



GENIUS METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended
July 31, 2019
(Fourth Quarter)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") of Genius Metals Inc., ("Genius Metals" or "GENI" or the "Company") follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of Genius Metals, on how the Company performed during the three-month and year ended July 31, 2019. It includes a review of the Company's financial condition and a review of operations for the three-month and year ended July 31, 2019.

This MD&A complements the audited financial statements for the year ended July 31, 2019 but does not form part of them. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations and it should be read in conjunction with the audited annual financial statements as at July 31, 2019 and related notes thereto.

The audited financial statements for the years ended July 31, 2019 and 2018 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") applicable to the preparation of annual financial statements. The accounting policies applied in the financial statements are based on IFRS issued and effective as at July 31, 2019. On November XX, 2019, the Board of Directors approved, for issuance, the audited annual financial statements.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com. The shares of Genius Metals are listed on the Canadian Securities Exchange ("CSE") under the symbol "GENI".

REPORT'S DATE

The MD&A was prepared with the information available as at November 26, 2019.

COMPARATIVE PERIOD

Since the Company was incorporated on May 25, 2018 under the *Canada Business Corporations Act.*, there will be no comparative period.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". In the interest of providing shareholders and potential investors with information regarding Genius Properties, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to: volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks. The preliminary assessments contained in the Technical Report referred to in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements.

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The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

NATURE OF ACTIVITIES

The Company was incorporated on May 25, 2018 under the *Canada Business Corporations Act*, in conjuncture to the Acquisition by the Company of substantially all of the assets and liabilities including all of its Canadian mining properties of Cerro de Pasco Inc. (formerly Genius Properties Ltd.) by way of a spin-off. The Company's shares are listed on the Canadian Stock Exchange ("CSE") under the symbol GENI. The Company head office is 203-22 Lafleur Ave N., Saint-Sauveur, Québec J0R 1R0.

The Company, an exploration an evaluation stage company, is in the business of acquiring and exploring mineral properties in Canada. Its focus is currently on the exploration and evaluation of its mineral properties in Québec and Nova Scotia.

BUSINESS DEVELOPMENT HIGHLIGHTS

- **Grant from New Brunswick Government**

In May 2019, the Company has received confirmation for a grant of \$30,000 from the New Brunswick Junior Mining Assistance ("NBMAP") in order to perform a VTEM survey on the A-Lake property at the total cost of \$81,150. The Company will be credited \$51,150 of work in regard with the option agreement it entered into with Atlantic Vanadium Corp.

- **Grant of Share Options**

Between March and May 2019, the Company granted 1,450,000 share options to directors, officers, members of the technical committee, consultants and an employee at an exercise price of \$0.25 per share, expiring between March and May 2024 respectively.

- **Hiring of a Vice-President Corporate Development**

On April 15, 2019, the company hired Pierre-Olivier Goulet to serve as Vice-President Corporate Development. Mr. Goulet will assist the president in the day-to-day management duties as well as to oversee the geological work with the team of geologists/prospectors.

BUSINESS DEVELOPMENT SUBSEQUENT EVENTS

- **Debt Settlement**

On November 15, 2019, the Corporation has agreed with a creditor to convert a total of \$179,684 in debt at a price of C\$0.25 per Share (the "Conversion"). These shares will be subject to a four-month hold period from the date of closing.

- **Private Placement**

On November 22 2019, the Corporation concluded the first tranche of a non-brokered private placement offering for gross proceeds to the Corporation of \$560,500.

Under the first tranche of the Private Placement, the Corporation issued and sold:

- 1,365,000 common share units at a price of \$0.20 per unit, with each such unit being comprised of one share and one common share purchase warrant of the Corporation entitling the holder thereof to purchase one Corporation Share at an exercise price of \$0.30 until May 22, 2021; and

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- 1,150,000 Flow-Through Share Units at a price of \$0.25 per unit, with each such unit being comprised of one "flow-through" Common Share and one-half of one common share purchase warrant of the Corporation entitling the holder of one whole warrant to purchase one Common Share at an exercise price of \$0.30 until May 22, 2021.

CORPORATE OBJECTIVES FOR 2020:

- The company intends to complete a diamond-drilling campaign on its Iserhoff and Sakami Properties during Q2-2020 following up the geophysics surveys (Q2-2019) and prospecting campaigns (Q1-2020) that were performed on both properties in 2019. For Iserhoff, a 1,000m exploratory drilling campaign is planned on the most promising targets and is set to begin on Q2-2020. A \$167,000 budget is planned for this drilling campaign. On the Sakami Property, 1,000m of exploratory drilling is planned on the most promising targets and a 192,000\$ budget is allocated for this drilling campaign. The drilling work is set to begin on Q3-2020.
- The company plans to complete a prospecting campaign on its A-Lake property based on the VTEM survey results carried out on Q4-2019. The VTEM survey revealed: a) Magnetic signatures defining different units and contacts in the Mount Douglas Granite (MGD) and probably the presence of a NS-oriented structure (fault?), b) high and anomalous Th, U, K concentrations associated with highly differentiated and commonly mineralized granitic units of the MGD, c) and/or from a silt-rich till cover rich in U, Th and REE-bearing minerals related to a NW-SE glacial dispersion.
- A prospecting campaign which includes a geochemical till survey and rock sampling/assaying is designed to further investigate this region of the property. A \$50,000 budget is allocated for the prospecting campaign.

EXPLORATION HIGHLIGHTS

- Drill targets were established on the Iserhoff and Sakami properties based on the geophysics surveys performed on both properties during Q2-2019.
- A VTEM survey and prospecting campaign were completed on the A-Lake property to held finding the source of the mineralized outcrops and boulders found on the property during previous exploration campaigns.

EXPLORATION SUBSEQUENT EVENTS

- A prospecting campaign which consisted mostly of rock sampling in regions of detected geophysical anomalies were completed on the Sakami and Iserhoff Property during Q1-2020. A crew of four prospectors and two field geologists spent two weeks prospecting at Sakami and sent 109 rock samples for multi-elements assaying in Val d'Or. On the Iserhoff property, a team composed of a geologist and three prospectors devoted a week to explore the property and a total of 16 grab rock samples were sent for gold assaying in Val d'Or.
- During Q1-2020, the company began the A-Lake prospecting campaign to follow-up the results of the VTEM survey. A crew of local prospectors began collecting rock and till samples that will be sent for assaying. A significant soil anomaly was discovered as part of this prospecting campaign.

EXPLORATION ACTIVITIES FOR THE THREE-MONTH PERIOD ENDED JULY 31, 2019

During the three-month period ended July 31, 2019, the Company invested \$97,230 in exploration and evaluation assets (excluding the exploration and evaluation assets acquired from the Asset Transfer Agreement and impairment) of which 78% of the total was spent on A-Lake property, 11% on Iserhoff Property and a remaining 11% on Sakami property.

