

# GENIUS PROPERTIES LTD.

## NOTICE OF ANNUAL MEETING

OF THE SHAREHOLDERS OF  
GENIUS PROPERTIES LTD.  
(formerly Synergy Acquisition Corp.)

MANAGEMENT INFORMATION CIRCULAR and  
PROXY STATEMENT

Place: 1 Place Ville-Marie  
Suite 3900

Montreal, QC H3B 4M7

Time: 1:00 p.m. (Montreal Time)

Date: June 20<sup>th</sup>, 2014

**GENIUS PROPERTIES LTD.  
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of GENIUS PROPERTIES LTD. (the “**Corporation**”) will be held at 1, Place Ville-Marie, Suite 3900, Montreal, QC H3B 4M7 on Friday, June 20<sup>th</sup>, 2014 at 1:00 p.m. (Montreal time) for the following purposes:

1. to receive the financial statements of the Corporation for the fiscal year ended December 31, 2013 and the auditors' report thereon; and
2. to elect the directors of the Corporation; and
3. to appoint Raymond Chabot Grant Thornton LLP, Chartered Accountants, as auditors and to authorize the directors to fix the auditors' remuneration;
4. to adopt an ordinary resolution approving and ratifying the Corporation's current 10% rolling stock option plan and the options granted thereunder; and
5. to transact such other business as may properly be brought before the Meeting, or any adjournment or adjournments thereof.

Only shareholders of record at the close of business on May 16, 2014 will receive a notice of the Annual and Special General Meeting and will be entitled to vote, in person or by proxy, at the meeting.

By order of the Board  
(Signed) *Stéphane Leblanc*  
Chief Executive Officer

Montreal, May 16, 2014

*Shareholders who are unable to attend the Meeting in person are requested to **COMPLETE AND SIGN THE ACCOMPANYING FORM OF PROXY** and forward it in the enclosed envelope to Computershare Investor Services Inc., 1500 University Street, 7<sup>th</sup> Floor, Montreal, QC H3A 3S8, to be received not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment or adjournments thereof, as applicable, in order for such proxy to be used at the Meeting, or any adjournment or adjournments thereof.*

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## GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this Management Information Circular and Proxy Statement.

“**Articles**” means the articles of incorporation of the Corporation, as amended.

“**Board**” means the board of directors of the Corporation.

“**CSE**” means the Canadian Securities Exchange..

“**Corporation**” means Genius Properties Ltd., a corporation continued under the CBCA.

“**Information Circular**” means this management information circular and proxy statement dated May 16, 2014, including the schedules appended hereto.

“**Meeting Date**” means June 20, 2014.

“**Meeting**” means the annual meeting of the Shareholders to be held at 1, Place Ville-Marie, Suite 3900, Montreal, Québec, on Friday, June 20, 2014 at 1:00 p.m. (Montreal time) for the purposes set forth in the Notice of Meeting.

“**Named Executive Officer**” means the following individuals: (a) each CEO, (b) each CFO, (c) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, and (d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year-end.

“**Notice of Meeting**” means the notice of the Meeting accompanying this Information Circular.

“**Options**” means options to purchase Shares.

“**Record Date**” means May 16, 2014.

“**SEDAR**” means system for electronic document access and retrieval.

“**Shareholder**” means a holder of Shares.

“**Shares**” means common shares in the capital of the Corporation.

# GENIUS PROPERTIES LTD.

## INFORMATION CIRCULAR

As at May 16, 2014

### GENERAL PROXY MATERIALS

#### Solicitation of Proxies

This Information Circular is provided in connection with the solicitation of proxies by the management of the GENIUS PROPERTIES LTD. (the "Corporation") for use at the Meeting for the purposes set forth in the Notice of Meeting. In addition to solicitation by mail, proxies may be solicited in person, by telephone or other means of communication, by directors, officers and employees of the Corporation who will not be specifically remunerated therefor. The cost of soliciting proxies will be borne by the Corporation.

#### Appointment of Proxyholder and Revocation of Proxies

The persons named in the enclosed form of proxy are directors or officers of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the form of proxy provided by the Corporation, to represent the Shareholder at the Meeting. To exercise this right, the Shareholder should insert the name of the desired representative in the blank space provided in the form of proxy or submit another appropriate form of proxy.** In order to be effective, a Shareholder must forward its proxy to Computershare Investor Services Inc. not later than 48 hours (excluding Saturdays, Sundays and holidays) preceding the Meeting, or any adjournment or adjournments thereof, as applicable. In addition, a Shareholder may bring the proxy to the Meeting and deliver it to the chairman of the Meeting prior to the commencement of the Meeting. The proxy shall be in writing and executed by the Shareholder or such Shareholder's attorney authorized in writing, or if such Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney, as applicable.

**A proxy is revocable. The giving of a proxy will not affect a Shareholder's right to attend and vote in person at the applicable Meeting.** In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy by instrument in writing executed by the Shareholder or such Shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited at the principal place of business of the Corporation located at 800 Rene-Levesque Blvd., Montreal, suite 425, H3B 1X9 at any time up to and including the last business day preceding the day of the applicable Meeting, or any adjournment or adjournments thereof at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment or adjournments thereof.

