

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: Genius Metals Inc. (the "Issuer").

Trading Symbol: GENI

Number of Outstanding Listed Securities: 19,525,836

Date: January 8, 2020

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

During the month of December, the Issuer began a 1,000 m exploratory drilling campaign on its Iserhoff property located near Lebel-sur-Quévillon, Quebec Province. The drilling is targeting the most promising geophysical anomalies provided by a recent ground-based IP survey.

On the Sakami property, James Bay, Quebec, the Issuer completed a helicopter-borne MAG-TDEM survey on the Northern Block. The Issuer also began adjusting its drilling targets based on the results of the survey.

The Issuer was inactive for the month of December on its other properties,

## Private Placement

On December 31, 2019, the Issuer completed the first tranche of a non-brokered private placement offering (the “**Private Placement**”) for gross proceeds to the Issuer of \$215,000.

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

- 860,000 Flow-Through Share Units at a price of \$0.25 per unit, with each such unit being comprised of one “flow-through” Issuer Share and one-half of one common share purchase warrant of the Issuer entitling the holder of one whole Warrant to purchase one Issuer Share at an exercise price of \$0.30 for a period of eighteen months.

The net proceeds of the Private Placement will be used principally for exploration campaigns on the Sakami and Iserhoff properties in Québec.

In connection with the first tranche of the Private Placement, the Corporation paid finder’s fees to arm’s length third parties in the amount of \$6,300.

2. Provide a general overview and discussion of the activities of management.

During the month of December, management of the Issuer focused its efforts on completing the second tranche of non-brokered Private Placement. Management of the Issuer also monitored carefully the ongoing exploratory drilling campaign on its Iserhoff property and on the geophysical survey conducted on the Sakami property.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

## Sakami Property

The Sakami property is located in the James Bay area of the Province of Quebec. The investigated northern segment of the property straddles the sheared/thrust and deformed contact between the Archean la Grande (Yasinski Group) and Opinaca (Laguiche Group) subprovinces. Samples with significant gold mineralization (values greater than 100 ppb) occur in the northern sector; the host rocks are either sheared and/or mylonitized hydrothermally altered (pyritized, sericitized) metavolcanic rocks and in iron formations.

During the month of December, the Issuer completed a helicopter-borne MAG-TDEM survey totally 794 linear km on the Northern Sakami Block. The Issuer also began adjusting its drilling targets based on the results of the survey. A drilling campaign is planned for early 2020.

## Iserhoff Property

The Iserhoff property is located 55 km NNE of Lebel-sur-Quévillon in the Northern Abitibi Greenstone Belt. The gold property comprises 51 mining claims totaling 28.5 km<sup>2</sup>, 100% owned by Genius Metals. It can be accessed by a network of forestry roads some of which

join provincial highway 113 connecting Lebel-sur-Quévillion and Chibougamau. The impetus for drilling is in part based on O'Brien Gold Mines drilling campaign results on a network of quartz veins injected in intermediate and felsic volcanics 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.

On December 5, 2019, the Issuer initiated a 1,000-1,500m drilling campaign on the Iserhoff property. The campaign targeted historical gold and base metal zones recently recognized in the field during a small exploration campaign conducted in late October which followed a ground-based IP geophysical survey conducted during Q2-2019.

Genius assembled a team of an experimented geologist and two camp managers to support the drilling work. The drilling work was contracted to Roby Drilling which will carry the work with a crew of four drillers.

Results will be released as soon as they have been compiled and interpreted.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

During the month of December, the Issuer entered into a binding contract with Prospectair Geosurveys Inc. to perform a helicopter-borne MAG-TDEM survey totalling 794 linear km on the Northern Block of the Sakami Property.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

N/A

8. Describe the acquisition of new customers or loss of customers.

N/A

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.  
N/A
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.  
N/A
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
14. Provide details of any securities issued and options or warrants granted.  
Pursuant to the **Private Placement** (see section 1)

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
"Flow-through" common shares	860,000	Issuance of 860,000 flow-through shares at a price of \$0.25 per flow-through unit consists of one (1) common share and one half (½) purchase warrants for gross proceeds of \$215,000	For eligible exploration work on the Sakami and Iserhoff properties in Québec
Warrants	430,000	Each whole warrant entitles its holder to purchase one additional common share at a price of \$0.30 per share for a period of 12 months from the date of its issuance.	

15. Provide details of any loans to or by Related Persons.  
N/A
16. Provide details of any changes in directors, officers or committee members.  
N/A
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.  
N/A

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 8, 2019.

Guy Goulet

Name of Director or Senior Officer



Signature

President and Chief Executive Officer

Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/D
Genius Metals Inc.	December 2019	2019/01/08
Issuer Address		
22 Lafleur Avenue North, Suite 203		
City/Province/Postal Code	Issuer Fax No.)	Issuer Telephone No.
Saint-Sauveur (Québec)		(579) 476-7000
Contact Name	Contact Position	Contact Telephone No.
Guy Goulet	President and Chief Executive Officer	(514) 294-7000
Contact Email Address	Web Site Address	
ggoulet@geniusmetals.com	www.genuismetals.com	