

MERGER AGREEMENT

MADE ON NOVEMBER 9, 2017

BY AND BETWEEN

GENIUS PROPERTIES LTD.

- AND -

CERRO DE PASCO RESOURCES S.A.

TABLE OF CONTENTS

1.	INTERPRETATION	1
1.1	Definitions	1
1.2	Gender and number	12
1.3	Headings.....	12
1.4	Severability	12
1.5	Currency.....	12
1.6	Statutes	12
1.7	Entire Agreement	12
1.8	Amendment.....	13
1.9	Waiver	13
1.10	Governing Law.....	13
1.11	Material Adverse Change or Material Adverse Effect	13
2.	ABSORPTION AND RELATED MATTERS.....	14
2.1	Creation of BranchCo.....	14
2.2	Securities Compliance.....	14
2.3	Preparation of Filings	14
2.4	Capital Deadline and Related Matters	15
2.5	Effect of Absorption	16
2.6	Peruvian Law Filings.....	17
2.7	Consideration.....	17
2.8	Date, Time and Place of Closing.....	18
3.	REPRESENTATIONS AND WARRANTIES OF CERRO DE PASCO	18
3.1	Due Incorporation.....	18
3.2	Due Authorization.....	18
3.3	Enforceability.....	18
3.4	No Conflict.....	19
3.5	Required Authorizations	19
3.6	Required Consents	19
3.7	Capitalization of Cerro de Pasco	20
3.8	No Options	20
3.9	Shareholders Agreement.....	20
3.10	No Other Agreement.....	21
3.11	Proceedings Pertaining to Cerro de Pasco Shares	21

3.12	No Broker	21
3.13	No Subsidiaries	21
3.14	Compliance with Laws	21
3.15	No Material Adverse Change.....	21
3.16	Conduct of Business in Ordinary Course	22
3.17	Corporate Records	24
3.18	Books and Records	24
3.19	Financial Statements	24
3.20	No Undisclosed Liabilities.....	24
3.21	Related Party Transactions	25
3.22	No Dividends	25
3.23	Bank Accounts	25
3.24	No Guarantees.....	25
3.25	Title to Assets	25
3.26	Owned Real Property	26
3.27	Material Contracts	26
3.28	Tax Matters	26
3.29	Environment	28
3.30	Permits	28
3.31	Insurance	29
3.32	Anti-Money Laundering Laws	29
3.33	Litigation	29
3.34	No Other Representation	30
4.	REPRESENTATIONS AND WARRANTIES OF GENIUS.....	30
4.1	Due Incorporation.....	30
4.2	Due Authorization.....	30
4.3	Enforceability of Obligations	31
4.4	No Conflict	31
4.5	Required Authorizations	31
4.6	Required Consents	31
4.7	Capitalization of Genius	32
4.8	Options and Warrants	32
4.9	Shareholders Agreement	32
4.10	No Other Agreement.....	32
4.11	Proceedings Pertaining to Genius Shares	33
4.12	No Broker	33

4.13	No Subsidiaries	33
4.14	Compliance with Laws	33
4.15	Reporting Issuer Status and Securities Law Matters	33
4.16	No Material Adverse Change.....	35
4.17	Conduct of Business in Ordinary Course	35
4.18	Corporate Records	37
4.19	Books and Records	37
4.20	Financial Statements	37
4.21	No Undisclosed Liabilities.....	37
4.22	Related Party Transactions	38
4.23	No Dividends.....	38
4.24	No Guarantees.....	38
4.25	Title to Assets	38
4.26	Owned Real Property	38
4.27	Material Contracts	38
4.28	Tax Matters	39
4.29	Auditors	41
4.30	Environment	41
4.31	National Instrument 43-101	41
4.32	Permits	42
4.33	Anti-Money Laundering Laws	42
4.34	Litigation	42
4.35	Sufficient Funds	43
4.36	Canadian Corporation	43
4.37	No Other Representation	43
5.	COVENANTS OF CERRO DE PASCO	43
5.1	Conduct of Business	43
5.2	Genius Representation and Warranties	46
5.3	Business Organization	46
5.4	Adverse Change	46
5.5	Access to Information	47
5.6	Records	47
5.7	Payment of Indebtedness by Related Persons	47
5.8	Exclusivity.....	47
6.	COVENANTS OF GENIUS.....	48
6.1	Creation of BranchCo.....	48

6.2	Reorganization	48
6.3	Capitalization.....	48
6.4	Conduct of Business	48
6.5	Adverse Change	50
6.6	Confidentiality	51
6.7	Due Diligence.....	51
6.8	Additional Genius Covenants	51
7.	MUTUAL COVENANTS OF GENIUS AND CERRO DE PASCO	52
8.	CONDITIONS OF CLOSING.....	54
8.1	Mutual Conditions Precedent.....	54
8.2	Conditions for the Benefit of Genius.....	55
8.3	Conditions for the Benefit of Cerro de Pasco	55
9.	CLOSING AND POST-CLOSING DELIVERIES AND OBLIGATIONS.....	56
9.1	Cerro de Pasco Closing Deliveries	56
9.2	Genius Closing Deliveries	57
9.3	Genius Post-Closing Obligations	58
10.	TAX MATTERS.....	58
11.	SURVIVAL OF REPRESENTATIONS AND WARRANTIES	58
11.1	Survival of Representations and Warranties of Cerro de Pasco	58
11.2	Survival of Representations and Warranties of Genius	58
12.	INDEMNIFICATION	59
12.1	Indemnification by Cerro de Pasco	59
12.2	Indemnification by Genius	59
12.3	Limitations on Indemnification	59
12.4	Notification	60
12.5	When Amount Payable	61
12.6	Defense of Third Party Claim.....	61
12.7	No Compromise.....	62
12.8	Failure to Defend	62
12.9	Cumulative.....	62
12.10	Other Limitations.....	63
12.11	Non-Waiver.....	63
12.12	Insurance Proceeds	63
12.13	Tax Benefits.....	63
13.	ARBITRATION AND MEDIATION	63
13.1	Disputes	63

13.2	Arbitration Notice.....	64
13.3	Selection of Arbitrator	64
13.4	Arbitration Proceedings	64
13.5	Arbitration Costs and Interest.....	64
13.6	Arbitration Award.....	64
13.7	Parties to Negotiate	64
13.8	Binding and Final Award	64
13.9	Confidentiality	65
13.10	Injunctive Relief.....	65
14.	TERMINATION.....	65
14.1	Right of Termination	65
14.2	Effect of Termination.	66
14.3	Effects of Termination on Paid Consideration and Remaining Consideration	66
15.	MISCELLANEOUS.....	67
15.1	Announcement	67
15.2	Confidentiality	67
15.3	Further Assurances	69
15.4	Successors in Interest	69
15.5	Notices	70
15.6	Expenses	71
15.7	Execution by Electronic Transmission.....	71
15.8	Counterparts.....	71
15.9	Force Majeure	71
15.10	Time.....	71
15.11	Attornment.....	72
15.12	Negotiation of Agreement	72

MERGER AGREEMENT executed on November 9, 2017.

BY AND BETWEEN:

GENIUS PROPERTIES LTD., a corporation incorporated under the *Canada Business Corporations Act*, having a place of business at 22, Lafleur, suite 203, Saint-Sauveur, Québec, J0R 1R0;

(“Genius”)

AND:

CERRO DE PASCO RESOURCES S.A., a corporation incorporated under Peruvian laws, having a place of business at Calle Manuel Gonzales Olaechea 401, San Isidro, Lima, Peru;

(“Cerro de Pasco”)

WHEREAS Genius and Cerro de Pasco wish to merge their businesses by completing the Transaction as defined herein;

AND WHEREAS Cerro de Pasco and Genius wish to effect the Transaction whereby a branch of Genius to be established under Peruvian laws will absorb Cerro de Pasco, such that the existing security holders of Cerro de Pasco will become security holders of Genius, in accordance with the terms and conditions of this Agreement.

