shares carrying voting rights at the Meeting.

#### *How to vote?*

You can vote in person or by proxy. Voting by proxy means you are giving someone else the authority to attend the Meeting and vote your Shares for you (called your proxyholder).

#### **REGISTERED SHAREHOLDERS**

You are a “Registered Shareholder” if the Shares are registered in your name. This means that your name appears in the Shareholders’ register maintained by our transfer agent, Computershare Trust Company of Canada (“Computershare”). You will have received a Proxy from Computershare. Complete, sign and mail your Proxy in the postage prepaid envelope provided or fax it to the number indicated on the form.

#### **NON REGISTERED SHAREHOLDERS**

You are a “Non Registered (or Beneficial) Shareholder” if your bank, trust company, securities broker or other financial institution or intermediary (your nominee) holds your Shares for you in a nominee account. You will have received a request for voting instructions from your broker. Follow the instructions on your voting instruction form to vote by telephone, Internet or fax, or complete, sign and mail the voting instruction form in the postage prepaid envelope provided. **For more information, including how Non Registered Shareholders can vote in person at the Meeting, see the information below under the heading “Advice to Non Registered Shareholders” of this Circular.**

#### *What if I complete the Proxy enclosed with this Circular?*

The persons named in the enclosed Proxy are directors and officers of the Corporation. When you vote by Proxy, you are giving them the authority to vote your Shares for you according to your instructions.

***Can I appoint someone else to vote my Shares?***

**Yes. You can also appoint someone else to be your proxyholder. This person does not need to be a Shareholder. Strike out the names that are printed on the Proxy and print the name of the person you are appointing as your proxyholder in the space provided. Complete your voting instructions, sign and date the Proxy. Make sure the person you are appointing is aware that he or she has been appointed and attends the Meeting on your behalf. Your proxyholder should see a representative of Computershare when he or she arrives at the Meeting.**

***What do I do with my completed Proxy?***

To be effective, we must receive your completed Proxy no later two full business days before the Meeting, or any adjournment or adjournments thereof, as applicable. You may also bring the Proxy to the Meeting and deliver it to the chairman of the Meeting prior to the commencement of the Meeting. The Proxy shall be in writing and executed by the Shareholder or such Shareholder's attorney authorized in writing, or if such Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney, as applicable.

Late Proxies may be accepted or rejected by the chairman of the Meeting at his discretion and he is under no obligation to accept or reject a late Proxy. The chairman of the Meeting may waive or extend the Proxy cut-off without notice.

***How will my Shares be voted if I give my Proxy?***

With respect to matters specified in the Proxy, if no voting instructions are provided, the nominees named in the accompanying Proxy will vote Shares represented by the Proxy FOR the approval of such matters.

The nominee named in your Proxy will vote or withhold from voting in accordance with your instructions on any ballot that may be called for. The Proxy will confer discretionary authority on the nominee with respect to matters identified in the Proxy for which a choice is not specified and any other matter that may properly come before the Meeting or any postponement or adjournment thereof, whether or not the matter is routine and whether or not the matter is contested.

Management does not know and cannot foresee at the present time any amendments or new points to be brought before the Meeting or any adjournment thereof. **If such amendments or new points were to be properly brought before the Meeting, or any adjournment thereof, the persons named in the enclosed Proxy will vote on such matters in the way they consider advisable.**

***How can I revoke my Proxy?***

**You may revoke your Proxy at any time prior to its use by sending an instrument in writing executed by you or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized in writing, at the same address where the Proxy was sent and within the delays mentioned therein or the last business day preceding the date the Meeting resumes if it is adjourned, or remit to the chairman of the Meeting on the day of the Meeting or any adjournment thereof if applicable.**

***Where can I access the Financial Materials of the Corporation?***

Financial statements and management discussion and analysis (MD&A) of the Corporation are available electronically online on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com) or on the Corporation's website at [www.pascoresources.com](http://www.pascoresources.com). Delivery in electronic format, rather than paper, reduces costs to the Corporation and benefits the environment.

### ***Who counts the votes?***

The Corporation's transfer agent, Computershare, counts and tabulates the votes. This is done independently of the Corporation to preserve the confidentiality of individual Shareholder votes. Proxies are referred to the Corporation only in cases where a Shareholder clearly intends to communicate with Management or when it is necessary to do so to meet the requirements of applicable law. For general Shareholder enquiries, you can contact the transfer agent:

by mail:

Computershare Investor Services Inc.  
100 University Avenue, 8<sup>th</sup> floor  
Toronto (Ontario) M5J 2Y1

- or at -

1500 Robert-Bourassa Street, Suite 700  
Montréal (Québec) H3A 3S8

or by telephone:

within Canada and the United States at  
1-800-564-6253

or by fax:

within Canada and the United States at  
1-888-453-0330

### ***Advice to Non Registered Shareholders***

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Shares in their own name. Shareholders who hold their Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Shares in their own name (referred to herein as "Beneficial Shareholders") should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation's registrar and transfer agent, Computershare, as registered holders of Shares will be recognized and acted upon at the Meeting.