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Exploration and evaluation assets
For the three-month period ended July 31, 2019

	Dissimieux Lake OC	Sakami OC	Robelin OC	KM381 OC	Iserhoff OC	Mt Cameron NS	Blockhouse NS	Kemptville NS	Chocolate Lake NS	Leipsigate NS	Dares Lake NS	Gold River NS	Meaghers NS	Nictaux NS Option	A Lake NB	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Exploration and evaluation assets																
Drilling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stripping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Geophysical	-	2,500	-	-	2,150	-	-	-	-	-	-	-	-	-	65,392	70,042
Geology	375	8,401	-	-	8,150	-	-	-	-	-	-	-	-	-	1,822	18,748
Geochemistry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prospecting ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,440	8,440
Asset Transfer Agreement	(5,194)	(69,708)	(9,315)	-	-	(15,379)	(30,209)	(1,458)	-	(2,336)	(3,965)	-	(19,318)	-	-	(156,882)
Impairment	-	(65,723)	(21,859)	-	-	-	(20,255)	-	-	2,336	3,965	-	618	-	-	(100,918)
	(4,819)	(124,530)	(31,174)	-	10,300	(15,379)	(50,464)	(1,458)	-	-	-	-	(18,700)	-	75,654	(160,570)
Mining properties:																
Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
Mining rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000
Asset Transfer Agreement	(138,958)	(502,059)	(390,342)	(1,149)	-	(102,475)	(15,735)	(3,433)	(3,004)	(7,522)	(48,147)	(717)	(4,993)	-	-	(1,218,534)
Impairment	-	(160,109)	(916,025)	-	-	-	(9,593)	-	-	7,522	48,147	-	278	-	-	(1,029,780)
	(138,958)	(662,168)	(1,306,367)	(1,149)	-	(102,475)	(25,328)	(3,433)	(3,004)	-	-	(717)	(4,715)	-	11,000	(2,237,314)
Balance, beginning of period	483,312	1,596,581	1,337,541	3,845	253,255	418,465	150,412	18,764	11,233	-	-	2,818	38,095	12,424	46,134	4,372,879
Balance, end of period	339,535	809,883	-	2,696	263,555	300,611	74,620	13,873	8,229	-	-	2,101	14,680	12,424	132,788	1,974,995

A-Lake Property

During Q3-2019, the Company entered into a services agreement with Geotech to perform a VTEM plus survey on the A-lake property at a cost of \$81,150. The objective of this VTEM survey was to trace the source of mineralized float samples/boulders found on the property and its vicinity in previous exploration campaigns. The VTEM plus survey was conducted during Q4-2019. Since the Company received a \$30,000 grant from the NBJMAP (New Brunswick Junior Mining Assistance Program), the company will be credited \$51,150 of work relative to its option agreement with Atlantic Vanadium Corp. The company also carried out prospecting consisted of a till sample collection on set exploration grids. The samples were analyzed with a handheld XRF spectrometer to located soil anomalies in base and granophile elements. Several maps defining base metal anomalies were drafted as part of this prospecting campaign. The Company has also staked a new block of 40 claims contiguous to the northwest limit the property at a cost of \$900.

Sakami/Iserhoff Property

During Q4-2019, a mandate was given to consulting firm Geon Ltée. (Michel Boily) to produce various geological maps and reports on the exploration campaign that took place in Q2-2019.

EXPLORATION ACTIVITIES FOR THE YEAR ENDED JULY 31, 2019

During the year ended July 31, 2019, the Company invested \$429,605 in exploration and evaluation assets (excluding the exploration and evaluation assets acquired from the Asset Transfer Agreement and impairment) of which 46% of the total was spent on Sakami property, 33% on Iserhoff Property, 19% on A-Lake property and a remaining 2% on other properties.

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GENIUS METALS INC. Exploration and evaluation assets For the year ended July 31, 2019

	Dissimieux Lake OC	Sakami OC	Robelin OC	KM381 OC	Iserhoff OC	Mt Cameron NS	Blockhouse NS	Kemptville NS	Chocolate Lake NS	Gold River NS	Meaghers NS	Nictaux NS Option	A Lake NB	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Exploration and evaluation assets														
Drilling	-	-	-	-	-	-	-	-	-	-	1,494	-	-	1,494
Stripping	-	-	-	-	-	-	-	-	-	-	-	-	2,730	2,730
Geophysical	-	161,973	-	-	123,885	-	-	-	-	-	-	-	65,393	351,251
Geology	1,250	10,200	-	-	9,050	-	-	1,477	700	-	1,788	-	3,810	28,275
Geochemistry	-	801	-	-	-	-	-	-	-	-	-	-	-	801
Prospecting	-	22,844	-	-	7,234	-	-	800	-	-	547	-	10,016	41,441
General field expenses	-	3,613	-	-	-	-	-	-	-	-	-	-	-	3,613
Impairment	-	(65,723)	(21,859)	-	-	-	(20,255)	-	-	-	(5,099)	-	-	(112,936)
Asset Transfer Agreement	12,190	101,990	21,859	-	-	36,091	70,892	3,421	-	-	13,411	-	-	259,854
	13,440	235,698	-	-	140,169	36,091	50,637	5,698	700	-	12,141	-	81,949	576,523
Mining properties:														
Acquisition	-	-	-	-	121,440	22,600	-	-	-	-	-	12,424	46,299	202,763
Mining rights	-	(279)	-	-	1,946	1,440	(3,348)	120	480	420	140	-	4,540	5,459
Impairment	-	(160,109)	(916,025)	-	-	-	(9,593)	-	-	-	(1,067)	-	-	(1,086,794)
Asset Transfer Agreement	326,095	734,573	916,025	2,696	-	240,480	36,924	8,055	7,049	1,681	3,466	-	-	2,277,044
	326,095	574,185	-	2,696	123,386	264,520	23,983	8,175	7,529	2,101	2,539	12,424	50,839	1,398,472
Balance, beginning of period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of period	339,535	809,883	-	2,696	263,555	300,611	74,620	13,873	8,229	2,101	14,680	12,424	132,788	1,974,995

Sakami Property

On September 2018, CDP's and QP geologist Michel Boily visited the Sakami Property in order to fulfill AMF's requirements relative to the filing of a 43-101 report and a 43-101 report was filed the same month. During Q2-2019, the North Sakami property was submitted to prospecting, geological mapping and channel sampling along the northern shore of Lake Sakami. A grid was refurbished to initiate ground-based magnetic and IP/ resistivity surveys. The objective of the program was to investigate the gold potential of the northern Sakami volcanosedimentary assemblage for its gold potential in relation to the major crustal fault dividing the northern La Grande from the metasedimentary Opinaca subprovinces. Subsequently, the Company has conducted a magnetic and IP/Resistivity surveys on the new and refurbished gridlines in the northern portion of the Sakami property. Following the positive results of the geophysics survey, which presented strong magnetic anomalies along the crustal fault, the Company was able to establish drilling targets and has prepared and budgeted a drilling campaign. Based on the advancement provided by the geophysical survey, the Company intends to drill 1,000m at the Sakami property for Q3-2020 on the most promising targets. During the 2019 fiscal year, the company abandoned 29 claims on the property which were part of the Southern portion of the property. Those claims were thoroughly evaluated as part of previous exploration campaigns and did not present significant gold mineralization potential and were therefore abandoned.