THIS AGREEMENT WITNESSETH THAT, in consideration of the premises set forth herein, the mutual covenants and agreements herein contained and other good and valuable consideration herein contained, it is agreed by and between the Parties as follows:

1. INTERPRETATION

1.1 Definitions

For the purposes of this Agreement or any notice, consent, authorization, direction or other communication required or permitted to be given hereunder, the following words and phrases shall have the following meanings, respectively, unless the context otherwise requires:

1.1.1 “**Absorption**” shall mean the absorption of Cerro de Pasco by BranchCo pursuant to Peruvian Laws as provided for in this Agreement;

1.1.2 “**Affiliate**” shall mean, in respect of any corporation, any corporation which it directly or indirectly controls or is controlled by or with which it is under direct or indirect common control, or any corporation which is directly or indirectly controlled by a corporation which controls the first mentioned corporation, and for the purpose of this definition, “control” shall mean, with respect to any corporation, the ownership of shares of such corporation to which are attached more than 50% of the votes that may be cast

to elect directors of such corporation including any shares which are voting only upon the occurrence of a contingency where such contingency has occurred and is continuing, in each case where the votes attached to such shares are sufficient, if exercised, to elect a majority of the directors of such corporation;

1.1.3 “**Agreement**” shall mean this Merger Agreement (including its preamble), including any amendment hereto or restatement hereof effected in compliance with the terms hereof; “herein”, “hereof”, “hereto”, “hereunder” and similar expressions shall mean and refer to this Agreement and not to any particular Article, Section or other subdivision; “Article”, “Section” or other subdivision of this Agreement shall mean and refer to the specified Article, Section or other subdivision of, or joined to, this Agreement;

1.1.4 “**Alpha**” shall mean Alpha Capital Anstalt;

1.1.5 “**Alpha Debt**” shall have the meaning specified in Section 2.5.1.1 of this Agreement;

1.1.6 “**Alpha Debt Documents**” shall mean the documents pursuant to which the Alpha Debt was issued, including, without limitation, the convertible note due April 27, 2018 in the principal amount of \$555,555, the securities purchase agreement dated April 27, 2017 between Cerro de Pasco and Alpha and the security agreement dated April 27, 2017 among inter alia, Cerro de Pasco and Alpha;

1.1.7 “**Anti-Money Laundering Laws**” shall have the meaning specified in Section 3.32 of this Agreement;

1.1.8 “**Arbitration Notice**” shall have the meaning specified in Section 13.2 of this Agreement;

1.1.9 “**Assameka**” shall mean Assameka Capital, Inc.;

1.1.10 “**Assameka Debt**” shall have the meaning specified in Section 2.5.1.2 of this Agreement;

1.1.11 “**Assameka Debt Documents**” shall mean the documents pursuant to which the Assameka Debt will be issued, as such documents will be entered into between Cerro de Pasco and Assameka;

1.1.12 “**Best Efforts**” shall mean those commercially reasonable efforts which a prudent Person would exert in like circumstances and after giving fair consideration to the interests of the other Party; provided however, that notwithstanding the foregoing, an obligation to use “**Best Efforts**” under this Agreement shall not require a Party subject to that obligation to take actions that would result in a materially adverse change in the benefits to such Party of this Agreement and the transactions contemplated herein;

1.1.13 “**Books and Records**” shall mean all books of account, ledgers, Tax Returns and other Tax refunds, personnel records, referral sources, research and development reports and records, production reports and records, equipment logs, operating guides and manuals business reports, plans and projections and all other documents, titles, correspondence and other information of a Party (whether in written, electronic or other form), other than Corporate Records;

1.1.14 “**BranchCo**” shall mean the Peruvian branch to be established by Genius for the sole purpose of absorbing Cerro de Pasco pursuant to the Absorption;

1.1.15 “**Business Day**” shall mean any day, other than a Saturday, Sunday, or other day on which the principal commercial banks located in Montréal, province of Québec, Canada or Lima, Peru are not open for business during normal banking hours;

1.1.16 “**Capital Deadline**” shall have the meaning specified in Section 2.4.1 of this Agreement;

1.1.17 “**CDP Percentage**” shall mean the percentage of the issued and outstanding Genius Shares determined as follows:

$100 - [((\$ \text{ amount of Remaining Consideration} + \text{Paid Consideration}) \div \$2,500,000) \times 25]$

1.1.18 “**Cerro de Pasco**” shall mean Cerro de Pasco Resources S.A., incorporated under Peruvian laws, with Tax Registration Number (*Registro Único de Contribuyente*) No. 20507832602;

1.1.19 “**Cerro de Pasco Assets**” shall mean all of Cerro de Pasco’s right, title and interest in and to the business, properties, assets and rights of any kind, whether tangible or intangible, movable or immovable, used in connection with the Cerro de Pasco Business and owned by Cerro de Pasco or in which Cerro de Pasco has any interest, including, without limitation, the Cerro de Pasco Property;

1.1.20 “**Cerro de Pasco Basket Amount**” shall have the meaning specified in Section 12.3.2 of this Agreement;

1.1.21 “**Cerro de Pasco Business**” shall mean the business currently carried on by Cerro de Pasco consisting of acquiring and exploring mining properties in Peru;

1.1.22 “**Cerro de Pasco Disclosure Statement**” shall mean the disclosure statement of Cerro de Pasco to be signed and delivered by Cerro de Pasco to Genius as of the date of this Agreement;

1.1.23 “**Cerro de Pasco Financial Statements**” shall mean, collectively, the audited balance sheet (*balance general*) and the audited statement of earnings and losses (*estado de ganancias y pérdidas*) of Cerro de Pasco as at and for the year ended on the Financial Statements Date;

1.1.24 “**Cerro de Pasco Indemnified Party**” and “**Cerro de Pasco Indemnified Parties**” shall have the meaning specified in Section 7.1.7 of this Agreement;

1.1.25 “**Cerro de Pasco Material Contracts**” shall mean any Contract to which Cerro de Pasco is a party: (a) that, if terminated, would reasonably be expected to have a Cerro de Pasco Material Adverse Effect; (b) relating to Indebtedness with an outstanding principal amount in excess of \$100,000; (c) under which Cerro de Pasco is obligated to make, or expects to receive, payments in excess of \$50,000 over the remaining term of the Contract;

1.1.26 “**Cerro de Pasco Property**” shall mean the mining concession called “EL METALURGISTA”, identified with code No. 04012094X01 and recorded in file 20002396 of the Public Registry of Mining Rights of the Public Registry Office of Huancayo. The Cerro de Pasco Property is located at the District of Simon Bolivar, Province of Pasco, Department of Pasco, Peru. The Cerro de Pasco Property’s current registered titleholder is the Peruvian citizen called Victor Ramón Justo Eduardo Freundt Orihuela;

1.1.27 “**Cerro de Pasco Property Option Agreement**” shall mean the Transfer Option and Assignment Agreement (*Contrato de Opción de Transferencia y Cesión Minera*) entered into by and between Cerro de Pasco and Mr. Victor Ramón Justo Eduardo Freundt Orihuela on February 23, 2017, as such agreement may be amended from time to time;

1.1.28 “**Cerro de Pasco Shares**” shall mean the common voting shares in the capital of Cerro de Pasco;

1.1.29 “**Claims**” shall mean any claim, demand, complaint, grievance, action, cause or right of action, damage, loss, cost, fine, penalty or like charge, settlement payment, audit, suit, proceeding, liability, obligation, investigation, assessment or reassessment, including reasonable professional fees and costs incurred in defending, investigating or pursuing any of the foregoing, or any proceeding, arbitration, mediation or other dispute resolution procedure relating to any of the foregoing, or any Orders and “**Claim**” shall mean any one of them;

1.1.30 “**Closing**” shall mean: (i) the effectiveness of the Absorption of Cerro de Pasco by BranchCo, which the Parties acknowledge and accept that may occur prior to registration of the Absorption with the Peruvian Public Registries; and (ii) the completion of all other transactions contemplated by

this Agreement which are to occur concurrently with the transactions set forth in (i);

1.1.31 “**Closing Date**” shall mean five Business Days following the date on which the conditions to Closing set forth in **Article 8** have been satisfied or waived (other than conditions which, by their nature or terms, can only be satisfied on the Closing Date) or such earlier or later date as Genius and Cerro de Pasco’s representative may agree to in writing;

1.1.32 “**Closing Time**” shall have the meaning specified in Section 2.8 of this Agreement;

1.1.33 “**Confidential Information**” shall have the meaning specified in Section 15.2.1 of this Agreement;

1.1.34 “**Contract**” shall mean any agreement, contract, license, lease, obligation, promise, instrument, commitment, understanding, arrangement, indenture or undertaking (whether written or oral and whether express or implied) that is legally binding and includes any quotations, purchase orders, change orders, written notices to proceed, tenders, bids and proposals which remain open for acceptance and warranties and guarantees;

1.1.35 “**Corporate Records**” shall mean the corporate records of a Party, including:

- (a) Organizational Documents;
- (b) all minutes of meetings and resolutions of shareholders and/or directors (and any committees); and
- (c) the share certificate books, securities register, register of transfers and register of directors and officers (in the case of Genius) and the share ledger (*matrícula de acciones*) in the case of Cerro de Pasco;

1.1.36 “**CSE**” shall mean the Canadian Stock Exchange;

1.1.37 “**Default**” with respect to a representation, warranty, covenant, obligation, or other provision of this Agreement or any document delivered pursuant to this Agreement shall be deemed to have occurred if there is or has been any inaccuracy in or breach of or any failure to perform or comply with such representation, warranty, covenant, obligation or other provision;

1.1.38 “**Dispute**” shall have the meaning specified in Section 13.1 of this Agreement;

1.1.39 “**Encumbrances**” shall mean (i) all hypothecs, mortgages, pledges, privileges, liens, security interests, transfers of property in stock, charges, deposits, servitudes, easements, reserves, conditional sale contracts,

ownership or title retention agreements, occupation rights, encroachments, homologated lines, restrictive covenants, title defects and other encumbrances or rights of others of any nature whatsoever or however arising, and (ii) all arrangements or conditions that in substance secures payment or performance of an obligation;

1.1.40 “**Environment**” shall mean all components of the earth including, without limitation, all layers of the atmosphere, air, land (including, without limitation, all underground spaces and cavities and all land submerged under water), soil, water (including, without limitation, surface and underground water), all organic and inorganic matter and living organisms, and the ambient milieu with which living species have dynamic relations;