If Shares are listed in an account statement provided to a Shareholder by a broker, those Shares will, in all likelihood, not be registered in the Shareholder's name. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

*Regulation 54-101 respecting Communication with Beneficial Owner of Reporting Issuers* ("**Regulation 54-101**") requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

This Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**" or "**OBO's**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**" or "**NOBO's**").

Subject to the provision of Regulation 54-101 issuers may request and obtain a list of their NOBO's from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of

Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for delivering these materials to you and executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Beneficial Shareholders who are OBOs should contact and carefully follow the instructions of their broker or intermediary in order to ensure that their Shares are voted at the Meeting. Most intermediaries delegate responsibility for obtaining instructions from clients to Broadridge in the United States and in Canada. Broadridge will mail a voting instruction form (“VIF”) in lieu of a Proxy provided by the Corporation. The VIF will name the same persons as the Corporation’s Proxy to represent your Shares at the Meeting. You have the right to appoint a person (who needs not be a Shareholder of the Corporation) other than any of the persons designated in the VIF to represent your Shares at the Meeting. To exercise this right, you should insert the name of your desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting and the appointment of any Shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Shares voted at the Meeting, or to have an alternative representative duly appointed to attend and to vote your Shares at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his or her broker (or his or her broker’s agent), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Shares as proxyholder for the registered Shareholder by entering his or her own name in the blank space on the proxy form provided to him or her by his or her broker (or his or her broker’s agent) and return it to that broker (or that broker’s agent) in accordance with the broker’s instructions (or the agent’s instructions).

**All references to Shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to Registered Shareholders of the Corporation as set forth on the list of Registered Shareholders of the Corporation as maintained by the registrar and transfer agent of the Corporation, Computershare, unless specifically stated otherwise.**

#### **INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON**

Except as described herein and with regards to the executive compensation of directors and officers, Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, of any director or executive officer of the Corporation who has held that position at any time since the beginning of the Corporation’s last financial year, or of any proposed nominee for election as director of the Corporation or any associate or affiliate of any of the foregoing.

#### **AUTHORIZED CAPITAL STOCK, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares (issuable in series). As of the Record Date, 18,665,836 Shares of the Corporation were issued and outstanding and no preferred shares are issued and outstanding. The holders of Shares of record at the close of business on the Record Date are entitled to vote such Shares at the Meeting on the basis of one vote for each Share held, except to the extent that:

- (a) such person transfers his or her Shares after the Record Date; and

- (b) the transferee of those Shares produces properly endorsed Share certificates or otherwise establishes his ownership to the Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his or her name be included on the Shareholders' list.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Corporation's audited consolidated annual financial statements for the financial year ended July 31, 2019 and the auditors' report thereon will be presented to the Meeting but will not be subject to a vote.

### 2. ELECTION OF DIRECTORS

Management of the Corporation is supervised by the board of directors (hereinafter called the "**Board of Directors**" or "**Board**"), composed of a minimum of 3 and a maximum of 10 directors in accordance with the Corporation's by-laws. The members of the Board are elected annually at each annual meeting of Shareholders to hold office until the next annual meeting unless, prior thereto, such director resigns, or the office of such director becomes vacant by death, removal, or other cause. A total of four nominees are being proposed as directors for election by the Shareholders at the Meeting for the current year, each to hold office until the next annual meeting of Shareholders or until such person's successor is elected or appointed.

All nominees have served continuously as director of the Corporation since their appointment or first election in such capacity.

The following table states the names and place of residence of the individuals proposed to be nominated for election as directors. This table also sets out, for each individual, their principal occupation or employment, the periods during which they have served as directors of the Corporation, Board committee memberships, other directorships and the number of securities of the Corporation beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction, as at the date hereof.