#### Proxy Voting

The Shares represented by a valid proxy will be voted or withheld from voting in accordance with the instructions of the security-holder on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the proxy, the Shares represented by the proxy will be voted or withheld from voting in accordance with such specification. In the absence of any such specification, the management designees, if named as proxy, will vote IN FAVOUR of the proposed resolution. The enclosed form of proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, or any adjournment or adjournments thereof. As of the date hereof, management of the Corporation know of no amendments, variations or other matters to come before the

Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the management of the Corporation.

### **Quorum**

Pursuant to the by-laws of the Corporation, business may be transacted at the Meeting if not less than two persons are present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or representative representing not less than 5% of the outstanding Shares carrying voting rights at the meeting.

### **Voting of Shares – Advice to Beneficial Holders of Securities**

The information set forth in this section is of significant importance to many Shareholders as a substantial number of the Shareholders hold their Shares through intermediaries such as brokers and their agents or nominees and not in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of the Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered under the name of the Shareholder on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent or nominee of that broker. Shares held by brokers or their agents or nominees can only be voted or withheld from voting upon any resolution upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers, their agents or nominees are prohibited from voting Shares for their clients.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or agent or nominee thereof) is identical to the form of the proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote Shares directly at the Meeting, rather the proxy must be returned to the intermediary well in advance of the Meeting in order to have the Shares voted. A Beneficial Shareholder may however request the intermediary to appoint the Beneficial Shareholder as a nominee of it as a proxy-holder. A Beneficial Shareholder should contact the intermediary, broker or agent and nominees thereof should it have any questions respecting the voting of the Shares.

The Corporation is sending proxy-related materials directly to non-objecting beneficial owners under National Instrument 54-101, Communication With Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”). Management of the Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the meeting materials and voting instruction form and accordingly an objecting beneficial owner will not receive the meeting materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

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

Other than as disclosed herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, of any director or executive officer of the Corporation who has held that position at any time since the beginning of the Corporation's last financial year, or of any proposed nominee for election as director of

the Corporation or any associate or affiliate of any of the foregoing, other than the election of directors or the appointment of auditors.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares (issuable in series). As of May 16<sup>th</sup>, 2014, 21,122,945 Shares of the Corporation are issued and outstanding and no preferred shares are issued and outstanding. The holders of Shares of record are entitled to vote such shares at the Meeting on the basis of one vote for each Share held, the Shares being the only class of shares entitled to vote at the Meeting.

The holders of Shares of record at the close of business on the Record Date, set by the directors of the Corporation to be May 16, 2014, are entitled to vote such Shares at the Meeting on the basis of one vote for each Share held, except to the extent that:

- (a) such person transfers his Shares after the Record Date; and
- (b) the transferee of those Shares produces properly endorsed share certificates or otherwise establishes his ownership to the Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his name be included on the shareholders' list.

Set out below are the names of all persons or companies who, to the knowledge of the directors or executive officers of the Corporation, beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to all issued and outstanding securities of the Corporation.

Name and Municipality of Residence	Type of Ownership	Class of Shares	Number of Shares	% of Shares
9248-7792 Québec Inc. Trois-Rivières, Québec	Direct	Common Shares	6,018,500	28.5%
9257-1256 Québec Inc. Trois-Rivières, Québec	Direct	Common Shares	3,995,000	18,9%

## Interest of Certain Persons or Companies in Matters to Be Acted Upon

Except as disclosed herein, the Corporation is not aware that any of the directors, nominees, officers or other insiders of the Corporation or any persons associated or otherwise related to any of them has any significant interest in the matters to be acted upon at the Meeting.

## Election of Directors

It is proposed by management of the Corporation that three (3) directors be elected for the current year. The term of office of each director so elected expires upon the election of his successor unless he resigns or his office shall become vacant by death, removal or other cause.

Except where authority to vote on the election of directors is withheld, the persons named in the accompanying Form of Proxy will vote **FOR** the election of the nominees whose names are hereinafter set forth.

The management of the Corporation does not contemplate that any of the nominees will be unable or, for

any reason will become unwilling, to serve as a director, but, if that should occur for any reason prior to the election, the persons named in the accompanying Form of Proxy reserve the right to vote for another nominee in their discretion, unless the shareholder has specified in the Form of Proxy that his shares are to be withheld from voting on the election of directors.

The following table sets forth certain information pertaining to the persons proposed to be nominated for election as directors.

<b>Name, position with the Corporation and province and country of residence</b>	<b>Principal occupation</b>	<b>Director of the Corporation since</b>	<b>Number of Shares beneficially owned or over which control or direction is exercised</b>
<b>STÉPHANE LEBLANC</b> President and Chief Executive Officer <i>Quebec, Canada</i>	President and Chief Executive Officer of the Corporation	October, 10, 2013	<b>6,018,500</b>
<b>GUY PAUL ALLARD</b> Director and Corporate Secretary <i>Quebec, Canada</i>	Counsel Dentons Canada LLP	October, 10, 2013	<b>100,000</b>
<b>PATRICIA LAFONTAINE</b> Director <i>Quebec, Canada</i>	Director and vice president of Rodillo Group Inc	October, 10, 2013	<b>Nil</b>

Each nominee has supplied the information concerning the number of Shares over which he exercises control or direction.