1.1.41 “**Environmental Laws**” shall mean all Laws relating in whole or in part to the Environment or its protection including, without limitation, any Laws relating to (i) the control and operation of activities, (ii) the natural or accidental release, emission, discharge, deposit, issuance, spraying, injection, inoculation, abandonment, burial, spilling, incineration, disposal, leaking, seeping, pouring, emptying, throwing, dumping, placing or exhausting of any contaminant into the Environment or affecting or likely to affect the Environment or any threat to do any of the above in connection with any contaminant, (iii) the preventive or remedial measures in connection with any event or occurrence referred to in item (ii) above or (iv) the storage, disposal, destruction, incineration, burial, handling, transportation, use, manufacture, processing, advertising, display, packaging, labelling or sale of any contaminant, or (v) any solicitation or offer to do any activity referred to in item (iv) above in connection with any contaminant;

1.1.42 “**Financial Statements Date**” shall mean December 31, 2016;

1.1.43 “**Force Majeure**” shall have the meaning specified in Section 15.9 of this Agreement;

1.1.44 “**Genius**” shall mean Genius Properties Ltd., a corporation incorporated under the *Canada Business Corporations Act* and any predecessors thereof and any successors thereof;

1.1.45 “**Genius Assets**” shall mean all of Genius’ right, title and interest in and to the business, properties, assets and rights of any kind, whether tangible or intangible, movable or immovable, used in connection with the Genius Business and owned by Genius or in which Genius has any interest, including, without limitation, the Genius Properties;

1.1.46 “**Genius Basket Amount**” shall have the meaning specified in Section 12.3.2 of this Agreement;

1.1.47 “**Genius Business**” shall mean the business currently carried on by Genius consisting of acquiring, exploring and developing mining properties;

1.1.48 “**Genius Disclosure Statement**” shall mean the disclosure statement of Genius to be signed and delivered by Genius to Cerro de Pasco as of the date of this Agreement;

1.1.49 “**Genius Financial Statements**” shall mean, collectively, the audited consolidated balance sheet, statement of retained earnings, statement of earnings and statement of cash flows of Genius as at and for the year ended December 31, 2016;

1.1.50 “**Genius Material Contracts**” shall mean any Contract to which Genius is a Party: (a) that, if terminated, would reasonably be expected to have a material adverse effect on Genius, the Genius Business or the Genius Assets; (b) relating to Indebtedness with an outstanding principal amount in excess of \$100,000; (c) under which Genius is obligated to make, or expects to receive, payments in excess of \$50,000 over the remaining term of the Contract;

1.1.51 “**Genius Public Disclosure Record**” means documents filed or furnished under applicable securities Laws by or on behalf of Genius on SEDAR between December 31, 2016 and the date hereof;

1.1.52 “**Genius Properties**” shall mean the mineral exploration properties of Genius described in the Genius Public Disclosure Record;

1.1.53 “**Genius Securities**” shall mean Genius Shares as well as warrants and options of Genius;

1.1.54 “**Genius Shares**” shall mean the common shares in the capital of Genius;

1.1.55 “**Governmental Body**” shall mean (i) any domestic or foreign national, federal, provincial, state, municipal or other government or body, (ii) any multinational, multilateral or international body, (iii) any subdivision, ministry, department, secretariat, bureau, agency, commission, board, instrumentality or authority of any of the foregoing governments or bodies, (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing governments or bodies, or (v) any domestic, foreign, international, multilateral or multinational judicial, quasi-judicial, arbitration or administrative court, tribunal, grand jury, commission, board or panel;

1.1.56 “**H&G SEZC Debt**” shall mean the debt of Cerro de Pasco pursuant to the H&G SEZC Debt Documents;

1.1.57 “**H&G SEZC Debt Documents**” shall mean the documents pursuant to which H&G SEZC Ltd. loaned funds to Cerro de Pasco, including,

without limitation, the loan agreement dated March 19, 2015 between Cerro de Pasco and H&G SEZC Ltd.;

1.1.58 “**IFRS**” shall mean accounting standards as issued by the International Accounting Standards Board and which have been prescribed as being Canadian generally accepted accounting principles for public corporations for financial years beginning on or after January 1, 2011 and as amended from time to time by the Canadian Institute of Chartered Accountants or any successor institute, in effect as at the date on which such reference is being applied or is required to be applied;

1.1.59 “**Indebtedness**” of any Person shall mean and include: (a) indebtedness for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money; (b) amounts owing as deferred purchase price for property or services; (c) indebtedness evidenced by any note, bond, debenture, mortgage or other debt instrument, uncashed cheque or financial debt security; (d) commitments or obligations by which such Person assures a creditor against loss (including contingent reimbursement obligations with respect to letters of credit); (e) indebtedness secured by an Encumbrance on assets or properties of such Person; (f) obligations or commitments to repay deposits or other amounts advanced by and owing to third Persons; (g) obligations under any interest rate, currency or other hedging agreement; (h) obligations or commitments under capital lease obligations (for greater certainty, excluding interests thereon for the post-Closing period); (i) any change of control payments or prepayment premiums, fees, costs, expenses, penalties, charges or equivalents thereof, including any breakage costs incurred in connection with the transactions contemplated by this Agreement, including any of the fees, costs, expenses, penalties, charges or equivalents thereof resulting from any indebtedness, obligation, or liability of the type described in clauses (a) through (i) above; (j) accrued or unpaid interest in respect of any indebtedness; (k) unfunded portions of any pension or benefit obligations; (l) any amounts owing on account of Taxes (other than goods and services Taxes and similar provincial sales Taxes), including amounts accrued on a Tax basis (rather than an IFRS basis) as of Closing only taking into account expenses incurred in the Ordinary Course, unless otherwise consented to by Genius, acting reasonably; (m) any completion bonus or other payment to be made to any director, officer, employee or agent that is conditioned on or to be paid concurrently with Closing; (n) guarantees or other contingent liabilities with respect to any indebtedness, obligation or liability of any other Person of a type described in clauses (a) through (i) above;

1.1.60 “**Indemnified Party**” shall mean any Person entitled to indemnification under this Agreement;

1.1.61 “**Indemnifying Party**” shall mean any Person obligated to provide indemnification under this Agreement;

1.1.62 “**Laws**” shall mean:

- 1.1.62.1 all constitutions, treaties, laws, statutes, codes, ordinances, orders, decrees, rules, regulations, and municipal by-laws, whether domestic, foreign or international;
- 1.1.62.2 all judgments, orders, writs, injunctions, decisions, rulings, decrees, and awards of any Governmental Body;
- 1.1.62.3 all policies, voluntary restraints, practices and guidelines of any Governmental Body; and
- 1.1.62.4 all provisions of the foregoing,

in each case which are legally binding on or affecting the Party or Person referred to in the context in which such word is used, as amended from time to time; and “**Law**” shall mean any one of them; for greater certainty, the words “**Laws**” and “**Law**” shall include Environmental Laws;

1.1.63 “**Letter of Intent**” shall mean the confidentiality agreement dated June 5, 2017 entered into by Genius and Cerro de Pasco;

1.1.64 “**Liabilities**” shall mean any debts, liabilities, obligations, Encumbrances, commitments, demands and expenses of any nature or kind, whether known or unknown, accrued or unaccrued, absolute, contingent or otherwise and whether due or to become due, of any Person;

1.1.65 “**Listing Statement**” shall mean the listing statement of Genius to be prepared in accordance with Form 2A, as prescribed by the CSE;

1.1.66 “**Losses**” shall have the meaning specified in Section 12.1 of this Agreement;

1.1.67 “**NI 43-101**” shall mean National Instrument 43-101 - Standards of Disclosure for Mineral Projects;

1.1.68 “**Orders**” shall mean any judgment, decision, consent decree, injunction, ruling or order of any Governmental Body that is binding on any Person or its property under applicable Law;

1.1.69 “**Ordinary Course**” shall mean an action taken by a Person if:

- 1.1.69.1 such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person;
- 1.1.69.2 such action is not required to be specifically authorized by the board of directors of such Person (or by any

Person or group of Persons exercising similar authority) and is not required to be specifically authorized by the parent company (if any) of such Person; and

1.1.69.3 such action is similar in nature and magnitude to actions customarily taken, without any authorization by the board of directors (or by any Person or group of Persons exercising similar authority), in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person;

1.1.70 **“Organizational Documents”** shall mean, with respect to a Person, the certificate and articles of incorporation, certificate and articles of constitution, by-laws, limited liability corporation operating agreement or other similar organizational documents of such Person and any amendment thereto;

1.1.71 **“Paid Consideration”** shall have the meaning specified in Section 2.7.1 of this Agreement;

1.1.72 **“Parties”** shall mean the parties hereto collectively; and **“Party”** shall mean any one of them;

1.1.73 **“Permits”** shall mean all licenses, permits, franchises, approvals, authorizations, certificates of authorization, registrations, consents or orders of, or filings with, any Governmental Body;

1.1.74 **“Person”** shall mean any individual, corporation, cooperative, partnership, trust, unincorporated association, entity with juridical personality or Governmental Body, and pronouns which refer to a Person have a similarly extended meaning;