Name and Place of Residence	Principal Occupation, Biography and Other Directorships
<p><b>JOHN G. BOOTH</b> London, United Kingdom Director since May 25, 2018 Independent Chair of the Audit Committee Shares: 261,666 Options: 125,000</p>	<p>John Geoffrey Booth holds a BSc(Hons) in biology and environmental science, both Canadian and US law degrees (LLB, JD) and a Masters in international finance, tax and environmental law from King's College, University of London (LLM). He is called to bars of Ontario, New York and District of Columbia and has over 25 years of international experience in financial services as an investment banker, broker, strategy consultant, fund manager, director and chief executive officer. He has worked with Merrill Lynch International, ICAP, ABN AMRO Bank NV, CIBC, the World Bank, Climate Change Capital and Conservation Finance International over his career and has also co-founded three financial services businesses. Mr. Booth has served as a nominee non-executive director for the European Bank for Reconstruction and Development nominee and as a non-executive director of the Ottawa River Keeper environmental charity.</p> <p>Other directorships: Chairman of Laramide Resources Ltd. (TSX/ASX); Chairman of European Electric Metals (TSXV); Head of Audit committee of Cub Energy Ltd. (TSXV); Chair of the Audit and Governance Committees of Cerro de Pasco Resources Inc. (CSE).</p>

Name and Place of Residence	Principal Occupation, Biography and Other Directorships
<p><b>RENÉ BRANCHAUD</b>            Québec, Canada            Director since November 12, 2018            Not Independent            Member of the Audit Committee            Shares: 50,000            Options: 100,000</p>	<p>René Branchaud, Secretary of the Corporation, is a partner at the law firm Lavery, de Billy, L.L.P. Mr. Branchaud sits on the boards of directors and acts as secretary of several publicly traded companies in the mining industry.</p> <p>Other directorship: Maya Gold &amp; Silver Inc. (TSX) and Midland Exploration Inc. (TSXV)</p>
<p><b>GUY GOULET</b>            Québec, Canada            Director since May 25, 2018            Not Independent            Shares: 1,488,186            Options: 450,000</p>	<p>President and Chief Executive Officer of the Corporation.</p> <p>Guy Goulet has graduated in geological engineering from Ecole Polytechnique de Montréal in 1986. He has been active in the mining sector for more than 30 years. From 2000 to 2008, he served as co-founder, president and chairman of H2O Innovation Inc., a water treatment company that manufactures and installs integrated systems for various markets. He joined Maya Gold &amp; Silver Inc. as President and CEO from November 2008 to June 2017.</p> <p>Other directorship: Cerro de Pasco Resources Inc. (CSE).</p>
<p><b>HUBERT VALLÉE</b>            Québec, Canada            Director since May 25, 2018            Independent            Member of the Audit Committee            Shares: 243,111            Options: 100,000</p>	<p>Hubert Vallée graduated from Laval University in Engineering. He joined Québec Cartier Mining as Project Engineer and was promoted to Director of Operations for its Pellet Plant in 2001. He managed the Iron Ore Company of Canada's Pellet Plant in Sept-Iles before joining Domtar Inc. as CEO of its pulp mill in Lebel-sur-Quévillon. He joined Consolidated Thompson in 2006 and was one of the key people who made this project happen. After the sale of Consolidated Thompson Cliffs, Mr. Vallée acted as Vice President Project Development for Phase II of Bloom Lake operation. He has also been involved as Senior Vice President, Project Development, at Century Iron Mines. From February 2014 to September 2016, Mr. Vallée acted as President and CEO of Lamelee Iron Ore Ltd. of which he remains a director.</p>

The information as to shares beneficially owned or over which the above-named individuals exercise control or direction has been furnished by the respective nominees individually. As of the date hereof, the directors of the Corporation, as a group, beneficially own, or exercise control or direction, directly or indirectly, 2,042,963 Shares, or 10.9% of the issued and outstanding Shares.

#### **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Except as described below, to the knowledge of the Corporation, and except as disclosed below, none of the foregoing nominees for election as a director of the Corporation:

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation,

and which in all cases was in effect for a period of more than 30 consecutive days (an “Order”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

- (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer, or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer, or chief financial officer of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

To the knowledge of the Corporation, and except as disclosed below, none of the nominees for election as director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Hubert Vallée was a director of Canadian Metals Inc., a Québec corporation listed on the Canadian Securities Exchange, when on July 29, 2016, the AMF issued a temporary management cease trade order, against the directors and officers of the reporting issuer. The management cease trade order was issued in connection with the filing by the reporting issuer of a technical report that did not comply with the requirements of NI 43-101. The management cease trade order was lifted on October 4, 2016, following the filing of a compliant revised technical report.