Iserhoff Property

During Q2-2019, the Company conducted an induced polarization ground-based survey on a new established grid. The IP survey totaling approximately 26 km was completed in the eastern section of the property. Based on the magnetic anomalies discovered with the geophysics, the Company planned new drill targets for the property as well as a new fieldwork program which consists of digging, trenching and rock samples assaying in preparation for a drilling campaign.

A-Lake Property

Genius has completed a technical due diligence of the A-lake Property on Q2-2019, this involved a review of geological information available, of the prior exploration work and a prospection of the property by Genius' geologists. A total of 32 monzogranite rock samples, mostly floats, were recovered from various parts of the property including from one 25x1m trench. Assay values revealed 22 samples with significant copper values (0.12-7.96%), 10 with Pb concentrations higher than 2600ppm (0.26-1.43%) and 11 having Zn values ranging from 0.1 to more than 1%. High values of Ag (23-100ppm), Mo (1990-2880ppm), W (above 200ppm) were also reported. During Q3-2019, the Company entered into a services agreement with Geotech to perform a VTEM plus survey on the A-lake property for the cost of \$81,150. The VTEM plus survey took place during Q4-2019. Since the Company received a \$30,000 grant from the NBJMAP (New Brunswick Junior Mining Assistance Program), the company will be credited \$51,150 of work relative to its option agreement with Atlantic Vanadium Corp. Simultaneously, the company initiated a prospecting which consisted in locating soil anomalies with the help of a portable handheld spectrometer (XRF gun). Different exploration grids were

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established on the property and on those grids, prospectors systematically collected soil samples to be analyzed with the portable spectrometer. Different maps (radioactivity, k%, etc.) were elaborated as part of this prospecting campaign. The Company has also staked a new block of 40 claims contiguous to the property to the northwest at a cost of \$900 during May 2019 (Q4-2019)

Meaghers Property

The Company planned and budgeted a drilling campaign on the Meaghers property during Q3-2019. The Company applied for a grant in order to lower the financial burden associated with this drilling campaign but was not approved. The company intends to reapply for grants in 2020 in order to perform this drilling campaign. During Q4-2019, the Company decided to abandon the furthest 42 claims to the Southwest of the property due to their proximity to a golf club which makes geological work practically impossible nearby the golf. Also, those claims are the furthest from the nearby Touquoy gold mine (to the Northeast of the property) which also justify the decision to abandon those claims.

Robelin Property

The Robelin property was visited by CDPR' geologists in September 2018 (Q1-2019) to satisfy the requirement of the AMF related to the filing of a 43-101 Technical Report. A 43-101 was filed on September 2018 (Q1-2019). During the 2019 financial exercise, the company decided to abandon 46 claims on the property that were not covering the main significant geophysical anomaly. The decision was mostly justified by the distance and the high costs associated with the exploration work in the region. The company also decided to let expire the remaining claims on the property for the same financial reason.

Blockhouse Property

No major exploration work was conducted on the property during the 2019 fiscal year. Since the property is composed by system of mineralized veins, the property is composed of many blocks of claims, one of which covers the Prest Vein that saw limited underground (narrow vein) production in the late 1800s up until the early 1930s. During the fiscal year 2019, the Company chose to abandon 14 of the 49 claims which are the furthest from the Prest Vein and were historically claimed as exploration/secondary targets for the property. The company kept the core (35 claims) of the property in good standing.

Other Properties

During the 2019 fiscal year, the Company kept in good standing or renewed all its claims on the following secondary properties without incurring major exploration work: Dissimieux Lake (QC), Mount Cameron Graphite Property (NS), Kemptville Property (NS), Chocolate Lake (NS), Gold River (NS) and KM381 (QC)

The following claims on secondary properties were abandoned or it was decided that the Company will let them expire during the 2019 financial exercise: Leipsigate (NS) and Dares Lake (NS).

CURRENT PROJECTS

Sakami Property (Québec)

On April 5, 2017, Cerro de Pasco Resources Inc. (formerly Genius Properties Ltd.) ("CDPR") has entered into an option agreement with many prospectors to acquire a 100% interest in 128 mining claims of the Sakami Property, located in Québec, by issuing 6,000,000 common shares. On May 26, 2017, CDPR acquired 100% interest by issuing the 6,000,000 common shares at a fair value of \$0.20 per share for a consideration of \$1,200,000. The property straddles the contact between Opinaca and La Grande geological sub-provinces over a distance of 35 km in the James Bay territory. The property is subject to a 2.0% net smelter returns royalty (NSR) on production, of which half (1/2) may be purchased at any time by the Company for \$1,000,000.

The Sakami property, located in the James Bay area of the Province of Quebec, straddles the structural contact between the Opinaca and La Grande Archean subprovinces which exposes a significant number of gold showings related to sulphide-rich quartz veins in iron formations and shear zones. The Sakami property

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displays diverse lithologies showing signs of alteration and/or gold mineralization (Au =1 to 5 g/t) principally associated with mylonitic or sheared zones.

During the 2017 fall exploration campaign CDPR conducted a ground-based PP, EM-VLF and magnetometric surveys along a 34 km grid on the South Block of its Sakami property located in the James Bay area, Quebec. The geophysical surveys were accompanied by the collection of humus and soil samples, the latter to be analyzed for 53 elements using the Mobile Metal Ions (MMI) technology. Several grab samples were also gathered for precious and base metal determination.

Alternatively, significant gold mineralized samples with values greater than 100 ppb occurred in the northeastern Sipanikaw sectors of the property principally in sheared or mylonitized hydrothermally altered (pyritized, sericitized) metavolcanic rocks and in iron formations.

CDPR has filed on Sedar a NI 43-101 technical report for the Sakami Property titled "The Sakami Property, La Grande Subprovince, James Bay Territory, Quebec, NTS 33F07,08,09,10", with an effective date of September 10, 2018. The technical report was independently prepared by Michel Boily, PhD, geo of Montreal, Quebec.