The directors, Stéphane Leblanc, Guy-Paul Allard and Patricia Lafontaine, whose names are herein above mentioned, have previously been elected directors of the Corporation at a shareholders' meeting for which a proxy circular was issued and hold the same principal occupation as when elected.

To the knowledge of the management of the Corporation, no nominee as a director of the Corporation is or has been, within the ten years preceding the date of this Circular, a director or officer of any other corporation which, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the other corporation access to any statutory exemptions for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

**Unless otherwise specifically instructed, the persons whose names are printed on the enclosed form of proxy intend to vote at the Meeting FOR the election of the nominees whose names are set forth above to the board of directors.**



## **Executive Compensation**

### **Compensation Discussion and Analysis**

#### *Philosophy and Objectives*

The compensation program for the executive officers of the Corporation is designed to ensure that the level and form of compensation achieves certain objectives, mainly:

- to attract and retain qualified executive officers;
- to have compensation competitive within the marketplace;
- to align executives' interests with those of the shareholders; and
- to reward demonstration of both leadership and performance.

The compensation paid to the Corporation's executive officers, including the Named Executive Officers (as hereinafter defined), is determined solely by the board of directors.

The Corporation does not have a formal compensation program with set benchmarks, however, the board of directors considers a variety of factors when determining compensation levels, as set out below.

#### *Elements of Executive Compensation Program*

The Corporation's compensation program for executive officers is composed primarily of the following components:

- (a) base salary or consulting fees;
- (b) performance bonus payments; and
- (c) participation in the Corporation's Stock Option Plan.

#### Base Salary or Consulting Fees

In determining the base salary or consulting fees of executive officers, the board of directors considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies which are similar in size as the Corporation, at the same stage of development as the Corporation and considered comparable to the Corporation;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Corporation and is expected to devote to the Corporation in the future; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

The process to determine the base salary or consulting fees consists only of discussions among the board members. The board of directors annually reviews the salary or consulting fees payable to the executive officers based on the aforementioned criteria to ensure that compensation levels are competitive and fair.

The Named Executive Officers of the Corporation are primarily compensated indirectly through consulting fees payable by the Corporation to their respective management companies or directly to them personally.

For the principal terms of these various management agreements, see “Executive Compensation - Compensation of Named Executive Officers” and “Executive Compensation - Termination and Change of Control Benefits”.

#### Performance Bonus Payments

Performance bonuses are payable in cash or through equity-based compensation and the amount payable is based on the board of directors’ assessment of the Corporation’s performance for the year. Factors considered in determining bonus amounts generally include individual performance, financial criteria (such as successful financings, project management performance) and operational criteria (such as significant mineral property acquisitions, successful mineral property exploration and development, resource growth and the attainment of other corporate milestones). The process to determine the performance bonus payments consist only of discussions among the board members.

#### Participation in the Stock Option Plan

The Corporation provides for participation in the Corporation’s Stock Option Plan. The granting of stock options is intended to encourage the maximization of shareholder value by better aligning the interests of the executive officers with the interests of shareholders. The options are granted by the board of directors at any given time at its discretion when deemed appropriate. The number of options granted is determined by taking into consideration assigned responsibilities and the performance of each of the executive officers. Previous grants of options are also taken into account when considering new grants. There is no specific time periods or circumstances which might trigger a grant of options. The process to determine the number of options granted consists only of discussions among the board members.

Stock options granted to the Named Executive Officers during the most recently completed financial year are disclosed herein under “Executive Compensation – Compensation of Named Executive Officers”.

#### **Compensation of Named Executive Officers**

As at December 31, 2013, the end of the most recently completed financial year of the Corporation, the Corporation had two Named Executive Officers (“NEO”), whose name and positions held within the Corporation are set out in the summary compensation table below.

Name and Principal Position	Year	Salary or Compensation (\$)	Share-Based Awards (\$)	Option-based Awards <sup>(3)</sup> (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans <sup>(4)</sup>	Long-term Incentive Plans			
Stéphane Leblanc President and Chief Executive Officer <sup>(1)</sup>	2013	18,750	Nil	Nil	Nil	Nil	Nil	Nil	18,750
Daniel Bélisle Chief Financial Officer <sup>(2)</sup>	2013	7,000	Nil	Nil	Nil	Nil	Nil	Nil	7,000

- (1) Mr. Leblanc's compensation was authorized by the board which had determined that his compensation was in line with similar other companies in the resource sector. Mr. Leblanc was appointed President and Chief Executive Officer of the Corporation on October 10, 2013. The compensation (consulting fees) was paid to 9248-7792 Quebec Inc., a management Corporation controlled by Mr. Stéphane Leblanc.
- (2) Mr. Bélisle's compensation is based on an consultancy agreement he has with the Corporation, determined in accordance to what is paid in the market, and invoices the Corporation for management and accounting services rendered. Mr. Bélisle was appointed Chief Financial Officer of the Corporation on November 15, 2013. The compensation for consulting fees and accounting services, was paid to Daniel Bélisle, CPA and to BF Capital Croissance Inc., a service Corporation controlled by Mr. Bélisle.
- (3) The allocation of share options by the Board of directors is based on the implication, qualification and availability of the members in regards to what is offered in the market. No options were issued during 2013.
- (4) There was no bonus paid during 2013.