In 2008, a penalty of \$57,500 was imposed to Guy Goulet by the AMF. The AMF alleged that Mr. Goulet was in default to declare, within ten days, the changes to his control over the securities of H2O Innovation Inc. The allegations against Mr. Goulet were not related to the default of filing his insider reports, but for late filing of his reports.

René Branchaud has been a director of Malaga Inc. (“Malaga”) since 1997. In June 2013, Malaga filed a notice of intention to make a proposal pursuant to the provisions of Part III of the *Bankruptcy and Insolvency Act* (Canada). Pursuant to the notice of intention, Raymond Chabot Inc. has been appointed as the trustee in Malaga’s proposal proceedings and in that capacity is monitoring and assisting Malaga in its restructuring efforts. These proceedings have the effect of imposing an automatic stay of proceedings that will protect Malaga and its assets from the claims of creditors and others while Malaga pursues its restructuring efforts. Malaga submitted a proposal dated October 4, 2013 to its creditors; such proposal was accepted by the creditors pursuant to a vote held on December 13, 2013 and approved by judgment of the Superior Court rendered on January 7, 2014.

You can vote for the election of all the nominees described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. **Unless otherwise**

instructed, the persons named in the accompanying Proxy will vote FOR the election of each of the nominees described above as director of the Corporation.

### 3. APPOINTMENT OF AUDITORS

Management proposes that Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, be reappointed as auditors of the Corporation for the 2019 fiscal year and that the directors be authorized to fix their remuneration.

Unless instructed otherwise, the persons named in the accompanying Proxy intend to vote FOR the appointment of Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, as auditors of the Corporation for the 2019 fiscal year and FOR their remuneration to be fixed by the directors of the Corporation.

### STATEMENT OF EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6V for Venture Issuers, as such term is defined in *Regulation 51-102 respecting Continuous Disclosure Obligations*.

For purposes of this Circular, Named Executive Officer (“NEOs”) of the Corporation means, at any time during the most recently completed financial year:

- (i) the Corporation’s chief executive officer (“CEO”);
- (ii) the Corporation’s chief financial officer (“CFO”);
- (iii) the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (iv) each individual who would be a named executive officer under paragraph (iii) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the most recently completed financial year.

During the Corporation’s fiscal year ended July 31, 2019, the following individuals were NEOs of the Corporation:

- Guy Goulet, CEO;
- Robert Boisjoli, CFO

The following table details all compensation paid by the Corporation and its subsidiaries to the Corporation's NEOs and directors (excluding compensation securities) for the fiscal year ended July 31, 2019.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year ended July 31	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Robert Boisjoli CFO	2019	\$41,267 <sup>(1)</sup>	-	-	-	-	\$41,267
John Geoffrey Booth Director	2019	-	-	\$25,131	-	-	\$25,131
René Branchaud Corporate Secretary and Director	2019	-	-	-	-	-	-
Guy Goulet President, CEO and Director	2019	\$88,000 <sup>(2)</sup>	-	-	-	-	\$88,000
Hubert Vallée Director	2019	-	-	\$20,869	-	-	\$20,869

**Notes:**

- (1) An amount of \$7,000 was paid to Robert Boisjoli & Associés S.E.C., a management corporation controlled by Mr. Boisjoli, and represent mainly consulting fees. The balance of \$34,267 was paid to Robert Boisjoli, as salary.
- (2) These amounts were paid to 7002513 Canada Inc., a management corporation controlled by Mr. Guy Goulet, and represent mainly consulting fees.

***Stock Option Plan, Stock Options and Other Compensation Securities***

The board of directors of the Issuer adopted a stock option plan on March 1, 2019. For further information regarding the Stock Option Plan, please refer to the section “*Approval of Incentive Stock Option Plan*” above.

The following table sets forth the options granted to the NEOs and Directors to purchase or acquire securities of the Issuer outstanding at the end of the most recently completed financial year<sup>(1)</sup>:

Name and position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Robert Boisjoli	Stock options	225,000	March 22, 2019	0.25	0.185	0.175	March 22, 2024
John Geoffrey Booth	Stock options	125,000	March 5, 2019	0.25	0.185	0.175	March 5, 2024

Name and position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
René Branchaud	Stock options	100,000	March 5, 2019	0.25	0.185	0.175	March 5, 2024
Guy Goulet	Stock options	450,000	March 5, 2019	0.25	0.185	0.175	March 5, 2024
Hubert Vallée	Stock options	100,000	March 5, 2019	0.25	0.185	0.175	March 5, 2024

(1) The aggregate dollar value of the in-the-money unexercised vested options held at the end of the last financial year, based on the difference between the market value of the Common Shares at the financial year end and the exercise price of the options. This does not mean the options were exercised or that any shares were sold at these values.