2018-2019 Exploration Program

The objective of the program was to investigate the gold potential of the northern Sakami volcanosedimentary assemblage for its gold potential in relation to the major crustal fault dividing the northern La Grande from the metasedimentary Opinaca subprovinces. The Company conducted a magnetic and IP/Resistivity surveys on new and refurbished gridlines in the northern portion of the property. Further detailed mapping and rock sampling were implemented in the sector principally located on the northern shore of Lake Sakami shear/mylonite corridor.

During the Q2-2019, letters were sent to specific members of the Wememdjé Community (Chief and the Tallyman) to inform them about the Company's 2019 exploration program in their area.

The geophysics survey performed on the northern portion of the property unveiled significant magnetic anomalies which along with the significant data obtained with the surface prospecting work allowed the company to establish exploratory drilling targets.

A drilling campaign was planned and budgeted during the 2019 fiscal year and is planned for Q3-2020. The drilling will consist of 1,000m spread between the 6-7 most promising targets on the property.

During the course of the 2019 fiscal year, the Company abandoned 29 claims on the northern portion of the property. The decision to abandon those claims was justified by the difficult access to those claims and by the lack of gold mineralization potential.

Iserhoff Property (Québec)

On November 2018, the Company purchased a 100% interest in the Iserhoff Property in consideration of the issuance of 500,000 common shares of the Company. The property is subject to a 2% NSR on production, of which half can be bought back for a cash payment of \$1,000,000.

The Iserhoff Property is located in the northern Abitibi Greenstone belt, Quebec in the central and western areas of Bergères Township, about 55 km NNE of Lebel-sur-Quévillon, Québec. The gold property was originally comprised of 29 mining claims totaling 1,621.68 ha or 16.22 km² which were 100% owned by Genius Metals. The property can be accessed by a network of forestry roads some of which join provincial highway 113 connecting Lebel-sur-Quévillon with Chibougamau.

During the month of November 2018 (Q2-2019) the Company Staked an additional 22 claims on the property to form a new consolidated block of claims which brings the property to a total of 51 claims.

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The property is underlain by highly and multiply deformed Archean intermediate volcanic rocks (andesite-dacite) and metasediments (greywacke) metamorphosed to the amphibolite grade. Iserhoff was acquired in view of the encouraging drilling campaign results obtained by O'Brien Gold Mines Limited showing five short DDH extending for 3.5 km along strike and yielding anomalous gold values at shallow depth (ex: 1.40 g/t @ 8.3 m, 1.24 g/t @ 14.5 m and 1.24 g/t @ 5.9 m) with locally, some associated silver, lead and zinc content. Strong IP anomalies in the central portion of the Iserhoff property are related to narrow (0.5 to 3 m), somewhat discontinuous, bands of massive to semi-massive pyrrhotite and pyrite-rich-rocks which returned low base metal values.

As part of the 2018-2019 exploration campaign, the company conducted an induced polarization ground-based survey on the Iserhoff Property. The IP survey totaled approximately 26 km

During the Q2-2019, letters were sent to specific members of the Waswanipi Community (Chief and the Tallyman) to inform them about the Company's 2019 exploration program in their area.

Meaghers Gold Property, Nova Scotia

On September, 2017, Genius announced the staking of 243 new mining claims in Nova Scotia covering an area of 39.3 square kilometres adjacent to Atlantic Gold's most developed resource: the Touquoy gold deposit.

The four Atlantic Gold deposits (Atlantic Gold Touquoy Open Pit Mine, Beaver Dam, Fifteen Mile Stream and Cochrane Hills Gold Mines) are associated with a weak aeromagnetic anomaly representing an overturned anticline composed of sedimentary rocks.

Genius staked property contains several gold showings, old exploration works such as the Meaghers Au-As Prospect, several DDH collared for Au-Pb-Zn exploration and two abandoned gold adits. These gold-bearing structures are all in trend with the magnetic anomaly associated with Atlantic Gold's four deposits. This suggests the extension of the gold mineralized zones is probably hidden under a thick overburden and/or forms deeply buried new mineralization.

The Meaghers property is located in South-Central Nova Scotia. It forms part of the Meguma Terrane and is underlain by folded Cambro-Ordovician age sedimentary sequences of the Meguma Group containing the gold prospective Goldenville Formation. The latter is invaded by Mid-Devonian granitoids.

On August 9, 2018, GENI has filed on SEDAR a National Instrument 43-101 ("NI 43-101") technical report for its Meagher Property located in Nova Scotia. The technical report entitled "The Meaghers Property, Halifax County, Nova Scotia Canada, NTS 11D/14D" dated July 21, 2018. The technical report was independently prepared by Michel Boily, PhD, geo of Montreal, Quebec.

2018-2019 Exploration Program

Starting mid-July 2018, GENI began exploration work on Meaghers. The work consisted of prospecting, geological mapping and rock sampling to generate exploration targets on which to focus more detailed work, such as channel sampling, trenching and geophysics. The objective was to evaluate the gold potential of the Goldenville Formation exposed in the Meaghers property near the contact with Atlantic Gold's mining claims.

Over the course of the 2019 fiscal year, the Company planned and budgeted a 1,000m exploratory drilling campaign on the northeastern portion of the property (closest to the Touquoy gold mine).

Over the course of the 2019 fiscal year, the company abandoned 42 claims which were located on the southwestern portion of the property. The decision to abandon those claims was justified by the presence of a golf club on nearby the Company's claim which renders exploration impossible. The Company also performed 'merging operations' with its claims which brought the total of active and effective claims to a total of 100.

MANAGEMENT'S DISCUSSION AND ANALYSIS

A Lake Property (New Brunswick)

In 2018, Genius Metals has completed a technical due diligence of the Property involving a review of geological information available and of the prior exploration work. A visit to the property was conducted by a qualified geologist who collected various copper mineralized samples from float material obtained by trenching. The samples collected were submitted for precious, base and trace element analysis.

The A-Lake property is located in southern New Brunswick within the Charlotte County, NTS map 21G07. It consists of six claims (8866, 8840, 8864, 8896, 8897 and 8900) containing 78 units covering 17.2 km². It consists of seven claims containing 118 units covering 28.6 km². The mineralization is found within the Late Devonian Mount Douglas Granite units hosting endogranitic granophile element Sn-, Mo-, Zn-, Bi and U greisen/sheeted veins. The claims are located < 20 km from the W-Mo Mount Pleasant deposit associated with hydrothermally porphyritic granites intruding intracaldera Late Devonian volcanic and sedimentary rocks of the Piskahegan Group.