### **Termination and Change of Control Benefits**

On October 10<sup>st</sup>, 2013, the Corporation contracted for a period ending October 10<sup>th</sup> 2015, a consulting services agreement with a private Corporation owned by the President. These services consist in overseeing the Corporation's operations, providing various management and marketing services including property search, and coordination and guidance for the financial growth of the Corporation. The Corporation may terminate this agreement subject to a payment of six (6) months times the monthly fee or \$45,000.

On November 1<sup>st</sup>, 2013, the Corporation contracted for a period ending November 1<sup>st</sup>, 2015, consulting services agreements with Daniel Bélisle, CPA and a private Corporation owned by the Chief Financial Officer. These services consist of providing information to the external auditors, production of annual and quarterly financial statements and MD&A, preparation of legal material and the financial evaluation of projects the Corporation is being presented. The Corporation may terminate these agreements subject to a payment of six (6) months times the monthly fee or \$21,000.

### **INCENTIVE PLAN AWARDS-SHARE BASED AND OPTION BASED**

#### **Stock Option Plan**

The Corporation has implemented a stock option plan (the "**Stock Option Plan**") for the benefit of employees, officers, directors and suppliers of the Corporation. The shareholders of the Corporation will be asked to adopt a resolution to approve and ratify the current 10% rolling stock plan of the Corporation, limiting the number of options issued to 10% of the outstanding shares. For more information on the Stock Option Plan, see the attached schedule "A".

The following table summarizes the awards to the following NEOs under the Stock Option Plan outstanding at the end of December 31, 2013:

Name	Option-based awards				Share-based awards	
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested
Stéphane Leblanc President and Chief Executive Officer	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Bélisle Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil

#### Incentive Plan Awards – value vested or earned

The following table discloses as of December 31, 2013 the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting dates:

Name	Option-Based Awards – Value Vested during the Year (\$)	Share-Based Awards – Value Vested during the Year (\$)	Non-Equity Incentive Plan Compensation – Value Vested during the Year (\$)
Stéphane Leblanc Chief Executive Officer	0 <sup>(1)</sup>	N/A	N/A
Daniel Bélisle Chief Financial Officer	0 <sup>(2)</sup>	N/A	N/A

Notes:

(1) No options vested during 2013.

(2) No options vested during 2013.

#### Director Compensation Table

The following table sets forth all annual and long term compensation for services in all capacities to the Corporation and its subsidiaries in respect of the Directors (other than Stéphane Leblanc and Daniel Bélisle whose compensation is disclosed above) for the most recently completed financial year.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Guy-Paul Allard	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Patricia Lafontaine	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Director Compensation: Incentive Plan Awards

The following table summarizes the awards to the Directors (other than Stéphane Leblanc and Daniel Bélisle, whose compensation is described above) under the Stock Option Plan outstanding at the end of the most recently completed financial year.

Nil	Option-based awards				Share-based awards	
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested
Guy Paul Allard	Nil	Nil	Nil	Nil	Nil	Nil
Patricia Lafontaine	Nil	Nil	Nil	Nil	Nil	Nil

## Director Compensation: Incentive Plan Awards – Value Vested or Earned

During the most recently completed financial year, no options were granted.

## Liability insurance

The directors and officers are covered by liability insurance. The Corporation has a Directors' and Officers' Liability and Corporation Reimbursement Insurance policy that provides coverage of up to \$2,000,000 per claim and insurance period, for which it pays an annual premium of \$8,425. The policy has a \$25,000 deductible that the Corporation has undertaken to cover in the event of a claim. The covering period for the insurance is from October 28th 2013 to October 28th 2014.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the end of the Corporation's fiscal year ended December 31, 2013, all required information with respect to compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan category	Number of shares to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	Nil	Nil	2,062,294
Equity compensation plans not approved by security holders	4,437,611	\$0.29	NIL
Total	4,437,611	\$0.29	2,062,294

## REAPPOINTMENT OF AUDITORS

The management of the Corporation proposes that Raymond Chabot Grant Thornton LLP, Chartered Accountants, be appointed as auditors of the Corporation for the 2014 fiscal year and that the directors be authorized to fix their remuneration.

**Except where authority to vote on the appointment of the auditors of the Corporation is withheld, persons named in the accompanying Form of Proxy will vote FOR the appointment of Raymond Chabot Grant Thornton LLP, Chartered Accountants, as auditors of the Corporation for the 2014 fiscal year and FOR their remuneration to be fixed by the directors of the Corporation.**

## APPROVING AND RATIFYING THE STOCK OPTION PLAN

The Corporation has in place a stock option plan whereby the directors of the Corporation are permitted to grant up to a maximum of ten (10%) percent of the issued and outstanding Shares from time to time (the "Plan").