### **Oversight and Description of Director and Named Executive Compensation**

The Issuer established a compensation committee which recommends how directors will be compensated for their services as directors. The compensation committee is expected to recommend the granting of stock options in such amounts and upon such terms as may be recommended by the compensation committee and approved by the Board from time to time.

The compensation committee will also consider and make recommendations with respect to the compensation of the executive officers of the Issuer. It is anticipated that all executive officers of the Issuer will receive cash compensation and stock option grants in line with market practice for public issuers in the same industry and market and of the same size as the Issuer.

### ***Compensation Program Objectives***

The objectives of the Corporation's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Corporation's continued success;
- to align the interests of the Corporation's executives with the interests of the Corporation's Shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics.

### ***Purpose of the Compensation Program***

The Corporation's executive compensation program has been designed to reward executives for reinforcing the Corporation's business objectives and values, and for their individual performances.

### ***Elements of Compensation Program***

The executive compensation program consists of a combination of base salary, performance bonus and stock options.

### ***Purpose of Each Element of the Executive Compensation Program***

The base salary of a NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed base salary, each NEO is eligible to receive a bonus meant to motivate the NEO and is determined on a case by case basis. Awards under this plan are made by way of cash payments only, which payment are made at the end of the financial year. The Corporation does not establish fixed objectives used to determine bonuses paid out to executives.

Stock options are generally awarded to NEO on an annual basis. The granting of stock options upon hire aligns NEO's rewards with an increase in shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Corporation's performance and in the value of the Shareholders' investments.

### ***Determination of the Amount of Each Element of the Executive Compensation Program***

#### ***Intervention of the Board of Directors***

Compensation of the NEOs of the Corporation, other than the CEO, is reviewed annually by the CEO, who makes recommendations to the Board. The Board reviews the recommendations of the CEO and approves the compensation of the NEOs based on the recommendations of the CEO. Compensation of the CEO and members of the Board is reviewed annually by the Board.

#### ***Base Salary***

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group". The Board relies on the general experience of its members in setting base salary amounts.

#### ***Performance Bonuses***

Annual bonuses granted to NEOs are determined on a case by case basis and may be awarded at the sole discretion of the Board for individual achievements, contributions or efforts that the Board has determined can reasonably be expected to have a positive impact on shareholder value. The factors considered in assessing the bonus amounts include, but are not limited to, the position of the NEO and expense control.

#### ***Stock Options***

The Corporation's Stock Option Plan, under which stock options are granted to directors, officers, employees and consultants as an incentive to serve the Corporation in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Stock Option Plan, determines the number of options granted to such individuals, determines the date on which each option is granted and the corresponding exercise price. For further information

regarding the Stock Option Plan, please refer to the section “*Approval of Incentive Stock Option Plan*” above.

The Board makes these determinations subject to the provisions of the Stock Option Plan and, where applicable, the policies of the Exchange.

### ***Link to Overall Compensation Objectives***

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The fixed base salary of each NEO, combined with the granting of stock options and bonus, has been designed to provide total compensation which the Board believes is competitive.

### ***External Compensation Consultants***

During the fiscal year ended July 31, 2019, the Corporation did not retain the services of an executive compensation consultant to assist the Board in determining the compensation for any of the Corporation’s NEOs.

### ***Compensation Risk Management***

The Board has not proceeded to an evaluation of the implications of the risks associated with the Corporation’s compensation policies and practices. The Corporation has not adopted a policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Corporation’s securities granted as compensation or held, directly or indirectly, by directors or officers. To the knowledge of the Corporation, none of the NEOs or directors purchased such financial instruments during the financial year ended July 31, 2018.

### ***Pension Plan Benefits***

The Corporation does not have a pension plan that provides for payments or benefits to the NEOs, nor to the directors at, following, or in connection with retirement.

### ***Employment, Consulting and Management Agreements***

There was no employment contracts or other agreements in place during the last completed financial year providing for payment in case of termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO’s responsibilities. There were also no employment contract or other agreement in place under which compensation was provided or is payable in respect of services provided to the Corporation or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or a NEO.

### ***Liability insurance***

The directors and officers are covered by liability insurance. The Corporation has a Directors’ and Officers’ Liability and Corporation Reimbursement Insurance policy that provides coverage of up to \$5,000,000 per claim and insurance period, for which it pays an annual premium of \$11,445. The policy has a \$25,000 deductible that the Corporation has undertaken to cover in the event of a claim.