1.1.75 **“Peru GAAP”** shall mean the accounting principles generally acceptable in Peru;

1.1.76 **“Proceeding”** shall mean any action, suit, claim, trial, demand, investigation, arbitration or other proceeding;

1.1.77 **“Reorganization”** shall mean the spin-off, by Genius, of all the Genius Properties currently held by Genius, into new Affiliates as further described under Section 6.2 hereto;

1.1.78 **“Remaining Consideration”** shall have the meaning specified in Section 2.4.1 of this Agreement;

1.1.79 **“Required Consents”** shall mean the approvals, waivers or notices required under the Cerro de Pasco Material Contracts and the Genius

Material Contracts as set forth in the Cerro de Pasco Disclosure Statement and the Genius Disclosure Statement, respectively;

1.1.80 “**Representatives**” shall have the meaning specified in Section 15.2.1 of this Agreement;

1.1.81 “**Tax**” and “**Taxes**” shall mean (i) any and all federal, foreign, state, provincial, local or non-Canadian and other taxes, levies, fees, imposts, duties, and similar governmental charges (including any interest, fines, assessments, penalties or additions to tax imposed in connection therewith or with respect thereto) imposed by any Taxing Authority, including, without limitation (a) taxes imposed on, or measured by, income, franchise, profits of gross receipts, and (b) value added, capital gains, sales, goods and services, use, real or personal property, share capital, license, branch, payroll, minimum, environmental, withholding, employment, social security (or similar), unemployment, compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, transfer and gain taxes and custom duties, and (ii) any transferee liability in respect of any items described in clause (i) above;

1.1.82 “**Taxing Authority**” shall mean any Governmental Body imposing Taxes;

1.1.83 “**Tax Period**” shall mean any taxable period (including any taxable period ending on the Closing Date) with respect to which any Tax may be imposed, calculated or reported under Laws;

1.1.84 “**Tax Return**” shall mean any and all returns, reports, elections, estimates, declarations, information reports or returns or statements, schedules, claims for refunds, claims for any Tax credit, disclosures and other forms and documents (including all exhibits, statements and other attachments thereto and amendments thereof) relating to, and required to be filed or maintained in connection with, the calculations, determinations, assessment or collection of, any Taxes;

1.1.85 “**Third Party Claim**” shall have the meaning specified in Section 12.6 of this Agreement;

1.1.86 “**Threatened**” shall mean a claim, proceeding, dispute, action, or other matter in respect of which (i) a demand or statement has been made (orally or in writing) or a notice has been given (orally or in writing) or (ii) an event has occurred or other circumstances exist that would lead a prudent Person to conclude that such a claim, proceeding, dispute, actions, or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the future; and

1.1.87 “Transaction” shall mean the reverse takeover of Genius by Cerro de Pasco’s existing shareholders, by way of the Absorption and the other transactions contemplated by this Agreement.

1.2 Gender and number

Any reference in this Agreement to any gender shall include all genders and words used herein importing the singular number only shall include the plural and vice versa.

1.3 Headings

The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation hereof. Unless otherwise expressly provided, the word “including” does not limit the preceding words or terms.

1.4 Severability

Any Article, Section or other subdivision of this Agreement or any other provision of this Agreement which is, or becomes, illegal, invalid or unenforceable shall be severed herefrom and shall be ineffective to the extent of such illegality, invalidity or unenforceability and shall not affect or impair the remaining provisions hereof, which provisions shall (a) be severed from any illegal, invalid or unenforceable Article, Section or other subdivision of this Agreement or any other provision of this Agreement, and (b) otherwise remain in full force and effect.

1.5 Currency

All references in this Agreement to dollars or to \$ are expressed in US currency unless otherwise specifically indicated. For clarity, a reference to “PEN” means the lawful currency of Peru.

1.6 Statutes

References in this Agreement to statutes shall include any statute amending, modifying, re-enacting, restating, extending or made pursuant to the same or which is amended, modified, re-enacted, restated, or extended by the same, in each case to the extent it is in force at the time in question.

1.7 Entire Agreement

This Agreement together with any document to be delivered pursuant hereto constitute the entire agreement between the Parties pertaining to the subject matter hereof and thereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties including, without limitation, the Letter of Intent.

1.8 Amendment

No amendment shall be binding unless expressly provided in a written instrument duly executed by the Parties.

1.9 Waiver

No waiver, whether by conduct or otherwise, of any of the provisions of this Agreement shall constitute a waiver of any of the provisions of this Agreement, unless such waiver is expressly provided in an instrument duly executed by the Party purporting to give such waiver, nor shall such waiver constitute a continuing waiver unless otherwise expressly indicated in such instrument.

1.10 Governing Law

This Agreement shall be governed by and interpreted and construed in accordance with the Laws of the Province of Québec and the Laws of Canada applicable therein (excluding any conflict of laws rule or principle, foreign or domestic, which might refer such interpretation to the Laws of another jurisdiction) and shall be treated in all respects as a Québec contract.

1.11 Material Adverse Change or Material Adverse Effect

1.11.1 The use of the expressions “**Cerro de Pasco Material Adverse Change**” or “**Cerro de Pasco Material Adverse Effect**” in this Agreement shall be interpreted to mean a material and adverse effect on the Cerro de Pasco Business, taken as a whole, excluding any fact, circumstance or condition arising as a result of: (i) any change in applicable Laws or the interpretation thereof by any Governmental Body, (ii) general economic changes, (iii) changes, generally in the industry or market in which the Cerro de Pasco Business is operated, (iv) the announcement of the transactions contemplated herein, (v) changes to the financial, securities, commodity or credit markets in general, (vi) changes in global, national or regional political or social conditions in Peru, (vii) Force Majeure (viii) any action required to be taken under applicable Laws, or (ix) any action taken by Cerro de Pasco that is expressly required or permitted hereunder or at the request or with the consent of Genius; and

1.11.2 The use of the expressions “**Genius Material Adverse Change**” or “**Genius Material Adverse Effect**” in this Agreement shall be interpreted to mean a material and adverse effect on the Genius Business, taken as a whole, excluding any fact, circumstance or condition arising as a result of: (i) any change in applicable Laws or the interpretation thereof by any Governmental Body, (ii) general economic changes, (iii) changes, generally in the industry or market in which the Genius Business is operated, (iv) the announcement of the transactions contemplated herein, (v) changes to the financial, securities, commodity or credit markets in general, (vi) changes in global, national or regional political or social conditions where the Genius Business is conducted, (vii) Force Majeure (viii) any action required to be taken under applicable

Laws, or (ix) any action taken by Genius that is expressly required or permitted hereunder or at the request or with the consent of Cerro de Pasco,

and in either case shall include a series of related matters or events which in the aggregate would be so material.

2. ABSORPTION AND RELATED MATTERS

2.1 Creation of BranchCo

Prior to the Closing Time, Genius shall have established BranchCo under Peruvian laws as its branch, for the sole purpose of the Transaction.

2.2 Securities Compliance

2.2.1 Genius, with the commercially reasonable cooperation and assistance of Cerro de Pasco, shall use reasonable Best Efforts to obtain all orders required from the applicable Governmental Body and the CSE (subject to escrow conditions imposed by the CSE or applicable Laws) to permit the issuance and first sale of the Genius Securities issuable pursuant to the Absorption without qualification with, or approval of, or the filing of, any prospectus or similar document, or the taking of any proceeding with, or the obtaining of any further order, ruling or consent from, any Governmental Body under any Canadian federal, provincial or territorial securities or other Laws or pursuant to the rules and regulations of any Governmental Body administering such laws, or the fulfillment of any other legal requirement (including any statutory hold period) in any such jurisdiction (other than, with respect to such first sales, any restrictions on transfer by reason of, among other things, a holder being a “control person” for purposes of Canadian federal, provincial or territorial securities Laws).

2.2.2 The Parties acknowledge and agree that the Genius Securities issuable pursuant to the Absorption may be subject to escrow conditions imposed by the CSE or applicable Laws.

2.3 Preparation of Filings

2.3.1 Each of the Parties shall cooperate in the taking of all such actions as may be required under the applicable Laws in connection with the transactions contemplated by this Agreement.

2.3.2 Each of the Parties shall promptly furnish to the other all information concerning it and its securityholders as may be required in connection with the preparation of the Listing Statement (the preparation of which Genius and its counsel will assume primary responsibility for provision to Cerro de Pasco and its counsel for review and comment) and in order to effect the actions described in Section 2.1 and the foregoing provisions of this Section 2.3 and each covenants that no information furnished by it (to its knowledge in the

case of information concerning its shareholders) in connection with such actions or otherwise in connection with the consummation of the Absorption and the other transactions contemplated by this Agreement will contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished.

2.3.3 Each of the Parties shall promptly notify the other if at any time before the Closing Date it becomes aware that the Listing Statement contains any misrepresentation or any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Listing Statement or such application. In any such event, each Party shall cooperate in the preparation of a supplement or amendment to the Listing Statement or such other document, as required and as the case may be, and, if required, shall cause the same to be filed with the relevant securities regulatory authorities.