In accordance with the policies of the CSE, the Corporation must obtain shareholder approval of the Plan at each annual meeting of shareholders. Therefore, management is seeking to seek shareholder approval of the Plan.

The objective of the Plan is to provide for and encourage ownership of common shares of the Corporation by its directors, officers, key employees and consultants and those of any subsidiary companies so that such persons may increase their stake in the Corporation and benefit from increases in the value of the common shares. The Plan is designed to be competitive with the benefit programs of other companies in the industry. It is the view of management the Plan is a significant incentive for the directors, officers, key employees and consultants to continue and to increase their efforts in the Corporation's operations to the mutual benefit of both the Corporation and such individuals.

Management is seeking shareholder approval of the Plan, a full copy of which is attached hereto as Schedule A.

Some of the more material attributes of the Plan are as follows:

1. options may be granted to directors, employees, management Corporation employees and consultants;
2. the exercise price of options granted shall be determined by the Board of Directors in accordance with the policies of the Exchange;
3. under the Plan, the aggregate number of Shares reserved for issuance shall not exceed ten (10%) percent of the Shares issued and outstanding from time to time;
4. no single participant may be issued options representing greater than five (5%) percent of the number of outstanding Shares in any 12 month period; the number of Shares reserved under option for issuance to any one consultant of the Corporation may not exceed two (2%) percent of the number of outstanding Shares in any 12 month period;
5. the aggregate number of options granted to persons employed in investor relation activities must not exceed two (2%) percent of the outstanding Shares in any 12 month period unless the CSE permits otherwise. Options issued to consultants providing investor relations services must vest in stages over 12 months with no more than one quarter of the options vesting in any three month period;

6. the Board of Directors may determine the term of the options, but the term shall in no event be greater than ten years from the date of issuance;
7. generally, the options expire 12 months from the date on which a participant ceases to be a director, officer, employee, management Corporation employee or consultant of the Corporation; and
8. terms of vesting of the options, the eligibility of directors, officers, employees, management Corporation employees and consultants to receive options and the number of options issued to each participant shall be determined at the discretion of the board of directors, subject to the policies of the CSE.

In accordance with the policies of the CSE, the Corporation requests Shareholders to consider, and if thought fit, approve an ordinary resolution substantially in the form set forth below:

"BE IT RESOLVED THAT,

1. Subject to such modifications as required by the CSE, if any, the Plan, as described in and substantially in the form as set forth in Schedule B to this Information Circular, is hereby ratified and approved.
2. Any one or more directors or officers of the Corporation is hereby authorized, for and on behalf of the Corporation to execute and deliver such documents and instruments and to take such other actions as such directors or officers may determine to be necessary or advisable to carry out the intent of the foregoing resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or instruments and the taking of any such actions."

**UNLESS OTHERWISE SPECIFICALLY INSTRUCTED, THE PERSONS WHOSE NAMES ARE PRINTED ON THE ENCLOSED FORM OF PROXY INTEND TO VOTE AT THE MEETING FOR THE ADOPTION OF THE RESOLUTION APPROVING THE 10% ROLLING STOCK OPTION PLAN OF THE CORPORATION AND THE OPTIONS GRANTED THEREUNDER.**

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed herein and in the audited financial statements of the Corporation for the year ended December 31, 2013, the Corporation is not aware that any of the directors, nominees, officers or other insiders of the Corporation or any persons associated or otherwise related to any of them has had an interest in any material transaction carried out since the commencement of the last fiscal period of the Corporation and which has materially affected or is likely to materially affect the Corporation.

## **INFORMATION ON CORPORATE GOVERNANCE**

### **(a) Board of directors**

None of the proposed Directors are independent.

Mr. Stéphane Leblanc is not independent in light of his position as President and CEO.

Ms. Patricia Lafontaine is Mr. Leblanc's spouse.

Mr. Guy Paul Allard is corporate secretary of the Corporation and receives fees for such services.

### **(b) Directorships**

The Directors do not serve as directors of other public companies except Stéphane Leblanc who acts as director for Canadian Metals Inc.

### **(c) Orientation and Continuing Education**

The board encourages directors to follow appropriate education programs offered by relevant regulatory bodies and provides them with the opportunity to enhance their understanding of the nature and operation of the Corporation. The transfer from GAAP to IFRS standards needed additional education efforts to maintain up to date knowledge and competence in the financial and accounting field.

### **(d) Ethical Business Conduct**

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

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

### **(e) Nomination of Directors**

The board selects nominees for election to the board, after having considered the advice and input of the Corporate Governance Committee and having carefully reviewed and assessed the professional competencies and skills, personality and other qualities of each proposed candidate, including the time and energy that the candidate can devote to the task, and the contribution that the candidate can bring to the board dynamic.

The Committee reviews industry data for similar executives from recruitment agencies.