### ***Securities Authorized For Issuance Under Equity Compensation Plans***

The following table sets out certain details as at July 31, 2019, the end of the Corporation’s financial year, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	1,450,000	\$0.25	50,000
Equity compensation plans not approved by securityholders	—	—	—
<b>Total</b>	1,450,000	\$0.25	50,000

#### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, there is no indebtedness of executive officers, directors, employees and former executive officers, directors and employees of the Corporation or any of its subsidiaries outstanding in connection with a purchase of securities or else.

Since the beginning of the most recently completed financial year of the Corporation, none of the directors, executive officers or employees, or former directors, executive officers or employees of the Corporation nor any proposed director or the Corporation or affiliate or associate of the foregoing, was indebted to the Corporation nor has the Corporation guaranteed or otherwise supported any indebtedness of any of the said parties during that period.

#### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein and in the audited financial statements of the Corporation, the Corporation is not aware of any material interest of any director, executive officer or other insider of the Corporation or a subsidiary of the Corporation, or any proposed director of the Corporation, or any person associated or otherwise related to any of them, in any material transaction carried out since the commencement of the most recently completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or a subsidiary of the Corporation.

#### MANAGEMENT CONTRACTS

No management functions of the Corporation or a subsidiary of the Corporation are performed to any substantial degree by any person or company other than the directors and executive officers of the Corporation or a subsidiary of the Corporation.

#### CORPORATE GOVERNANCE PRACTICES

The Corporation believes in the importance of a strong Board of Directors and sound corporate governance policies and practices to direct and manage its business affairs. Good corporate governance is essential to retaining the trust of our Shareholders and attracting the right people to the organization.

The following discussion outlines some of the Corporation's current corporate governance practices, particularly with respect to the matters addressed by *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* ("Regulation 58-101") and *Policy Statement 58-201 to Corporate Governance Guidelines*, which set out a series of guidelines for effective corporate governance such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of the Board's members.

## 1. Board of directors

The Board is currently composed of seven directors. Two of the current directors are not “independent” pursuant to Regulation 58-101. Guy Goulet is not independent since he is an executive of the Corporation.

## 2. Directorships

The other boards of directors to which each of the Corporation’s directors is member are indicated under the section of the Circular titled “*Matters to be acted upon at the Meeting - Election of Directors*”.

## 3. Ethical Business Conduct

Each director of the Corporation, in exercising his powers and discharging his duties, must act honestly and in good faith with a view to the best interests of the Corporation and further must act in accordance with the law and applicable regulations, policies and standards.

In situation of conflict of interest, a director is required to disclose the nature and extent of any material interest he has in any material contract or proposed contract of the Corporation, as soon as the director becomes aware of the agreement or the intention of the Corporation to consider or enter into the proposed agreement and the director must refrain from voting in respect of any such matter.

### Assessments

Please refer to the responsibilities of the Committee described above.

## 4. Diversity

There is currently no director or senior manager which is part of the four designated groups under the *Canada Business Corporations Act*.

While it believes that diversity is important and thus considers diversity when reviewing, identifying and nominating candidates to director or senior management positions, the Corporation does not have a board diversity policy. Considering the size of the Corporation and consistent with its view that all appointments should be made based on merit, the Board has refrained from setting specific diversity targets, including targets regarding the representation of designated groups on the Board.

The Corporation does not have term limits or other mechanisms of board renewal.

## AUDIT COMMITTEE

### 1. Audit Committee Charter

The text of the Audit Committee’s charter is attached as Schedule “A” to this Circular.

The audit committee of the Corporation (“**Audit Committee**”) meets regularly in order to assist the Board of Directors in fulfilling its responsibilities with respect to the following:

- (i) its oversight of the Corporation’s accounting and financial reporting principles and policies and internal audit controls and procedures;
- (ii) its oversight of the integrity and transparency of the Corporation’s financial statements and the independent audit thereof;
- (iii) selecting, evaluating and, where deemed appropriate, replacing the external auditors;

- (iv) evaluating the independence of the external auditors;
- (v) its oversight of the Corporation's risk identification, assessment and management program; and
- (vi) its oversight of the Corporation's compliance with legal and regulatory requirements in respect of the above.

## **2. Composition of the Audit Committee**

The Audit Committee is composed of three members: John Geoffrey Booth (Chairman), Hubert Vallée and René Branchaud. Each member is also a director of the Corporation. The Audit Committee has met three times during the most recently completed financial year.

All the members are independent within the meaning of *Regulation 52-110 respecting Audit Committees* ("Regulation 52-110") with the exception of René Branchaud. The Corporation is relying upon the exemption in section 6.1 of Regulation 52-110.

