



CSE:GENI

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Genius Metals Closes Second Tranche of Non-Brokered Private Placement and Creates Advisory Board

SAINT-SAUVEUR, QUÉBEC – (December 21, 2018)

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Genius Metals Inc. (CSE:GENI) (“Genius Metals” or the “Corporation”) is pleased to announce the closing of a second tranche of a non-brokered private placement for gross proceeds of \$297,025 (the “Offering”), including the participation of institutional investor SIDEX for \$150,000.

Under the first and second tranches of the Offering, Genius Metals raised aggregate gross proceeds of \$ 1,215,642.

Under the second tranche of the Offering, Genius Metals issued and sold:

- 664,000 common share units (the “Common Share Units”) at a price of \$0.25 per Common Share Unit, with each such unit being comprised of one common share (a “Common Share”) and one common share purchase warrant entitling the holder thereof to purchase one Common Share at an exercise price of \$0.35 for a period of twelve months; and
- 374,357 Flow-Through Share Units (the “Flow-Through Share Units”) at a price of \$0.35 per Flow-Through Unit, with each such unit being comprised of one “flow-through” Common Share and one-half of one common share purchase warrant entitling the holder of one whole warrant to purchase one Common Share at an exercise price of \$0.45 for a period of twelve months.

The net proceeds of the Private Placement will be used principally for exploration campaigns undertaken on the Sakami and Iserhoff properties in Québec. Further proceeds will be devoted to the exploration of the Meaghers property in Nova Scotia and for general corporate purposes.

All securities issued pursuant to the Offering are subject to a hold period under applicable securities laws, which will expire four months plus one day from the date of their issuance.

Three insiders of the Corporation have participated in the Private Placement and were issued an aggregate of 44,000 Common Share Units and 42,900 Flow-Through Share Units. Their

participation in the Offering constitutes a “related party transaction” as defined under Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions (“61-101”). However, such participation is exempt from the valuation and minority shareholder approval requirements of 61-101 based on the fact that neither the fair market value of the Offering, nor the consideration paid by such insiders, exceeds 25% of the Corporation’s market capitalization. The Corporation did not file a material change report at least 21 days prior to the closing of the Offering as participation of the insiders had not been established at that time.

Exploration Update

Genius provides an update on its ongoing exploration programs on its flagship gold prospects: Sakami, Iserhoff and Meaghers.

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. Genius Metals is conducting induced polarization, magnetic and VLF geophysical ground-based surveys on the Northern Sakami claim block. As of December over 29 km of grid lines had been completed as part of the IP survey.

Iserhoff Property

The Iserhoff property is located in the northern Abitibi Greenstone Belt about 55 km NNE of Lebel-sur-Quévillon. The property is underlain by highly deformed and metamorphosed Archean intermediate volcanic rocks (andesite-dacite) and metasediments (wacke). The property was staked on the basis of the encouraging drill results obtained in 1955 by O’Brien Gold Mines; anomalous gold values with associated anomalous silver, lead and zinc values were obtained from five diamond drill holes. The Corporation is conducting induced polarization, magnetic and VLF geophysical ground-based surveys on the Iserhoff Property.

Meaghers Property, Nova Scotia

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. Starting mid-July 2018, Genius 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 drilling. The objective is to evaluate the gold potential of the Goldenville Formation exposed in the Meaghers property near the contact with Atlantic Gold’s mining claims. A drilling program is to be conducted starting in January 2019.

Advisory Board

The Corporation is pleased to announce the creation of an Advisory Board consisting of David Shaw, Ph.D. and Réjean Gosselin, M.Sc. The mandate of the Advisory Board will be to assist the Corporation in matters relating to acquisitions, exploration and development strategies.

David Shaw, Ph.D

Dr. David Shaw has in excess of three decades of experience in the resource and finance industries with specific emphasis on technical and financial due diligence of resource projects. He obtained a Bachelor of Science degree in Geology from the University of Sheffield, England in 1973 and his Ph.D in Structural Geology from Carleton University, in Ottawa, in 1980.

Dr. Shaw spent seven years with Chevron Resources in Calgary, AB, and Vancouver, BC, employed initially as an in-house structural consultant on both metal and hydrocarbon exploration programs. Upon leaving Chevron he initiated and developed the Resource Research Group at Charlton Securities Ltd., Calgary, before assuming the position of Senior Mining Analyst, Corporate Finance, at Yorkton Securities Inc. in Vancouver.

Dr. Shaw has built throughout his career strong relationships with European financial institutions and the global mining community. He is currently director and interim CEO of First Mining Gold Corp. and director of First Majestic Silver Corp., Great Quest Fertilizer and Medallion Resources Limited.

Réjean Gosselin, M.Sc.

Réjean Gosselin graduated from Laval University in 1979 with a M.Sc. in Geology. He has worked as a consulting geologist on uranium, gold and base metals mining exploration projects in Canada, United States, and South America since 1979. For the past 35 years, Mr. Gosselin acted as founder and promoter of numerous junior mining companies exploring for different commodities in Canada, West Africa, and Mexico. Mr Gosselin is responsible for gold and base metals discoveries in Canada and Mexico. Recent involvements include Dia Bras Exploration (now Sierra Metals) as President and CEO from 2003 to 2008 and most recently as Chairman of the Board of Maya Gold and Silver.

“On behalf of Genius Metals, I am pleased to welcome David Shaw and Réjean Gosselin to the newly created Advisory Board. Their broad mining knowledge, mining expertise and networks will be of great advantage to Genius Metals as we seek to strengthen the depth of our management team. We intend to make full use of their solid technical expertise to optimize the development of our promising projects and maximize their value for the benefit of our shareholders.” stated Guy Goulet, President & CEO.

The technical contents of this release were approved by Michel Boily, PhD, geo; a Qualified Person (QP) as defined by National Instrument 43-101.

About SIDEX

SIDEX is an initiative of the Québec government and the Fonds de Solidarité FTQ whose mission is to invest in companies engaged in mineral exploration in Québec in order to diversify the province’s mineral base, promote innovation and new entrepreneurs.

About Genius Metals

Genius Metals is a Canadian mineral exploration company focused on the acquisition, exploration and, if warranted, development of natural resource properties of merit in Canada.

The CSE has in no way passed upon the merits of the transactions and has neither approved

nor disapproved the contents of this news release. Neither the CSE nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this news release.

Forward-Looking Statements and Disclaimer

Certain information contained herein may constitute "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as, "will be", "expected" or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements, including the expectations of the Corporation's management regarding the use of proceeds of the Offering, are based on the Corporation's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Corporation will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

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