### **(f) Governance Committee**

The Committee has the authority and responsibility for:

- (i) annually reviewing the mandates of the board and its committees and recommending to the board such amendments to those mandates as the Committee believes are necessary or desirable;



- (ii) reviewing annually the disclosure of corporate governance practices to be included in the Corporation's proxy circular;
- (iii) reviewing at least annually the size and composition of the board, analyzing the needs of the board and considering the skills, areas of experience, backgrounds, independence and qualifications of the board members to ensure that the board, as a whole, has a diversity of competencies and experience that support it in carrying out its responsibilities;
- (iv) assessing at least annually the effectiveness of the board as a whole, the committees of the board and the contribution of each director regarding his, her or its effectiveness and contribution;
- (v) acting as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full board meeting, including the performance of management or individual members of management or the performance of the board or individual members of the board;
- (vi) determining at the earliest stage possible whether any proposed transaction discussed by the board is or can be perceived as a related party transaction and, if such is the case, review any such transaction to ensure that it is being proposed and will be carried out with fairness and with the best interest of the Corporation in mind and or, alternatively, recommend that a special committee of disinterested directors be constituted to carry out the negotiations for such transaction and review and reported thereupon to the board.

**(g) Assessments**

Please refer to the responsibilities of the Governance Committee described here before.

**(h) Compensation**

The board of directors is responsible for determining the compensation of the directors and officers of the Corporation. The directors receive no compensation as such but do receive options from time to time.

**Fees**

***Audit Fees***

The audit fees for the period ended December 31, 2013 amounted to \$14,000.

**Other Related Audit Fees**

None.

**OTHER BUSINESS**

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

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [WWW.SEDAR.COM](http://WWW.SEDAR.COM).

Financial information relating to the Corporation is provided in the Corporation's audited financial statements for the year ended December 31, 2013 and the related management's discussion and analysis (the "MD&A"). Shareholders who wish to obtain a copy of the financial statements and MD&A of the Corporation may contact the Corporation as follows:

By phone: (418) 717-2553, By Fax:(514) 370-5648  
By mail: 800 Rene-Levesque Blvd., Suite 425  
Montreal (Quebec)  
H3B 1X9

**The contents and the sending of this circular to the shareholders of the Corporation have been approved by the board of directors.**

**(s) *Stéphane Leblanc***

Stéphane Leblanc  
President  
Montreal, Quebec

May 16, 2014

## **SCHEDULE "A"**

### **GENIUS PROPERTIES LTD.** **STOCK OPTION PLAN**

#### **PART I - GENERAL**

##### **1.1 Interpretation**

Definition of expressions for this plan:

- 1.1.1 "shares" means common shares of the Corporation;
- 1.1.2 "beneficiary" means an eligible person to whom an option has been granted;
- 1.1.3 "Board" means the board of directors of the Corporation;
- 1.1.4 "Expiration Date" means the last day on which an option can be exercised;
- 1.1.5 "Deadline" means the date a participant ceases to be an eligible person;
- 1.1.6 "Supplier" means a person or (who may provide services through a corporation) retained to provide consulting or management services to the Corporation on an ongoing basis;
- 1.1.7 "Insider" means:
  - 1.1.7.1 an insider as defined in the Securities Laws of the jurisdictions where the Corporation is a reporting issuer, other than a person who has insider status by the mere fact of being a director or senior officer of a subsidiary;
  - 1.1.7.2 a person who has links, as defined in the Securities Acts of jurisdictions where the Corporation is a reporting issuer with a person who is an insider according to 1.1.7.1;
- 1.1.8 "compensation mechanism" means a system of granting options, an Employee Stock Option Plan for employees, or any other incentive or compensation mechanism involving the issuance or potential issuance of common shares, including the purchase of treasury shares when the Corporation provides financial assistance through loan, guarantee or otherwise;
- 1.1.9 "option" means an option to purchase shares granted to an eligible person as an incentive or compensation;
- 1.1.10 "eligible person" means an employee, officer or director of the corporation or its subsidiary (hereinafter the "Company"), or a supplier;
- 1.1.11 "Plan" means this stock option plan;
- 1.1.12 "investor relations" has the same meaning as Investor Relations Activities as defined in CSE Policy.
- 1.1.13 "Company" means Genius Properties Ltd.

Under this scheme, the singular includes the plural and vice versa and the masculine includes the feminine. This Plan should be interpreted under the laws of the Province of Quebec and the laws of Canada applicable therein.

##### **1.2 Purpose of the Plan**

The rationale of this Plan is to benefit the Company:

- 1.2.1 by giving incentives to eligible persons;
- 1.2.2 encouraging the holding of Company's securities by eligible persons;
- 1.2.3 increasing the participation of all those eligible person's interest in the success of the Company;
- 1.2.4 encouraging eligible persons to remain within the Company;
- 1.2.5 attracting new employees and officers.