2.4 Capital Deadline and Related Matters

2.4.1 By February 28, 2018 (the “**Capital Deadline**”) Genius shall provide notice to Cerro de Pasco indicating the amount of funds that Genius then has available to grant to Cerro de Pasco as loans (the “**Remaining Consideration**”) pursuant to this Agreement, and if:

- 2.4.1.1 the Remaining Consideration is equal to \$2,250,000, then the CDP Percentage of Genius Shares shall be equal to 75%, calculated in accordance with Section 1.1.17; or
- 2.4.1.2 the Remaining Consideration is less than \$2,250,000 but at least \$750,000, then the CDP Percentage of Genius Shares shall be greater than 75%, calculated in accordance with Section 1.1.17.

2.4.2 If by the Capital Deadline, the amount of the Remaining Consideration that Genius then has available to grant to Cerro de Pasco as loans pursuant to this Agreement is less than \$750,000, this Agreement shall automatically terminate, unless otherwise agreed to in writing by the Parties with the effect set forth in Section 14.3.1 of this Agreement.

2.4.3 On the date that Genius provides notice to Cerro de Pasco pursuant to Section 2.4.1, any amount of such Remaining Consideration that Genius has not already lend to Cerro de Pasco pursuant to Section 2.7.2.1, shall be deposited by Genius in trust with Genius’ counsel, Lavery, de Billy, L.L.P., and shall be released to Cerro de Pasco in accordance with Section 2.7.2.

2.4.4 Within 45 days of the notice to Cerro de Pasco pursuant to Section 2.4.1, Genius shall call and hold a special meeting of Genius shareholders for the purpose of obtaining shareholder approval of the Transaction.

2.5 Effect of Absorption

On the Closing Date, the following shall occur, shall have occurred or shall be deemed to occur :

2.5.1 Prior to the Closing Date, unless agreed otherwise by the Parties:

- 2.5.1.1 the totality of the debt owed by Cerro de Pasco to Alpha (the “Alpha Debt”) will be converted into Cerro de Pasco Shares;
- 2.5.1.2 the totality of the debt owed by Cerro de Pasco to Assameka (the “Assameka Debt”) will be converted into Cerro de Pasco Shares; and
- 2.5.1.3 such amount of the debts of Cerro de Pasco (which are estimated to be up to \$300,000 (excluding the Alpha Debt, the Assameka Debt and debts incurred in relation to the transactions contemplated herein)) shall have been paid, forgiven or converted into Cerro de Pasco Shares as is necessary to satisfy the minimum requirements of having a positive net worth under Peruvian Law.

2.5.2 BranchCo shall absorb Cerro de Pasco to continue as the Peruvian branch of Genius under Peruvian laws, with the effect set out in articles 344.2 and 395 of the Peruvian General Corporate Law (Law No. 26887), and the following shall occur: each Cerro de Pasco Share issued and outstanding on the Closing Date, shall be exchanged for such number of Genius Shares that will result in the holders of Cerro de Pasco Shares (as at the Closing Date), holding after such issuance, the CDP Percentage of Genius Shares, on a post-Closing basis. For this purpose the net worth of Cerro de Pasco shall become positive within the period between the date hereof and the Closing Date (which is intended to be achieved through capital increases by means of capitalizations of credits).

2.5.3 Following the exchange set out in Section 2.5.2:

- 2.5.3.1 Cerro de Pasco will be legally extinguished and, accordingly, the Cerro de Pasco Shares will be cancelled;
- 2.5.3.2 the holders of Cerro de Pasco Shares (as of the Closing Date) will become shareholders of Genius and will hold such number of Genius Shares that equal the CDP Percentage of Genius Shares, on a post-Closing basis;

- 2.5.3.3 certificates representing the number of Genius Shares issuable to each holder of Cerro de Pasco Shares shall be issued to the holders of Cerro de Pasco Shares (as of the Closing Date); and
- 2.5.3.4 Genius will receive all of the Cerro de Pasco Assets and the Liabilities of Cerro de Pasco, and will consequently increase its capital stock in the amount equivalent to the amount of the positive net equity of Cerro de Pasco.

provided that none of the foregoing shall occur or shall be deemed to occur unless all of the foregoing occurs.

2.6 Peruvian Law Filings

Subject to the rights of termination contained in Article 14 hereof, upon the fulfillment of the necessary conditions to this Agreement, the Parties shall jointly file with the Peruvian Public Registries the public deed of the Absorption and such other documents as are required to be filed under Peruvian laws for the public registration of the Absorption, pursuant to the provisions of Peruvian laws.

2.7 Consideration

In addition to the Genius Securities to be issued to the current holders of Cerro de Pasco Shares, Genius shall make the following cash payments to Cerro de Pasco in the form of loans to Cerro de Pasco prior to the effectiveness of the Absorption:

- 2.7.1 an amount of \$250,000 (which such amount has already been paid) (the “Paid Consideration”); and
- 2.7.2 the Remaining Consideration, to be expended, based on the joint determination of Genius and Cerro de Pasco (each acting reasonably), on the Cerro de Pasco Property, for metallurgical testing, preparation of a NI 43-101 technical report and development of the Cerro de Pasco Property and to cover capital requirements related to community relations, permitting and general and administrative expenses, and to be provided to Cerro de Pasco (and accordingly, released from trust by Genius’ counsel, Lavery, de Billy, L.L.P. if applicable) as follows:
 - 2.7.2.1 \$100,000 on the day following the signature of this Agreement;
 - 2.7.2.2 \$100,000 on or before November 17, 2017;
 - 2.7.2.3 \$80,000 on December 1, 2017 and \$80,000 on the first of each month thereafter until the Closing Date; and

2.7.2.4 any Remaining Consideration not paid pursuant to Sections 2.7.2.1, 2.7.2.2 and 2.7.2.3, on the Closing Date.

2.7.3 The credit rights of Genius resulting from the loans described in this Section 2.7 will be legally extinguished upon effectiveness of the Absorption, because Genius will consolidate the position of creditor and debtor.

2.8 Date, Time and Place of Closing

The Closing shall take place at the offices of Lavery, de Billy, L.L.P., 1, Place Ville Marie, Suite 4000, Montréal, Québec, at 10:00 a.m. Montréal time (the “Closing Time”) on the Closing Date or at such other place, on such other date and/or at such other time as may be mutually agreed in writing by Genius and Cerro de Pasco.

3. REPRESENTATIONS AND WARRANTIES OF CERRO DE PASCO

Cerro de Pasco hereby represents and warrants to Genius as follows and acknowledges that Genius is relying upon such representations and warranties in connection with the Transaction and that Genius would not have entered into this Agreement without such representations and warranties.

3.1 Due Incorporation

Subject to the Cerro de Pasco Disclosure Statement, Cerro de Pasco is duly incorporated and organized, validly existing and in good standing under the Laws of the Republic of Peru.

3.2 Due Authorization

Cerro de Pasco has the necessary corporate power and authority to own, lease and operate its properties and to conduct its business as and in the places where such properties are now owned, leased or operated or such business is now conducted and to perform all its obligations under all Contracts to which it is party or by which it is bound.

Cerro de Pasco has the necessary corporate power and authority to enter into and deliver this Agreement and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement by Cerro de Pasco and, the performance by Cerro de Pasco of its obligations hereunder have been duly authorized by the board of directors of Cerro de Pasco, and no other corporate proceedings on the part of Cerro de Pasco are necessary to authorize the execution and delivery of this Agreement by Cerro de Pasco and the performance by Cerro de Pasco of its obligations hereunder, other than the subsequent approval by the board of directors of Cerro de Pasco and approval by Cerro de Pasco’s General Shareholders Meeting of the Absorption.

3.3 Enforceability

This Agreement constitutes a legal, valid and binding obligation of Cerro de Pasco enforceable against it in accordance with its terms subject, however, to:

3.3.1 limitations with respect to enforcement imposed by bankruptcy Laws, insolvency Laws and other Laws affecting creditors' rights generally; and

3.3.2 general principles of equity and civil law, including the availability of remedies, such as specific performance and injunction, which are remedies granted at the discretion of a court of competent jurisdiction from which they are sought.

3.4 No Conflict

Subject to obtaining the Required Consents under the Cerro de Pasco Material Contracts and the subsequent approval by the board of directors of Cerro de Pasco and approval by Cerro de Pasco's General Shareholders Meeting of the Absorption, the lawful completion of the transactions contemplated by this Agreement does not, directly or indirectly (with or without notice or lapse of time):

3.4.1 violate, contravene or breach, or constitute a Default under, the Organizational Documents of Cerro de Pasco or any resolution adopted by the board of directors or the shareholders of Cerro de Pasco;

3.4.2 violate, contravene or breach, or constitute a Default under any Cerro de Pasco Material Contract pursuant to which any of the Cerro de Pasco Assets may be affected;

3.4.3 result in the creation of, or require the creation of, any Encumbrance upon any Cerro de Pasco Shares or any Cerro de Pasco Assets;

3.4.4 violate, contravene or breach any Laws to which Cerro de Pasco is subject or by which it is bound.

3.5 Required Authorizations

Except for the filing of the public deed of the Absorption with the Peruvian Public Registries, no filing with, notice to, or authorization of, any Governmental Body is required on the part of Cerro de Pasco as a condition to the lawful completion of the transactions contemplated by this Agreement.

