



Genius Properties Ltd.

CSE: GNI

GENIUS ACQUIRES BLOCKHOUSE GOLD PROPERTY

May 10, 2016- Montréal, Québec – Genius Properties Ltd. (“**Genius**” or the “**Corporation**”) (CSE: GNI) is pleased to announce that it has acquired from two arm’s length prospectors (the “**Vendors**”) associated with 21Alpha Gold Resources, a 100% interest in nine (9) mineral exploration properties covering various mineral showings in the south central region of the Province of Nova Scotia (collectively the “**Property**”).

The Property

The majority of the Property lie within NTS area 21”A” and the land package includes 14 licenses comprised of 107 claims covering approximately 1,733 hectares (17.33 square kilometres). The initial exploration focus of Genius will be on the Blockhouse Property and the nearby Dares Lake Property, both located in Lunenburg County, these two properties are readily accessible by light truck, the other 7 properties will be assessed and prioritized in due course by Genius.

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.

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.

There are exposures of the Goldenville Group meta-sediments in the Blockhouse and Dares Lake area. Gold fissure type veins are reported in the Blockhouse area, where emplacement of the vein sets are interpreted by geologists to be related to regional scale folds in the host Goldenville Group, the gold bearing quartz veins are more specifically in the West Dublin Member of the Moshers Island Formation. Regional anticlines and synclines (stratigraphic hills and valleys) are evidenced in the Lunenburg County map area, trending SW - NE, gold vein emplacement occupies faults that crosscut the fold axis at the nose of the anticline (fissure veins) and in some instances follows the strata along the formation (saddle or bedded veins) being conformable with the bedding planes. The Dares Lake Property has similar geology and by inference should also have evidence of auriferous gold vein emplacement, however only scattered gold bearing boulders have been found on the property. There seems to be much more overburden (glacial till) at the Dares Lake Property, consequently little exploration work has been done, save and except some boulder sampling and assaying.

Work on the Property

In early April, Genius engaged an independent qualified person (IQP) to meet with the Vendors of the Property and complete a due diligence site visit, where samples of vein material were selected by the geologist. Neil D. Novak P.Geo., a Qualified Person completed the due diligence investigation at the request of Genius. The Prest Vein does not outcrop, consequently the sampling was limited to selecting random samples from mine spoils that are present as piles near the old mine opening (shaft) that had been covered over and capped by a reinforced concrete slab as per local mine rehabilitation requirements. The samples were presumably from the Prest Vein. One sample of quartz vein was selected from three different piles, one sample was selected that included arenaceous shale with minor quartz from a waste pile and then one sample was selected from a saddle type vein that outcropped on the Property near the site of the historical mill.

The samples were sealed and bagged on site and then hand delivered to Agat Laboratories in Mississauga Ontario for Fire Assay (code 202-052), ICP-OES finish, if samples tested >10ppm then they were finished with Gravimetric analysis:

- BH - 1 from the Blockhouse Property presumably the Prest Vein. The specimen is a banded dark grey - light grey quartz vein. This sample was tested for gold content and returned an assay of 22.5 g/t Au (0.72 ounces/ton).
- BH - 2 from the Blockhouse Property presumably mine waste, this sample was selected from a small trench that the author dug into the hand-cobbed pile of material near the main shaft, it consists of quartz vein material and dark grey slaty shale. This sample was tested for gold content and returned an assay of 0.136 g/t Au (0.004 ounces/ton).
- BH - 3 from the Blockhouse Property, quartz vein material representative of what was thought to be high grade material. This sample was tested for gold content and returned an assay of 11.8 g/t Au (0.378 ounces/ton).
- BH - 4 from the Blockhouse Property, quartz vein material representative of high grade material. This sample was tested for gold content and returned an assay of 38.6 g/t Au (1.24 ounces/ton).
- BH - 5 from the Blockhouse Property, quartz vein material from a long trench located near the old mill, this may be a sample of vein in outcrop, but not 100% certain due to overburden. This sample was tested for gold content and returned an assay of 0.315 g/t Au (0.01 ounces/ton).

The assay results for the samples provided a degree of comfort that the Blockhouse Property was interesting as a gold exploration project, confirming that “high grade” gold was historically mined at the site and that the reported grades of vein material selected by the Vendors of the Property were typical of what to expect. Genius is now planning an exploration program to take place this summer where surface trenching followed by sampling and mapping will take place in order to map out the near surface gold mineralization and to ascertain whether gold is present in the host shales. If phase one is successful then phase two will ensue involving drilling to depth below the existing mine workings to confirm and extend knowledge learned from the 1983 drill program.

The Acquisition

For their participation in the transaction, the Vendors received from Genius (i) an aggregate of 5,000,000 Shares, which are subject to a statutory four month hold period and a 36 months voluntary escrow with a 10% vesting every six (6) months (the first 10% was released at closing), and (ii) retained a 1.5% Net Smelter Returns Royalty on the Property. Genius Resources has the right to purchase 2/3 from the Vendors for \$1,000,000.

The Vendors are also entitled to receive staged Share payments from Genius as follows: (i) 500,000 Shares each time the Corporation incurs an aggregate of \$1,000,000 in work

costs on the Property, subject to a maximum of 2,500,000 Shares, and (ii) 2,500,000 additional Shares if the Purchaser complete a Feasibility Study.

Corporate Update

Genius also announces that it has entered into an amending agreement (the “Amending Agreement”) with Jourdan Resources Inc. regarding the acquisition of the Dissimieux Property. The original terms of the acquisition agreement, dated March 21, 2016, (the “Dissimieux Agreement”), specified, among other things, that the Corporation pay \$100,000 (either in cash or in common shares of the Corporation) within 90 days of execution of the Dissimieux Agreement.

The re-negotiated terms of the Dissimieux Agreement specify that the Corporation pay \$180,000 (either in cash or in common shares of the Corporation) within 90 days of execution of the Dissimieux Agreement. The remaining terms of the Dissimieux Agreement remain in full force and effect.

The technical sections of this press release have been prepared and reviewed by Neil D. Novak, P.Geol., and qualified person according to NI 43-101 guidelines.

About Genius Properties

Genius is one Canadian mineral exploration company focused on developing projects with some of the world’s most critical metals and minerals, Genius have team and potential to discover new world-class deposits. Also, Genius is the ideal partner for exploration companies and capital pool companies looking for a qualifying transaction and projects of merit.

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

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