### **1.3 Administration**

- 1.3.1 The Plan will be administered by the Board or a board committee duly appointed for that purpose, composed of at least three directors. Any reference to the Board includes reference to the committee.
- 1.3.2 Subject to the terms of the plan, the Board may:
  - 1.3.2.1 grant options to purchase shares to persons eligible, employees, consultants, employees of management companies or directors.
  - 1.3.2.2 determine the terms, limitations, restrictions and conditions of such awards;
  - 1.3.2.3 when deemed appropriate, interpret the Plan and adopt, amend or rescind the administrative guidelines and rules of procedure;
  - 1.3.2.4 take other decisions and do all necessary actions for the implementation and management of the plan, including but not limited to all actions deemed necessary to ensure that the obligations described in Section 1.8 hereof are satisfied. Administrative directives, rules, interpretations and decisions of the Board shall be final and binding on both, the Company and any other person.

### **1.4 Shares reserved for issuance**

- 1.4.1 The maximum number of shares that may be issued under this plan option with a “Rolling” stock option plan (variable number of shares) dated December 9th, 2013, is 10% of the outstanding shares of the Company at the time of allocation of stock options. The maximum number of shares that can be reserved for a beneficiary under the plan is 5% of the number of shares issued and outstanding on the grant date (on a non-diluted basis) less the total number of shares already reserved for issuance to such person under any other option to purchase treasury shares granted as incentive or compensation.

Any share which is subject to an option which for any reason whatsoever has been cancelled or ended before being lifted, will again be available under the plan.
- 1.4.2 The maximum number of shares that may be reserved for vendors or consultants are:
  - 1.4.2.1 The maximum number of shares that can be reserved for each of the vendors or consultants, is 1% of the issued and outstanding (undiluted) share of the issuer at the awards, which will be vested gradually as determined at section 2.3.6.
  - 1.4.2.2 The maximum number of shares that can be booked for all providers or consultants whose services are retained for purposes of investor relations, is 1% of the issued and outstanding (undiluted) shares of the issuer at the awards, which will be vested gradually as determined at section 2.3.7.
- 1.4.3 Should changes occur regarding the shares issued and outstanding shares of the Company following a payment of stock dividends, split, recapitalization, reorganization, merger, consolidation or share exchange, the Board will make necessary adjustments, subject to prior approval by the relevant stock exchanges on:
  - 1.4.3.1 the number or class of shares or other securities reserved for issuance under the plan;
  - 1.4.3.2 the number and class of shares on which options were not yet exercised, are already granted and the exercise price of such shares, except that no adjustment or substitution may require the Corporation to issue fractions of shares. If the Company is reorganized, merged with another company or consolidated, the Board will take measures deemed necessary to protect the rights of beneficiaries.

## **1.5 Other compensation mechanisms**

Nothing prevents the Board to adopt other compensation arrangements, subject to necessary approvals.

## **1.6 Modification and termination of the plan**

- 1.6.1 The Board may at any time amend, suspend or terminate the Plan or part of the scheme subject to relevant laws and required approvals. No amendment, modification or suspension will be able to modify an option and the rights hereunder without the consent of the holder of the option. If the plan is completed, the plan provisions and administrative directives adopted by the Board and in force at the time of the Plan, will continue to have effect for as long as the option and any related rights are in effect.
- 1.6.2 With the consent of the beneficiaries affected, the Board may amend any existing option in any way whatsoever, if the Board upon issuance of the option had the power to do so, including changing dates exercise of options, subject to necessary approvals.
- 1.6.3 If the Board wishes to reduce the exercise price of options for a beneficiary who is an insider of the corporation at the time of the proposed reduction, the Board must obtain the approval of disinterested shareholders for the reduction.

## **1.7 Governing Law**

The Plan, the granting and exercise of options and the commitment of the Company to sell and deliver shares upon exercise of options are subject to federal laws and regulations, state and foreign laws and regulations scholarships on which the shares are traded and approval of any governmental regulatory body and which the Plan is subject to the opinion of the Board of the Company. Nothing in this Plan or the granting of an option will force the Company to issue or sell shares in contravention of such laws, rules or regulations. No shares will be issued or sold if such issuance or sale requires legislative approval of the plan or action under the securities laws of any foreign jurisdiction and any issuance or sale of shares in contravention of herein shall be null and void. In addition, the Company has no obligation to issue shares under the Plan, unless such shares have been properly recorded in the official notice of issuance on all stock exchanges where the shares are traded. Shares issued and sold to beneficiaries as a result of the exercise of options may be subject to reservations regarding the sale or resale of such securities under the relevant laws.

## **1.8 Date of entry into force**

This “rolling” stock option plan (with a variable number of shares), dated December 9th, 2013, supersedes any previous regimes. The Plan will be subject to the approval of any necessary regulatory authority as well as that of shareholders. An option granted prior to such approvals will be conditional upon obtaining such approvals and no option may be exercised without such approvals.

## **PART II - OPTIONS**

### **2.1 Grants**

Subject to the terms of the plan, the Board may determine the limits, restrictions and conditions additional to those of section 2.3 below, that will apply upon exercise of an option, including but not limited to the nature and duration of the restrictions, if any, imposed on the sale or other disposition of shares acquired upon exercise of options and events, if any, that may give rise and the time period during which the rights of a beneficiary of the shares acquired upon exercise of the option may be forfeited.

An eligible person may be granted stock options to more than one occasion and can accommodate more than one option at a time.