All members of the Audit Committee are "financially literate" and/or "financial experts", within the meaning of applicable regulations. In considering criteria for determination of financial literacy, the Board assesses the ability to understand financial statements of the Corporation. In determining accounting or related financial expertise, the Board considers familiarity with accounting issues pertinent to The Corporation, past employment experience in finance or accounting, requisite professional certification in accounting, and any other comparable experience or background which results in the individuals' financial sophistication.

## **3. Relevant Education and Experience of Audit Committee Members**

The Corporation believes that each of the members of the Audit Committee possesses: (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (d) an understanding of internal controls and procedures for financial reporting.

The relevant education and experience of the Audit Committee members is described under the section of the Circular titled "*Matters to be acted upon at the Meeting - Election of Directors*".

## **4. Audit Committee Oversight**

At no time since the commencement of the Corporation's most recent completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

## **5. Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of Regulation 52-110 (*De Minimis Non-Audit Services*) or an exemption from Regulation 52-110, in whole or in part, granted under Parts 6 and 8 of Regulation 52-110, other than the exemption granted under Section 6.1 of Regulation 52-110, which exempts venture issuers from the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations).

## 6. Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services. However, any non-audit service shall be submitted to the Audit Committee for approval.

## 7. External Auditor Service Fees

The following table presents fees for the audits of the Corporation's annual consolidated financial statements for 2019 and for other services provided by the Corporation's external auditors in the last fiscal year.

Category of Fees	Year ended July 31, 2019
Audit fees <sup>(1)</sup>	\$42,777 <sup>(5)</sup>
Audit-related fees <sup>(2)</sup>	\$20,803 <sup>(5)</sup>
Tax fees <sup>(3)</sup>	\$5,000
All other fees <sup>(4)</sup>	\$530
<b>Total</b>	<b>\$64,110</b>

Notes:

- (1) The aggregate fees billed for audit services, including fees relating to the review of financial statements and statutory audits of the Corporation.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed under "Audit Fees".
- (3) The aggregate fees billed for tax compliance, tax advice and tax planning services.
- (4) "All other fees" include all other non-audit services.
- (5) These amounts were billed after July 31, 2019 and will be recognized in the profit or loss for the year ended July 31, 2020.

## OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, the persons named in the Proxy will vote the Shares represented thereby in accordance with their best judgment on such matter.

## ADDITIONAL INFORMATION

Additional information regarding the Corporation and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com) including the Corporation's audited financial statements and management discussion and analysis (MD&A) for the financial year ended July 31, 2019, a copy of which may also be obtained upon request from Guy Goulet, President and CEO, at 22 Lafleur N., Suite 203, Saint-Sauveur, Québec, J0R 1R0. **The Board of Directors of the Corporation has approved the contents of the Circular and its sending to the Shareholders.**

Montréal, Québec, December 24, 2019

BY ORDER OF THE BOARD OF DIRECTORS

*(s) Guy Goulet*

President and Chief Executive Officer

## SCHEDULE A

### AUDIT COMMITTEE CHARTER

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the “**Committee**”) of the directors (the “**Board**”) of Genius Metals Inc. (“**Genius**”).

#### 1. Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented by management of Genius; and
- external and internal audit processes.

#### 2. Composition and Membership

- (a) The members (collectively “**Members**” and individually a “**Director**”) of the Committee shall be appointed by the Board to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A member of the Committee may resign at any time and a member of the Committee will cease to be a member of the Committee upon ceasing to be a director of Genius.
- (b) The Committee will consist of at least three members. If the composition of the Board permits it, a majority of the members of the Committee should be a Director who is independent and every member of the Committee must be financially literate to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules, regulations and stock exchange requirements (collectively “**Applicable Laws**”). In this Charter, the terms “independent” and “financially literate” have the meaning ascribed to such terms by Applicable Laws and include the meaning given to similar terms herein by Applicable Laws to the extent such similar latter terms are applicable under Applicable Laws.
- (c) The chairman of the Committee will be appointed by the Board and confirmed by the Committee or appointed by the Committee from time to time and must have such accounting or related financial management expertise as the Board or Committee may determine in their business judgment. The secretary of Genius (the “**Secretary**”) will be the secretary of all meetings and will maintain minutes of all meetings, deliberations and proceedings of the Committee. In the absence of the Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

#### 3. Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than two (2) times per year. Any member of the Committee or the auditor of Genius may call a meeting of the Committee at any time upon not less than forty-eight (48) hours advance notice is given to each member of the Committee orally, by telephone, by facsimile or by email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.