3.6 Required Consents

Except for the Required Consents under the Cerro de Pasco Material Contracts listed in the Cerro de Pasco Disclosure Statement, there is no requirement to obtain any consent, approval or waiver of a party under any Cerro de Pasco Material Contract in order to complete any of the transactions contemplated by this Agreement.

3.7 Capitalization of Cerro de Pasco

As at the date of this Agreement, the share capital of Cerro de Pasco consists of 50,000,000 issued and outstanding shares, all of them fully paid and non-assessable. The Cerro de Pasco Shares have all been issued in compliance with all applicable Laws and they represent all of the issued and outstanding shares of the share capital of Cerro de Pasco. No other class of shares or other ownership interests of Cerro de Pasco is authorized or outstanding, except as described in the Cerro de Pasco Disclosure Statement.

3.8 No Options

Except as described in the Cerro de Pasco Disclosure Statement and other than the Alpha Debt (including, without limitation, pursuant to the Alpha Debt Documents) and the Assameka Debt (including, without limitation, pursuant to the Assameka Debt Documents) and the repayment, forgiveness or conversion of existing debt pursuant to Section 2.5.1.3, and except that Cerro de Pasco may issue up to an additional 40,000,000 Cerro de Pasco Shares at any time prior to the Closing Date in connection with existing debt obligations or otherwise, there is no:

3.8.1 outstanding security of Cerro de Pasco convertible or exchangeable into any share of the share capital of Cerro de Pasco;

3.8.2 outstanding subscription, option, warrant, call, commitment or Contract obligating Cerro de Pasco to issue any share of its share capital or any security of any class or kind which in any way relate to the authorized or issued share capital of Cerro de Pasco;

3.8.3 Contract (other than this Agreement) which grants to any Person the right to purchase or otherwise acquire any share issued and outstanding of the share capital of Cerro de Pasco;

3.8.4 voting trust or voting agreement or pooling agreement or proxy with respect to any Cerro de Pasco Shares; or

3.8.5 Contract (other than this Agreement) entered into by Cerro de Pasco which will result upon Closing in any Person being entitled to purchase or otherwise acquire any share of the share capital of Cerro de Pasco.

3.9 Shareholders Agreement

Except as disclosed in the Cerro de Pasco Disclosure Statement, there is no Contract of any nature between Cerro de Pasco, on the one hand, and any Person, on the other hand, or between any Persons (including, without limitation, shareholders or creditors of Cerro de Pasco) that relates to or affects the management of Cerro de Pasco or restricts the ability of Cerro de Pasco to issue securities or the ability of shareholders of Cerro de Pasco to freely transfer or alienate any outstanding securities of Cerro de Pasco or securities of Cerro de Pasco that may hereafter be issued, or that creates a voting trust, voting agreement, pooling agreement, drag-along, right of first refusal, pre-emptive right or proxy with respect to any of

the outstanding securities of Cerro de Pasco or securities of Cerro de Pasco that hereafter may be issued.

3.10 No Other Agreement

Except as disclosed in the Cerro de Pasco Disclosure Statement and other than the Alpha Debt (including, without limitation, pursuant to the Alpha Debt Documents) and the Assameka Debt (including, without limitation, pursuant to the Assameka Debt Documents), the repayment, forgiveness or conversion of existing debt pursuant to Section 2.5.1.3 and Genius' rights under this Agreement, and except that Cerro de Pasco may issue up to an additional 40,000,000 Cerro de Pasco Shares at any time prior to the Closing Date in connection with existing debt obligations or otherwise no Person has any Contract, right or privilege (whether by Law or Contract) capable of becoming such, for the purchase, acquisition or transfer of any securities of Cerro de Pasco.

3.11 Proceedings Pertaining to Cerro de Pasco Shares

Cerro de Pasco is in compliance with all Laws, the non-compliance with which would materially affect its ability to perform its obligations hereunder. There are no actions, suits, claims, trials, demands, investigations, arbitrations or other proceedings pending or, to the knowledge of Cerro de Pasco, Threatened with respect to or in any manner affecting Cerro de Pasco Shares. There is no legal action pending or, to the knowledge of Cerro de Pasco, Threatened against Cerro de Pasco that may affect its ability to perform its obligations hereunder, and to the knowledge of Cerro de Pasco, Cerro de Pasco's shareholders do not have any claim against Cerro de Pasco or its directors, officers or employees, except as set forth in the Cerro de Pasco Disclosure Statement.

3.12 No Broker

No agent, broker, Person or firm acting on behalf of Cerro de Pasco is, or will be, entitled to any commission or brokers' or finders' fees from Cerro de Pasco, its shareholders or from any of their Affiliate, in connection with any of the transactions contemplated by this Agreement.

3.13 No Subsidiaries

Cerro de Pasco (i) does not own, directly or indirectly, any shares of the share capital of any Person and (ii) does not hold any investment in, and does not have any property interest in, any Person.

3.14 Compliance with Laws

Cerro de Pasco is conducting and has conducted in the last three years the Cerro de Pasco Business in compliance with all applicable Laws, other than acts of non-compliance which, individually or in the aggregate, would not constitute a Cerro de Pasco Material Adverse Effect.

3.15 No Material Adverse Change

Since the Financial Statements Date, there has not been any Cerro de Pasco Material Adverse Change or any event, condition or contingency that may result in such a Cerro de Pasco Material Adverse Change.

3.16 Conduct of Business in Ordinary Course

Since the Financial Statements Date, except as otherwise contemplated in this Agreement and/or disclosed in the Cerro de Pasco Disclosure Statement, including, without limitation, with respect to the Alpha Debt (including, without limitation, pursuant to the Alpha Debt Documents) and the Assameka Debt (including, without limitation, pursuant to the Assameka Debt Documents) and the repayment, forgiveness or conversion of existing debt pursuant to Section 2.5.1.3 and in connection with the exercise of the option under the Cerro de Pasco Option Agreement and except that Cerro de Pasco may issue up to an additional 40,000,000 Cerro de Pasco Shares at any time prior to the Closing Date in connection with existing debt obligations or otherwise, Cerro de Pasco has conducted the Cerro de Pasco Business and affairs in the Ordinary Course and in a manner consistent with past practices and, without limiting the generality of the foregoing, it has not:

- 3.16.1 incurred or discharged any secured or unsecured liability or obligation (whether accrued, absolute or contingent) other than (i) liabilities and obligations disclosed in the Cerro de Pasco Financial Statements, and (ii) liabilities and obligations incurred since the Cerro de Pasco Financial Statements Date in the Ordinary Course and in a manner consistent with past practices;
- 3.16.2 made any capital expenditure;
- 3.16.3 issued, sold or otherwise disposed of any shares of its share capital or any warrants, rights, bonds, debentures, notes or other corporate security of Cerro de Pasco;
- 3.16.4 suffered any extraordinary damages, destructions or losses, to the Cerro de Pasco Assets or otherwise, whether or not covered by insurance;
- 3.16.5 modified its Organizational Documents or capital structure;
- 3.16.6 reserved, declared, made or paid any dividend or redeemed, repurchased, purchased, or otherwise acquired shares of its share capital or any of its other corporate securities;
- 3.16.7 entered into an employment agreement or made any change in or to (i) the rate or form of compensation or remuneration payable to or to become payable to any of its shareholders, directors, officers, employees, licensors, licensees, franchisors, franchisees, distributors, agents, or suppliers, or (ii) any bonus or other incentive payments or arrangements with any of its shareholders, directors, officers, employees, licensors, licensees, franchisors, franchisees, distributors, agents, suppliers, or customers;

- 3.16.8 removed any director or terminated any officer without cause;
- 3.16.9 entered into, terminated, cancelled, amended, modified, altered or varied any Cerro de Pasco Material Contract;
- 3.16.10 made any change in its accounting policies, practices and calculations as utilized in the preparation of the Cerro de Pasco Financial Statements;
- 3.16.11 changed its business or the manner in which it conducts the Cerro de Pasco Business;
- 3.16.12 failed to promptly (i) comply with any Laws in all material respects, (ii) file duly and punctually all reports and returns required to be filed by any Laws, and (iii) pay or provide for the payment of all Taxes;
- 3.16.13 made any loan or advance, or assumed, guaranteed, endorsed or otherwise became liable with respect to the liabilities or obligations of any Person;
- 3.16.14 purchased or otherwise acquired any shares, units or other interest, or securities convertible into shares or units, of any Person or enter into any profit sharing arrangement, partnership or joint venture with any Person;
- 3.16.15 incurred any Indebtedness, except for the Alpha Debt and the Assameka Debt;
- 3.16.16 changed the banking arrangements and signatories in effect on the date hereof or granted any powers of attorney;
- 3.16.17 purchased, sold, leased or otherwise disposed of any Cerro de Pasco Assets having, individually, a value in excess of \$50,000, or any right, title or interest therein or grant any Encumbrances, in respect thereto;
- 3.16.18 failed to perform duly and punctually in all material respects all of its contractual obligations in accordance with the terms thereof;
- 3.16.19 failed to maintain and keep the Cerro de Pasco Assets in good condition and working order, except for ordinary wear and tear;
- 3.16.20 modified, changed or terminated its business organization or its relationship with its suppliers, customers and others having business relations with it; and
- 3.16.21 authorized, agreed or otherwise committed to any of the foregoing.