The property was prospected during the late summer and fall of 2018. A total of 32 mineralized monzogranite rock samples, mostly floats, were recovered from various parts of the property including from one 25 x1 m trench. Assay values reveal 22 samples with significant copper values (0.12-7.96 %), 10 with Pb concentrations > 2600 ppm (0.26-1.43 %) and 11 having Zn values ranging from 0.1 to > 1%. High values of Ag (23-100 ppm), Mo (1990-2880 ppm), W (>200 ppm) are accompanied by anomalous Li, Sn, Bi concentrations as a testimony of the association of the mineralization to the endogranitic granophile element type.

At A-lake, the Company interpreted the assay results and began the preparation of exploration work. The company has also staked a new block of 40 claims contiguous to the northwest limit of the property at a cost of \$900.

During Q3-2019, the Company entered into a services agreement with Geotech to perform a VTEM plus survey on the A-lake property at a cost of \$81,150. Since the company received a 30,000\$ grant from the NBJMAP to perform the survey, the company will be credited \$51,150 of work relative to its option agreement with Atlantic Vanadium Corp.

The VTEM survey revealed: a) Magnetic signatures defining different units and contacts in the Mount Douglas Granite (MGD) and probably the presence of a NS-oriented structure (fault?), b) high and anomalous Th, U, K concentrations associated with highly differentiated and commonly mineralized granitic units of the MGD, c) and/or from a silt-rich till cover rich in U, Th and REE-bearing minerals related to a NW-SE glacial dispersion. A prospecting campaign which includes a geochemical till survey will be conducted over the 2020 fiscal year.

Mt. Cameron Graphite Project (Nova Scotia)

On October 17, 2016, CDPR has entered into an option agreement with Mt Cameron Minerals Incorporated ("MCM") and 21 Alpha Resources Inc. to acquire an 80% interest in 82 mining claims located in Nova Scotia for the Mt Cameron Graphite Property, by issuing 600,000 common shares, by paying \$175,000 and by incurring \$1,000,000 of exploration expenditures over the next two years. As of December 31, 2016, CDPR paid the amount of \$125,000. The properties are subject to a 3% NSR of which 2.5% may be purchased at any time by the Company for \$2,000,000.

On January 3, 2017 CDPR amended its option agreement with Mt Cameron Minerals Incorporated and 21 Alpha Resources Inc. The amount of cash payment had been reduced to \$125,000 instead of \$175,000 and the number of shares has been increased to 800,000 common shares instead of 600,000 common shares. The Company has issued 800,000 common shares to 21 Alpha Resources Inc. at a fair value of \$0.20 per share for a consideration of \$160,000.

On March 8, 2018 CDPR amended its option agreement with MCM. The Company has to incur exploration expenditures as follows: \$500,000 on or before December 31, 2018 and \$500,000 on or before December 31, 2019 instead of \$500,000 on or before December 31, 2017 and \$500,000 on or before December 31,

MANAGEMENT'S DISCUSSION AND ANALYSIS

2018. In consideration for the postponement of the deadlines of one year to incur the exploration expenditures, the Company issued 200,000 common shares on April 11, 2018 at a fair value of \$0.16 per share for a consideration of \$32,000 to shareholders of Mt Cameron Minerals Inc.

On November 13, 2018, Genius Metals amended its option agreement with MCM. 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. In consideration for the postponement of the deadlines of one year to incur the exploration expenditures, the Company issued 100,000 common shares to shareholders of Mt Cameron Minerals Inc.

The Mt. Cameron Graphite Deposit is located in the Boisdale Hills region of Cape Breton, Nova Scotia, marking a strategic entry into the large flake graphite market. Reports indicated this deposit has the potential of becoming one of the largest graphite mines in the world producing ultra-high purity flake graphite.

The Property is conveniently 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 is in close proximity to an electric utility. With the potential construction of NOVAPORT, a deep-water mega-terminal in Sydney, trans-Atlantic shipping would be readily available, Moreover, having an extensive history in steel manufacturing and coal mining, Sydney has a highly skilled workforce to offer.

The mineralization on the Property is represented by flake graphite in marbles of the George River Formation and has been identified along a strike length of approximately 12 km with zones up to 1.5 km wide interpreted to be up to 300 m in depth. Mt. Cameron has carried out prospecting, drilling and geophysics on the Property; all of which indicate an extensive mineralized zone. Preliminary mineral processing studies have been carried out by Dr. Ian Flint, former Director of the Minerals Engineering Center at Dalhousie University in Halifax.

Historical works:

- **2004** - As part of a regional reconnaissance exploration program, Mt. Cameron mapped extensive beds and ridges of graphitic marbles and schists of Precambrian (Grenvillian) age on the eastern flank of the Boisdale Hills, some 25 km west of Sydney, Nova Scotia. Preliminary metallurgical work on samples taken during the mapping campaign determined the graphite is of the rare flake form. Average grade of the graphitic marble surface samples was > 4% graphite (Cg);
- **2007** - The Province, through the Office of Economic Development and DNR, commissioned a graphite market study to determine market trends and supply / demand worldwide. The study determined the Property had good potential to be one of the largest graphite mines in the world. There are indications this deposit is substantial and has the potential for an annual production as high as 200,000 tonnes of ultra high purity flake graphite and still maintain a 20 year, or longer, mine life;
- **2008** - In August 2008, Mt. Cameron initiated an exploration and metallurgical testing program budgeted at \$4 million. Initial results from deep penetrating geophysics, drilling, assaying, bulk sampling, and pilot plant testing at the Mineral Engineering Centre at Dalhousie University met or exceeded expectations;
- **2009** - Further metallurgical work determined the flake graphite could be readily separated from the marble by flotation with expected commercial production after refining above 99% graphite. Bench scale metallurgical testing has already achieved a grade of 99.3% from a large bulk sample taken in 2008.
- **2010** - A 1,300 m diamond drilling program identified an area west of Campbell Lake where 10 holes intersected up to 40 m of high grade graphitic marble extending about 400 m along strike. This area shows considerable promise for the development of a substantial mining operation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- **2017**- A TDEM heliborne survey was carried out by Prospectair Geosurvey over the property allowing the discovery of four important conductive areas located in the northeastern area and associated with graphite-mineralized lithologies.

Robelin Property (Québec)

On April 5, 2017, CDPR has entered into an option agreement with 4 prospectors to acquire a 100% interest in 78 mining claims of the Robelin Property, located in Québec, by issuing 6,500,000 common shares. On May 26, 2017, CDPR acquired 100% interest by issuing the 6,500,000 common shares at a fair value of \$0.20 per share for a consideration of \$1,300,000. The Robelin Property is located 85 km East South East from the town of Kuujuaq. 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.