The Company declares that grants options to eligible persons is carried out to employees, officers, directors or legitimate suppliers.

## **2.2 Price of options**

The Board shall establish the exercise price of options granted to each option, in any circumstance, can not be less than:

- 2.2.1 The closing share price the day preceding the grant on the stock exchanges where they are traded or off-exchange (if they are traded on any exchange), or
- 2.2.2 If there were no transactions, the average of the closing bid and closing price seller the day before the grant. The exercise price of options will be subject to adjustments under Article 1.4.2 above.

## **2.3 Exercise of Options**

- 2.3.1 The options granted may not be exercised more than five (5) years (expiration date) from the date of grant or for such shorter period required by the rules set under the Plan;
- 2.3.2 The beneficiary may not transfer his options, except by bequest or inheritance and the options can be exercised by the beneficiary's lifetime or by his legal representatives after his death;
- 2.3.3 It is established that:
  - 2.3.3.1 If a beneficiary ceases to be eligible for any reason whatsoever except his death, each option held by the beneficiary will not possibly be lifted after the earlier of: the expiration date or 12 months after the date he ceases to be eligible. Any fraction of option, which is not waived at the deadline by the beneficiary, will possibly be waived under any circumstances whatsoever. More specifically and only for purposes of clarification, these apply either if the beneficiary is released with or without motives and without consideration of the fact that the beneficiary has or not received any compensation from the Company or whether or has been entitled to a notice period of departure that would have enabled him to acquire a larger portion of the option;
  - 2.3.3.2 If a beneficiary dies, the heirs and administrators of the option holder can exercise the options granted and vested, each option held by the beneficiary at the time of his death can not be lifted after the earlier of: expiration date, or one (1) year after the date of death of the holder of the options.
- 2.3.4 The exercise price of the shares acquired under an option will be paid in full by cash, bank draft or certified check on the exercise and on receipt of full payment, but subject to the terms of the plan, lifted shares will be issued as fully paid and non-assessable.
- 2.3.5 Subject to the terms of the plan, one option may be exercised from time to time by sending the Company's head office a written notice of exercise addressed to the secretary-treasurer of the Company indicating the number of shares exercised under the option with the full payment of the purchase price of such shares. Certificates for acquired shares will be issued and delivered to the beneficiary within a reasonable time after receiving the advice and payment.
- 2.3.6 The Board of Directors, by resolution, determines the amortization period during which the options granted will be acquired by a beneficiary; the options may well be acquired at one hundred percent (100%) when the options are granted, or over eighteen (18) months following the granting of options to a beneficiary, at the discretion of the board of directors (reflected by resolution or minutes). For an amortization period of eighteen (18) months, the options granted are likely to be exercised as follows:
  - (I) 10% in grants
  - (II) 25% after three months;
  - (III) 40% after six (6) months;

- (IV) 55% after nine (9) months;
  - (V) 70% after twelve (12) months;
  - (VI) 85% after fifteen (15) months;
  - (VII) 100% after eighteen (18) months.
- 2.3.7 At the discretion of the Board, the amortization period for granting options to any person whose services are retained for purposes of investor relations will be as follow; the options may well be acquired at one hundred percent (100%) when the options are granted, or over twelve (12) months following the granting of options. For a period of twelve (12) months following the granting of options to such a beneficiary, a maximum of 25% per quarter may be lifted and therefore the options granted can only be waived as follows:
- (I) 25% after three (3) months;
  - (II) 50% after six (6) months;
  - (III) 75% after nine (9) months;
  - (IV) 100% after twelve (12) months.
- 2.3.8 Notwithstanding the terms of the plan or a particular option, the obligation of the Company to issue shares upon exercise of an option is subject to the completion of the following:
- 2.3.8.1 Complete the registration or take any other action to obtain qualification approval of governmental or regulatory authorities that the Board of the Company deems necessary or advisable in respect of the authorization of the issuance or sale of such shares;
  - 2.3.8.2 The registration of shares on stock exchanges where shares are then listed;
  - 2.3.8.3 The receipt from the beneficiary of such representations, understandings and commitments, including those related to future transactions in equities, as counsel for the Company deems necessary or advisable to prevent infringements of the laws in any jurisdiction whatsoever.

In this context, the Company will ask all the necessary actions and approvals necessary to obtain, registrations and consents necessary for the issuance of shares in accordance with the laws in force and registration of shares reserved for issuance on any stock exchange where shares are then registrants.

### **PART III - MISCELLANEOUS**

- 3.1 The option holder will not have the rights of a shareholder of the Company in respect of the shares subject to such option until it has exercised its option under the terms of this Plan (including the full payment for shares exercised).
- 3.2 Nothing in this Plan or in an option will give a beneficiary the right to continue to be employed by the Company or affect in any way the right of Company to terminate his employment at any time and nothing in this plan or any other option may mean or be construed as an agreement or as an intention of the Company to extend the employment of a beneficiary beyond the date when he would normally retire under present or existing pension plan or future of the Company or beyond the time when he would be retired under a contract with the Company.

(s) Stéphane Leblanc

**Stéphane Leblanc**

President

Genius Properties Ltd.