3.17 Corporate Records

3.17.1 The Corporate Records of Cerro de Pasco are complete and accurate in all material respects, and contain copies of all by-laws and material resolutions passed by its shareholders, directors since the date of its incorporation, all of which by-laws and resolutions have been duly passed.

3.17.2 The share ledger of Cerro de Pasco is complete and accurate in all material respects.

3.18 Books and Records

The Books and Records of Cerro de Pasco, are complete and accurate in all material respects in accordance with sound business practices, including the maintenance of an adequate system of internal controls, and fairly present and disclose, in all material respects, in accordance with Peru GAAP applied on a basis consistent with prior periods and throughout the periods involved, (i) the financial position of Cerro de Pasco, and (ii) all material transactions of Cerro de Pasco.

3.19 Financial Statements

The Cerro de Pasco Financial Statements fairly present and disclose, in all material respects in accordance with Peru GAAP applied on a basis consistent with prior periods and throughout the periods involved (i) the Cerro de Pasco Assets, liabilities and obligations (whether accrued, contingent or absolute), income losses retained earnings, reserves and financial condition of Cerro de Pasco, (ii) the results of operations of Cerro de Pasco and the source and use of its funds, and (iii) the changes in the financial condition of Cerro de Pasco, all as at the dates and for the periods therein specified.

3.20 No Undisclosed Liabilities

At the Closing Time, except as contemplated by this Agreement, including, without limitation, the Alpha Debt (pursuant to the Alpha Debt Documents) and the Assameka Debt (including, without limitation, pursuant to the Assameka Debt Documents), Cerro de Pasco shall use its Best Efforts to ensure that it has no liabilities or obligations (whether or not accrued, contingent, determined, determinable or otherwise) and that it will not have any liabilities or obligations arising after the Closing Date in respect of any fact, condition or circumstance existing or occurring on or prior to the Closing Date, except for those liabilities or obligations:

3.20.1 reflected in or reserved against the Cerro de Pasco Financial Statements; or

3.20.2 incurred after the Financial Statements Date in the Ordinary Course.

3.21 Related Party Transactions

Except as disclosed in the Cerro de Pasco Financial Statements and except for the Alpha Debt and the H&G SEZC Debt, and with the exception of rights to indemnification in favour of directors and officers of Cerro de Pasco pursuant to applicable Law, there are no Contracts or other transactions currently in place between Cerro de Pasco, on the one hand, and (i) any director or officer of Cerro de Pasco, (ii) any registered holder of Cerro de Pasco Shares, and (iii) to the knowledge of Cerro de Pasco, any Affiliate of any such, officer, director, or registered holder, on the other hand.

3.22 No Dividends

Cerro de Pasco has not, since the Financial Statements Date, (i) reserved, declared, made or paid any dividend or redeemed, repurchased or otherwise acquired shares of its share capital or other corporate security, or (ii) agreed to reserve, declare or pay to the shareholders of record prior to the Closing Time any dividend or to redeem, repurchase or otherwise acquire shares of its share capital or other corporate security.

3.23 Bank Accounts

The Cerro de Pasco Disclosure Statement sets forth:

3.23.1 the name of each Person with whom Cerro de Pasco maintains an account or safety deposit box and the names of all Persons authorized to draw thereon or to have access thereto; and

3.23.2 the name of each Person holding a general or special power of attorney from Cerro de Pasco and a summary of the terms thereof.

3.24 No Guarantees

Cerro de Pasco is not party to or bound either absolutely or on a contingent basis by any comfort letter, understanding or agreement of guarantee, indemnification (with the exception of rights to indemnification in favour of directors and officers of Cerro de Pasco, pursuant to applicable Law), assumption or endorsement or any like commitment with respect to the liabilities or obligations of any Person (whether accrued, absolute or contingent).

3.25 Title to Assets

Cerro de Pasco is the sole and unconditional owner of, and has a good and marketable title to, all of the Cerro de Pasco Assets free and clear of any and all Encumbrances, other than (i) such Cerro de Pasco Assets consumed or disposed of after the Financial Statements Date in the Ordinary Course and in a manner consistent with past practice; and (ii) the Cerro de Pasco Property, which Cerro de Pasco will acquire upon exercise of its option pursuant to the Cerro de Pasco Property Option Agreement.

3.26 Owned Real Property

Cerro de Pasco does not own any real property.

3.27 Material Contracts

3.27.1 The Cerro de Pasco Disclosure Statement includes a complete and accurate list of all Cerro de Pasco Material Contracts that are currently in force, and true and complete copies of all such Cerro de Pasco Material Contracts have been provided to Genius;

3.27.2 All of the Cerro de Pasco Material Contracts are in full force and effect, and Cerro de Pasco is entitled to all rights and benefits thereunder in accordance with the terms thereof. Cerro de Pasco has not waived any material rights under a Cerro de Pasco Material Contract and no material default or breach exists in respect thereof on the part of Cerro de Pasco or, to the knowledge of Cerro de Pasco, on the part of any other party thereto, and, to the knowledge of Cerro de Pasco, subject to obtaining the Required Consents, no event has occurred that, after the giving of notice or the lapse of time or both, would constitute such a material default or trigger a right of termination of any of such Cerro de Pasco Material Contracts;

3.27.3 all of the Cerro de Pasco Material Contracts are valid and binding obligations of Cerro de Pasco, as the case may be, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction;

3.27.4 Cerro de Pasco has not received notice that any party to a Cerro de Pasco Material Contract intends to cancel, terminate or otherwise modify or not renew such Cerro de Pasco Material Contract, and no such action has been Threatened; and

3.27.5 Cerro de Pasco is not a party to any Cerro de Pasco Material Contract that contains any non-competition obligation or otherwise restricts in any material way the Cerro de Pasco Business.

3.28 Tax Matters

3.28.1 For all Tax Periods ending on or prior to the Closing Date, Cerro de Pasco has properly prepared and filed when due all Tax Returns required to be filed, and all such Tax Returns (including information provided therewith or with respect thereto) are true, correct and complete in all material respects as of the time of such filing or after taking into account any changes thereto reflected on any amended Tax Returns.

3.28.2 Cerro de Pasco has fully and timely paid all Taxes owed by Cerro de Pasco (whether or not shown on any Tax Return), and has made adequate provision on its books for any Taxes that are not yet due and payable, for all Tax Periods, or portions thereof, ending on or before the Closing Date.

3.28.3 Except for amounts not exceeding \$25,000 in the aggregate, Cerro de Pasco has withheld all Taxes required to be withheld in connection with any amounts paid or owing to any employee, creditor, independent contractor, partner, stockholder, third party or other Person and timely paid to the appropriate Taxing Authority proper and accurate amounts in all respects for all periods ending on or before the Closing Date in compliance with all Tax withholding and remitting provisions of applicable laws and has complied in all respects with all Tax information reporting provisions of all applicable Laws.

3.28.4 There has been no waiver or extension of any statute of limitations applicable to any claim for, or the period for the assessment or reassessment or collection of, any Taxes due from Cerro de Pasco for any Tax Period and to the knowledge of Cerro de Pasco, no request for any such waiver or extension is currently pending and no power of attorney granted by or with respect to Cerro de Pasco for Taxes is currently in force.

3.28.5 There is no action, suit, proceeding, investigation, audit or claim now pending or to the knowledge of Cerro de Pasco, Threatened with respect to Taxes due from or with respect to Cerro de Pasco, nor has any audit of any such Tax Return been conducted within the previous five taxable years of Cerro de Pasco, no Taxing Authority has given notice of any intention to assert any deficiency or claim for additional Taxes against Cerro de Pasco and all deficiencies for Taxes asserted or assessed against Cerro de Pasco have been fully and timely paid, settled or properly reflected in the Financial Statements.

3.28.6 To the knowledge of Cerro de Pasco, no claim has been Threatened or made by any Taxing Authority in a jurisdiction where Cerro de Pasco does not currently file a Tax Return that it is or may be subject to Tax by such jurisdiction.

3.28.7 Cerro de Pasco is not a party to any Contract, whether written or unwritten, providing for the payment of Taxes, entitlement to refunds or similar Tax matters.

3.28.8 No private letter ruling of any Taxing Authority with respect to Taxes has been requested by or on behalf of Cerro de Pasco and Cerro de Pasco is not subject to any private letter ruling of any other Taxing Authority.

3.28.9 There are no Encumbrances for Taxes upon the Cerro de Pasco Assets.

3.28.10 Cerro de Pasco will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any Tax Period (or portion thereof) ending after the Closing Date as a result of any change in method of accounting for a Taxable Period ending on or prior to the Closing Date.

3.28.11 Cerro de Pasco has not been subject to Tax audits by the Taxing Authorities in any foreign jurisdiction.

3.28.12 Cerro de Pasco has not realized any capital loss in the current Tax Period or any in any Tax Period ending prior to the time upon which this Agreement is signed, except as set forth in the Cerro de Pasco Disclosure Statement.