The Robelin property is composed of 78 continuous claims and located in the northwestern Labrador Trough in the Province of Québec. The northern segment of the Labrador Through is subdivided into four lithotectonic zones one of which, the Baby zone, underlies the property. The exposed rocks belong to the second volcanosedimentary cycle within the Baby zone. The property straddles part of the western Gerido and Mèlèzes domains of the Baby zone which are separated by the Robelin fault. East of the fault, silicate iron formations, pyritic graphitic shales or sulfide facies iron formations, phyllitic sediments (Baby Fm), minor basalts/sericite schists (Hellancourt Fm) and gabbros (Montagnais Sills) occur in a series of folds and thrusts. Mineralization encountered on the Robelin property is classified into exhalative Zn-Pb-Cu-Ag-bearing massive sulfides in graphitic mudstones.

CDPR has filed on Sedar a NI 43-101 technical report for the Robelin Property titled "The Robelin Property, Northern Labrador Through, Kativik, Koksoak River, Québec, NTS 24F12 and 13", with an effective date of September 3, 2018. The technical report was independently prepared by Michel Boily, PhD, geo of Montreal, Québec.

During the 2019 financial exercise, the company decided to abandon 46 claims on the property that were not covering the main significant geophysical anomaly. The decision was mostly justified by the distance and the high costs associated with the exploration work in the region. The company also decided to let remaining claims expire for the same financial reason.

KM 381 Lithium Project

The KM 381 project consists of 29 mining claims totaling 1,621.68 ha or 16.22 km². Easy access, 55km NNE of Lebel-sur-Quévillon, The project is in and less than two Km East of James Bay Lithium deposit.

The property lies within the Middle and Lower Eastmain River Greenstone Belt on the James Bay Territory (2705-2752 Ma). The GB is composed of Archean volcano-sedimentary assemblages metamorphosed to the amphibolite facies and exposing rocks from komatiitic flows to rhyolites with various sedimentary assemblages present. The Eastmain River Greenstone Belt is overlain by the Auclair Formation paragneiss (Nemiscau and Opinaca basins). Several plutons ranging from tonalitic to monzogranitic compositions intruded the volcanosedimentary rocks (2747-2697 Ma). The Galaxy Resources deposit (40.8 Mt @1.40% Li₂O as Indicated resource) is formed of granitic pegmatite dykes of albite and spodumene. These pegmatites are classified under the rare earth elements (Li-Cs-Ta) type . They form a local group of dykes intruded in paragneiss of the Auclair Formation.

During Q-3 2019, the company contacted Galaxy Lithium, which holds a world-class lithium deposit neighbouring the Company's claim at Km 381 in order to enquire about a possible joint-venture deal to conduct advancement work on the property. Negotiations have not yet begun between the two companies.

Dissimieux Lake

On March 21, 2016 and amended on May 4, 2016, CDPR has entered into an option agreement with Jourdan Resources Inc., to acquire a 100% interest in 15 mining claims located within Dissimieux Lake Phosphate Titanium-REE's property, province of Québec, by issuing 1,200,000 common shares within 15 days following

MANAGEMENT'S DISCUSSION AND ANALYSIS

the date of the signature and a number of common shares equivalent to an amount of \$180,000 within 90 days following the signature. On April 5, 2016, CDPR issued 1,200,000 common shares at a fair value of \$0.25 per share for a consideration of \$300,000. On June 20, 2016 CDPR fulfilled its obligations by issuing 720,000 common shares at a fair value of \$0.175 (value of \$0.25 as per the agreement for \$180,000) per share for a consideration of \$126,000.

The Project 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.

These claims are in good standing and remain an integral part of the assets of the Company.

Blockhouse Gold and other (Nova Scotia)

On May 4, 2016, CDPR has entered into an option agreement with two prospectors, to acquire a 100% interest in 107 mining claims, in nine exploration properties, located in Nova Scotia by issuing 1,000,000 common shares (500,000 common shares for each prospector). In addition, the Company will issue 100,000 common shares common shares for each \$1,000,000 in exploration and evaluation expenditures incurred by the Company, subject to a maximum of 500,000 common shares. An additional 500,000 common shares will be issued if the Company completes a Feasibility Study.

Nova Scotia properties originally consisted of the following: Blockhouse Gold NS, Dares Lake NS, Kemptville NS, Chocolate Lake NS and Gold River NS. The properties are subject to a 1.5% NSR of which two-thirds (2/3) may be purchased at any time by the Company for \$1,000,000. The majority of the Property lies within NTS area 21A and the land package includes 14 licenses comprised of 107 claims covering approximately 1,733 hectares (17.33 km²).

There are several documented gold bearing veins on the Blockhouse Property, most notably the Prest Vein that saw limited underground (narrow vein) production in the late 1800s up until the early 1930s. This property was revisited in the 1980s when 10 diamond drill holes were completed, testing near surface potential of the property. The drill results and historical mining results are documented in a 1989 drill summary report by James E. Tilsley & Associates Ltd. (filed as an assessment report AR 89-105 with the Nova Scotia DNR) where it is reported that 3,500 ounces of gold was recovered from 6,200 tons of mined and milled material from underground workings between the surface and 90 meters depth. It is further reported that most of the gold was recovered from the fissure vein that was within a very dark arenaceous slate horizon, they refer to this production area as the "Prest Shoot". Historical records on file with Nova Scotia Department of Natural Resources indicate that the Prest Shoot accounted for 2,043 tons of mill feed between 1896 and 1935, yielding 3,259 ounces of gold for an average grade of 1.59 ounces per ton (49.6 g/t). The width of the Prest Vein within the historically mined shoot is reported to average 0.25 meters (range of 0.15 to 0.61 m) and the wall rock where sampled is reported to average 0.085 ounces per ton (2.9 g/t), however there was insufficient sample data to determine how extensive the gold mineralization is within the host wall rock. Underground mapping and sampling of the 60-metre level occurred in the late 1930s, the Prest Shoot as described was traced for 138 metres in the north drift and averaged 0.35 metres in width with an average gold content of 0.37 ounces per ton.

There are also three other saddle type veins within the Blockhouse property, the Thompson Vein, the Centre Vein and the East Vein (aka Laxer vein). Samples of the Thompson and East vein have reportedly assayed in the order of 0.02 to 0.5 ounces per ton, the Centre vein has yet to be reported to contain gold. There was no underground work reported on these three veins.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Blockhouse Property (and the nearby Dares Lake Property) are underlain by metasedimentary rocks of the Meguma Series, the Goldenville Group (formerly Formation) is composed of arkosic quartzites and interbedded shales, it in turn is overlain by the Halifax Group (formerly Formation) that consists of a series of slates and shales, with a predominance of quartzite near the base.

On Blockhouse, since the property is composed by system of mineralized veins, the property is composed of many blocks of claims, one of which covers the Prest Vein. During the fiscal year 2019, the Company chose to abandon 14 of the 49 claims which are located the farthest from the Prest Vein and were historically claimed as exploration/secondary targets for the property. The company kept a core of 35 claims in good standing.