- (b) At the request of the external auditors of Genius, the Chief Executive Officer or the Chief Financial Officer of Genius or any member of the Committee, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (c) The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select one their number to act as Chairman of the meeting.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.
- (e) The Committee may invite from time to time such persons as the Committee considers appropriate fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee, except to the extent the exclusion of certain persons is required pursuant to this Charter or by Applicable Laws. The Committee will meet in camera without management at each meeting of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Genius to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

#### **4. Duties and Responsibilities**

The duties and responsibilities of the Committee as they relate to the following matters, to the extent considered appropriate or desirable or required by Applicable Laws, are to:

##### **4.1 Financial Reporting and Disclosure**

- (a) review and recommend to the Board for approval, the audited annual financial statements of Genius, including the auditors' report thereon, the quarterly financial statements of Genius, the management discussion and analysis of Genius, financial reports of Genius, guidance with respect to earnings per share, and any public release of financial information of Genius through press release or otherwise, with such documents to indicated whether such information has been reviewed by the Board or the Committee;
- (b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents;
- (c) review with management of Genius and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS") all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Genius' financial position and the results of its operations in accordance with IFRS;
- (d) annually review Genius' corporate disclosure policy and recommend any proposed changes to the Board for consideration; and
- (e) review the minutes from each meeting of the disclosure committee of Genius established pursuant to Genius' corporate disclosure policy, since the last meeting of the Committee.

## **4.2 Internal Controls and Audit**

- (a) review and assess the adequacy and effectiveness of Genius' system of internal control and management information systems through discussions with management and the external auditor to ensure that Genius maintains: (a) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Genius' transactions; (b) effective internal control systems; and (c) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of Genius at any particular time;
- (b) satisfy itself that management has established adequate procedures for the review of Genius' disclosure of financial information extracted or derived directly from Genius' financial statements;
- (c) periodically assess the adequacy of such systems and procedures to ensure compliance with regulatory requirements and recommendations;
- (d) review and discuss the major financial risk exposures of Genius and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;
- (e) review and assess, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Genius' risk management policies and procedures with regard to identification of Genius' principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by Genius; and
- (f) review and assess annually, and in the Committee's discretion make recommendations to the Board regarding, the investment policy of Genius.

## **4.3 External Audit**

- (a) recommend to the Board a firm of external auditors to be engaged by Genius;
- (b) ensure the external auditors report directly to the Committee on a regular basis;
- (c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- (d) review and approve the compensation of the external auditors, and the scope and timing of the audit and other related services rendered by the external auditors;
- (e) review the audit plan of the external auditors prior to the commencement of the audit;
- (f) establish and maintain a direct line of communication with Genius' external and internal auditors;
- (g) meet in camera with only the auditors, with only management, and with only the Members at every Committee meeting;
- (h) review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;
- (i) oversee the work of the external auditors appointed by the shareholders of Genius with respect to preparing and issuing an audit report or performing other audit, review or attest services for Genius, including the resolution of issues between management of Genius and the external auditors regarding financial disclosure;
- (j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative

treatments of financial information that have been discussed with management of Genius, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;

- (k) discuss with the external auditors their perception of Genius' financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;
- (l) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and
- (m) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

#### **4.4 Associated Responsibilities**

- (a) monitor and periodically review the whistleblower policy and associated procedures for:
  - i the receipt, retention and treatment of complaints received by Genius regarding accounting, internal accounting controls or auditing matters;
  - ii the confidential, anonymous submission by directors, officers and employees of Genius of concerns regarding questionable accounting or auditing matters; and
  - iii any violations of any Applicable Laws that relate to corporate reporting and disclosure, and
- (b) review and approve the hiring policies of Genius regarding employees and partners, and former employees and partners, of the present and former external auditor of Genius.

#### **4.5 Non-Audit Services**

Pre-approve all non-audit services to be provided to Genius or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

#### **4.6 Oversight Function**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Genius' financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are Directors, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Genius, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on

such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Genius' financial information or public disclosure.

#### **5. Reporting**

The Committee shall provide the Board with a summary of all actions taken at each Committee meeting or by written resolution. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Secretary will circulate the minutes of each meeting of the Committee and each written resolution passed by the Committee to the Board. The Committee shall produce and provide the Board with all reports or other information required to be prepared under Applicable Laws.

#### **6. Access to Information and Authority**

The Committee will be granted unrestricted access to all information regarding Genius and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at Genius' expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

#### **7. Review of Charter**

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.