QUALIFIED PERSONS

Dr. Michel Boily P.Geol, is the qualified person under NI 43-101 who has reviewed and approved the technical information contained in this document.

SELECTED ANNUAL FINANCIAL INFORMATION

The following selected financial information is derived from our audited financial.

Functional and presentation currency

These selected annual financial information, selected quarterly financial information and other financial information are presented in Canadian dollars, the Company's functional currency.

IFRS Accounting policies

The Company's significant accounting policies under IFRS are disclosed in Note 4 in the audited annual financial statements for the year ended July 31, 2019.

Use of estimates and judgements

Please refer to Note 3.4 of the 2019 audited annual financial statements for an extended description of the information concerning the Company's significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses.

New standards and interpretations that have not yet been adopted

The information is provided in Note 4.19 of the audited annual financial statements for the year ended July 31, 2019.

Asset Transfer Agreement

The information is provided in Note 5 of the audited annual financial statements for the year ended July 31, 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENIUS METALS INC.
SELECTED ANNUAL FINANCIAL INFORMATION

	July 31 2019
	\$
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS	
General and administrative expenses:	
Salaries and employee benefit expense	138,940
Management and consulting fees	155,606
Travel and promotion	98,255
Registration, listing fees and shareholders information	38,226
Professional fees	285,233
Supplies and office expenses	56,596
Part XII.6 tax and other non-compliance penalty	4,984
Writedown of mining properties	1,086,794
Writedown of exploration and evaluation assets	112,936
Share-based compensation	189,291
Depreciation of equipment	1,324
	2,168,185
Other (revenues) expenses:	
Gain on settlement of trade accounts payable and other liabilities	(23,333)
Finance expense	1,474
Exchange loss	240
	(21,619)
Income tax recovery	(103,387)
	2,043,179
Net loss and comprehensive loss	
Basic and diluted loss per share:	0.17
	0.17
	July 31 2019
	\$
STATEMENTS OF FINANCIAL POSITION	
Cash and cash equivalents	127,109
Mining properties	1,398,472
Exploration and evaluation assets	576,523
Total assets	2,138,720
Equity	1,506,928

The basic and diluted loss per share during the year ended July 31, 2019 is \$0.17. During the year ended July 31, 2019, the Company realized a net loss and comprehensive loss of \$2,043,179.

The net loss and comprehensive loss of \$2,043,179 for the year ended July 31, 2019 is attributable to a significant writedown of mining properties of \$1,086,794 and a writedown of exploration and evaluation assets of \$112,936.

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the Board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

Results of operations for the year ended July 31, 2018

Net loss and comprehensive loss

During the year ended July 31, 2019, the Company realized a net loss and comprehensive loss of \$2,043,179.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The net loss and comprehensive loss of \$2,043,179 for the year ended July 31, 2019 is attributable to a significant writedown of mining properties of \$1,086,794 and a writedown of exploration and evaluation assets of \$112,936.

General and administrative expenses

During the year ended July 31, 2019, general and administrative expenses were \$2,168,185.

The general and administrative expenses of \$2,168,185 for the year ended July 31, 2019 is attributable to a significant writedown of mining properties of \$1,086,794 and a writedown of exploration and evaluation assets of \$112,936.

Other (revenues) expenses

During the year ended July 31, 2019, the other (revenues) expenses were revenues of \$21,619.

The other revenues of \$21,619 were attributable to a gain on settlement of trade accounts payable and other liabilities of \$23,333.

SELECTED QUARTERLY FINANCIAL INFORMATION

Genius Metals anticipates that the quarterly and annual results of operations will primarily be impacted for the near future by several factors, including the timing and efforts of the exploration's expenditures and efforts related to the development of the Company. Due to these fluctuations, the Company believes that the quarter to quarter and the year-to-year comparisons of the operating results may not be a good indication of its future performance.

The following selected quarterly financial information is derived from our unaudited condensed interim financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENIUS METALS INC.
SELECTED QUARTERLY FINANCIAL INFORMATION

	2019			
	Q4	Q3	Q2	Q1
	\$	\$	\$	\$
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS				
General and administrative expenses:				
Salaries and employee benefit expense	50,609	41,319	38,012	9,000
Management and consulting fees	24,375	51,190	45,961	34,080
Travel and promotion	3,927	68,347	17,636	8,345
Registration, listing fees and shareholders information	5,107	13,634	8,910	10,575
Professional fees	854	(10,075)	210,903	83,551
Supplies and office expenses	14,784	25,271	14,500	2,041
Part XII.6 tax and other non-compliance penalty	4,984	-	-	-
Writedown of mining properties	1,029,780	57,014	-	-
Writedown of exploration and evaluation assets	100,918	12,018	-	-
Share-based compensation	13,890	175,401	-	-
Depreciation of equipment	453	438	282	151
	1,249,681	434,557	336,204	147,743
Other (revenues) expenses:				
(Gain) loss on settlement of trade accounts payable and other liabilities	(24,782)	-	(15,941)	17,390
Finance expense	240	294	743	197
Exchange loss	2	238	-	-
	(24,540)	532	(15,198)	17,587
Income tax recovery	(73,606)	-	(17,613)	(12,168)
	1,151,535	435,089	303,393	153,162
Basic and diluted loss per share:	0.07	0.03	0.02	0.04
STATEMENTS OF FINANCIAL POSITION				
Cash and cash equivalents	127,109	264,449	449,670	759,266
Mining properties	1,398,472	3,635,786	3,698,730	3,502,005
Exploration and evaluation assets	576,523	737,093	605,494	477,570
Total assets	2,138,720	4,705,187	4,915,994	4,763,008
Equity	1,506,928	4,158,325	4,367,693	4,250,979

The net loss and comprehensive loss of \$1,151,535 for Q4-2019 is attributable to a significant writedown of mining properties of \$1,086,794 and a writedown of exploration and evaluation assets of \$112,936.

The net loss and comprehensive loss of \$435,089 for Q3-2019 is mainly attributable to the grant of 1,250,000 share options to directors, officers, members of the technical committee, consultants and an employee which the fair value was estimated at \$175,401.

The net loss and comprehensive loss of \$303,393 for Q2-2019 is mainly attributable to a substantial \$210,903 of professional fees in general and administrative expenses. This amount of \$210,903 consists mainly of Genius Metals' share of the legal and accounting expenses incurred by Cerro de Pasco in carrying out the Asset Transfer Agreement (See Note 5 in the condensed interim financial statements for the three-month and six-month periods ended January 31, 2019).

The net loss and comprehensive loss of \$153,162 for Q1-2019 is mostly attributable to a substantial amount of \$83,551 of professional fees in general and administrative expenses due to intensive and final work on the Asset Transfer Agreement.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of operations for the three-month period ended July 31, 2018

Net loss and comprehensive loss

The basic and diluted loss per share for the three-month period ended July 31, 2019 is \$0.07.

General and administrative expenses

During the three-month period ended July 31, 2019, general and administrative expenses were \$1,249,681.

The general and administrative expenses of \$1,249,681 for Q4-2019 are attributable to a significant writedown of mining properties of \$1,086,794 and a writedown of exploration and evaluation assets of \$112,936.

Other (revenues) expenses

During the three-month period ended July 31, 2019, the other (revenues) expenses were revenues of \$24,540.

The other revenues of \$24,540 were attributable to a gain on settlement of trade accounts payable and other liabilities of \$24,782.

CASH FLOWS

Cash flows used for operating activities

Cash flows used for operating activities were \$564,892 during the year ended July 31, 2019. The amount of \$564,892 is mostly attributable to the operating activities before changes in working capital items of \$734,554.

Cash flows from financing activities

Cash flows from financing activities were \$1,165,934 during the year ended July 31, 2019. The amount of \$1,165,934 is mostly attributable to the proceeds from private placements of \$1,195,642 raised during the year ended July 31, 2019.

Cash flows used for investing activities

Cash flows used for investing activities were \$473,933 during the year ended July 31, 2019. The amount of \$473,933 is explained by the acquisition of \$404,487 of exploration and evaluation assets during the year ended July 31, 2019.

OTHER FINANCIAL DISCLOSURES

Related party transactions

Please refer to Note 11 and 17 of the annual audited financial statements for the year ended July 31, 2019 for a summary of the Company's transactions with related parties period end balances.

Contingency

Governmental laws and regulations regarding environmental protection regulate the Company's operations. The environmental consequences are not easily identifiable, either in terms of results, the impacts or the

MANAGEMENT'S DISCUSSION AND ANALYSIS

expiration date. Currently, and to the best knowledge of its management, the Company is in conformity with current laws and regulations.

Subsequent events

On November 22, 2019, the Company issued 718,736 common shares at a fair value of \$0.20 per share for a total value of \$143,747 in settlement of accounts payable in the amount of \$179,684.

On November 22, 2019, the Company concluded a private placement by issuing 1,150,000 flow-through units at a price of \$0.25 per flow-through unit for proceeds of \$287,500. Each flow-through unit consists of one flow-through common share and one-half warrant for a total of 1,150,000 common shares and 625,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.30 until May 22, 2021. In Addition, the Company issued 1,365,000 units at a price of \$0.20 per unit for proceeds of \$273,000. Each unit consists of one common share and one warrant for a total of 1,365,000 common shares and 1,365,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.30 until May 22, 2021.

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 9,797,790 Genius Metals common shares for a consideration of \$2,018,342 and 2,212,097 adjustment warrants to shareholders of Genius Properties of \$69,902. The transfer was recorded at the carrying amount of the assets and liabilities transferred.

	July 31 2019
	\$
Mining properties	2,277,044
Exploration and evaluation assets	259,854
Trade accounts payable and other liabilities	(418,873)
Other liability related to flow-through financings	(29,781)
Consideration for the transfer	2,088,244

Off-financial position arrangements

As at July 31, 2019, the Company has no off-financial position arrangements.

Going concern assumption

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended July 31, 2019, the Company recorded a net loss of \$2,043,179 and has an accumulated deficit of \$2,043,179 as at July 31, 2019. 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 July 31, 2019, the Company had a negative working capital of \$475,743 (a working capital of \$10 as at July 31, 2018) consisting of cash and cash equivalents of \$127,109 (\$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 year ended July 31, 2019, the Company has raised \$1,195,642 from private placements consisting of common shares and flow-through shares to fund exploration works and working capital. There is no assurance that it will succeed in obtaining additional financing in the future.

Capital management

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

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 July 31, 2019, the Company has the obligation to incur \$215,479 in exploration expenditures no later than December 31, 2019 in order to comply with the requirements of flow-through private placement concluded in October and December 2018.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

	July 31 2019	July 31 2018
Equity	\$ 1,506,928	\$ 10
	1,506,928	10

Disclosure of Outstanding share data

The following selected financial information is derived from our unaudited financial statements.

GENIUS METALS INC.

Disclosure of outstanding share data (as at November 26, 2019)

Outstanding common shares:	18,665,836			
Outstanding share options:	1,450,000			
Average exercise price of:	\$0.250			
Average remaining life of:	4.03 years			
		Expiry date	Number	Exercise price
				\$
				Remaining life
				(years)
		April 1, 2020	100,000	0.25
		March 6, 2024	1,025,000	0.25
		March 23, 2024	225,000	0.25
		May 18, 2024	100,000	0.25
			<u>1,450,000</u>	
Outstanding warrants:	2,762,605			
Average exercise price of:	\$0.321			
Average remaining life of:	1.06 years			
		Expiry date	Number	Exercise price
				\$
				Remaining life
				(years)
		December 14, 2019	600,000	0.35
		December 21, 2019	64,000	0.35
		December 21, 2019	158,605	0.45
		May 22, 2021	1,940,000	0.30
			<u>2,762,605</u>	

RISK AND UNCERTAINTIES

An investment in the common shares of the GNI should be considered highly speculative. Genius Properties is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

Financial instrument risks

Please refer to Note 20 of the audited annual financial statements for the year ended July 31, 2019 for a summary of the Company's financial instruments risks.

Exploration and mining risks

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration and evaluation stage only. The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. Currently, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs.

The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

Titles to property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

Permits and licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Metal prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Environmental regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require

MANAGEMENT'S DISCUSSION AND ANALYSIS

submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Conflicts of interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Stage of development

The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or providing a return on investment, and in future, there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

Industry conditions

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

Uninsured risks

The Company's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental regulations, political uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Capital needs

The exploration and evaluation, development, mining and processing of the Company's properties may require substantial additional financing. The only current source of future funds available to the Company is the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Company or that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position.

In addition, any future equity financings by the Company may result in a substantial dilution of the existing shareholders. Failure to obtain sufficient financing may result in delaying or indefinite postponement of further exploration and evaluation, development or production on any or all of the Company's properties or even a loss of property interest.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Key employees

Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

Canada Customs and Revenue Agency

No assurance can be made that Canada Customs and Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada).

CERTIFICATION OF ANNUAL FILINGS

The President and Chief Executive Officer and the Chief Financial Officer have signed the Basic Certifications of Annual Filings as required by National Instrument 52-109 for venture issuer, thus confirming, the review, the absence of misrepresentations and the fair presentation of the annual filings.

- The President and Chief Executive Officer and the Chief Financial Officer confirm to have reviewed the annual financial statements and the annual MD&A (together, the "annual filings") of the Company for the year ended July 31, 2019.
- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the period presented in the annual filings.