3.29 Environment

3.29.1 Cerro de Pasco and the operation of the Cerro de Pasco Business are and, in the last five years, have been in compliance, in all material respects, with all Environmental Laws.

3.29.2 There are no pending or to the knowledge of Cerro de Pasco, Threatened Claims of any material nature under or pursuant to any Environmental Laws with respect to or affecting Cerro de Pasco.

3.29.3 The Cerro de Pasco Assets are capable of, and are not restricted by any Permit or Contract from, being operated substantially as they are currently operated while remaining in compliance with Environmental Laws.

3.30 Permits

3.30.1 The Cerro de Pasco Disclosure Statement contains a list of each Permit held by Cerro de Pasco in connection with the Cerro de Pasco Business.

3.30.2 No event has occurred or circumstance exists that may (with or without notice or lapse of time) (i) constitute or result directly or indirectly in a violation of or a failure to comply with any material term or requirement of any Permit, or (ii) result directly or indirectly in the revocation, withdrawal, suspension, cancellation, or termination of, or any modification to, any Permit.

3.30.3 Cerro de Pasco has not received, any notice or other written communication from any Governmental Body or any other Person regarding (i) any actual, alleged, possible, or potential violation of or failure to comply with any term or requirement of any Permit, or (ii) any actual, proposed, possible, or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to any Permit.

3.30.4 All applications required to have been filed for the renewal of the Permits have been duly filed on a timely basis with the appropriate Governmental Body, and all other material filings required to have been made with respect to such Permits have been duly made on a timely basis with the appropriate Governmental Body.

3.30.5 Cerro de Pasco is, and at all times since the applicable date of issuance of each Permit, has been, in compliance, in all material respects, with all of the terms and requirements of each such Permit and each of them is in full force and effect.

3.31 Insurance

As at the date of this Agreement, Cerro de Pasco does not maintain any insurance policies in respect of the Cerro de Pasco Business.

3.32 Anti-Money Laundering Laws

The Cerro de Pasco Business is and has been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering statutes of the jurisdictions in which it conducts or conducted business, the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Body (collectively, the “**Anti-Money Laundering Laws**”), and no proceeding by or before any Governmental Body involving Cerro de Pasco with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of Cerro de Pasco, threatened.

3.33 Litigation

3.33.1 There is no pending Proceeding:

3.33.1.1 that has been commenced by or against Cerro de Pasco or that otherwise relates to or may affect the Cerro de Pasco Business or any of the Cerro de Pasco Assets; or

3.33.1.2 that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated hereby.

3.33.2 There are no Orders to which Cerro de Pasco, the Cerro de Pasco Business or the Cerro de Pasco Assets is subject.

3.33.3 Cerro de Pasco is, and at all times since the applicable date of issuance of each Order, has been, in full compliance with all of the terms and requirements of each such Order to which Cerro de Pasco, or any of the Cerro de Pasco Assets, is or has been subject.

3.33.4 No event has occurred or circumstance exists that may constitute or result in (with or without notice or lapse of time) a violation of or failure to comply with any material term or requirement of any Orders to which Cerro de Pasco, or any of the Cerro de Pasco Assets, is subject.

3.33.5 Cerro de Pasco has not received, at any time since its date of incorporation, any notice or other written communication from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any term or requirement of any Orders to which any Cerro de Pasco, or any of the Cerro de Pasco Assets, is or has been subject.

3.34 No Other Representation

Except as expressly set forth in this Article 3, Cerro de Pasco does not make any express or implied representation or warranty of any kind whatsoever.

4. REPRESENTATIONS AND WARRANTIES OF GENIUS

Genius represents and warrants to Cerro de Pasco and the current holders of Cerro de Pasco Shares as follows and acknowledges that they are relying upon such representations and warranties in connection with the Transaction and that Cerro de Pasco would not have entered into this Agreement without such representations and warranties.

4.1 Due Incorporation

Genius is duly incorporated and organized, validly existing and in good standing under the laws of its jurisdiction of incorporation.

4.2 Due Authorization

Genius has the necessary corporate power and authority to own, lease and operate its properties and to conduct its business as and in the places where such properties are now owned, leased or operated or such business is now conducted and to perform all its obligations under all Contracts to which it is party or by which it is bound.

Genius has the necessary corporate power and authority to enter into and deliver this Agreement and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement by Genius and the performance by Genius of its obligations hereunder have been duly authorized by the board of directors of Genius and no other corporate proceedings on the part of Cerro de Pasco are necessary to authorize the execution and delivery of this Agreement by Cerro de Pasco and the performance by Cerro De Pasco it its obligations hereunder, other than the approval by Cerro de Pasco's shareholders of the Transaction and this Agreement and any other approval required by the CSE.

4.3 Enforceability of Obligations

This Agreement constitutes, upon its execution, a legal, valid and binding obligation of Genius enforceable against it in accordance with its terms subject, however, to:

4.3.1 limitations with respect to enforcement imposed by bankruptcy Laws, insolvency Laws and other Laws affecting creditors' rights generally; and

4.3.2 general principles of equity and civil law including the availability of remedies, such as specific performance and injunction, which are remedies granted at the discretion of a court of competent jurisdiction from which they are sought.

4.4 No Conflict

Subject to obtaining the Required Consents under the Genius Material Contracts, the approval by Genius' shareholders of the Transaction and this Agreement and any other approval required by the CSE, the execution and delivery of this Agreement, the consummation of the transactions contemplated herein and therein, the performance by Genius of its obligations hereunder and thereunder and the compliance by Genius with the provisions hereof and thereof by it does not:

4.4.1 violate, contravene or breach, or constitute a Default under, the Organizational Documents of Genius or any resolution adopted by the board of directors or the shareholders of Genius;

4.4.2 violate, contravene or breach, or constitute a Default under any Genius Material Contract pursuant to which any of the Genius Assets may be affected;

4.4.3 result in the violation of any Laws which Genius is subject or by which it is bound.; or

4.4.4 result in the creation of, or require the creation of, any Encumbrance upon any of the Genius Shares or any of the Genius Assets.

4.5 Required Authorizations

Except for the filing of a public deed of absorption with the relevant Peruvian Governmental Body and the filings required by the CSE, no filing with, notice to, or authorization of, any Governmental Body is required on the part of Genius as a condition to the lawful completion of the transactions contemplated by this Agreement.

4.6 Required Consents

Except for the Required Consents under the Genius Material Contracts, there is no requirement to obtain any consent, approval or waiver of a party under any Genius Material Contract in order to complete any of the transactions contemplated by this Agreement.

4.7 Capitalization of Genius

The authorized share capital of Genius consists of an unlimited number of common shares of which 36,520,743 are issued and outstanding as fully paid and non-assessable shares. The Genius Shares have all been issued in compliance with all applicable Laws and they represent all of the issued and outstanding shares of the share capital of Genius. No other class of shares or other ownership interests of Genius is authorized or outstanding.

4.8 Options and Warrants

Other than as described in the Genius Disclosure Statement and as contemplated by this Agreement, there is no:

4.8.1 outstanding security of Genius convertible or exchangeable into any share of the share capital of Genius;

4.8.2 outstanding subscription, option, warrant, call, commitment or Contract obligating Genius to issue any share of its share capital or any security of any class or kind which in any way relate to the authorized or issued share capital of Genius;

4.8.3 Contract (other than this Agreement) which grants to any Person the right to purchase or otherwise acquire any share issued and outstanding of the share capital of Genius;

4.8.4 voting trust or voting agreement or pooling agreement or proxy with respect to any Genius; or

4.8.5 Contract (other than this Agreement) entered into by Genius which will result upon Closing in any Person being entitled to purchase or otherwise acquire any share of the share capital of Genius.

4.9 Shareholders Agreement

Except as disclosed in the Genius Disclosure Statement and as contemplated by this Agreement, there is no Contract of any nature between Genius, on the one hand, and any Person, on the other hand, or between any Persons (including, without limitation, shareholders or creditors of Genius) that relates to or affects the management of Genius or restricts the ability of Genius to issue securities or the ability of shareholders of Genius to freely transfer or alienate any outstanding securities of Genius or securities of Genius that may hereafter be issued, or that creates a voting trust, voting agreement, pooling agreement, drag-along, right of first refusal, pre-emptive right or proxy with respect to any of the outstanding securities of Genius or securities of Genius that hereafter may be issued.

4.10 No Other Agreement

Except as disclosed in the Genius Disclosure Statement and as contemplated by this Agreement, no Person has any Contract, right or privilege (whether by Law or Contract)

capable of becoming such, for the purchase, acquisition or transfer of any securities of Genius.

4.11 Proceedings Pertaining to Genius Shares

Genius is in compliance with all Laws which would materially affect its ability to perform its obligations hereunder. There are no actions, suits, claims, trials, demands, investigations, arbitrations or other proceedings pending or, to the knowledge of Genius, Threatened with respect to or in any manner affecting Genius Shares. There is no legal action pending or, to the knowledge of Genius, Threatened against Genius that may affect its ability to perform its obligations hereunder, and to the knowledge of Genius, Genius' shareholders do not have any claim against Genius or its directors, officers or employees.

4.12 No Broker

No agent, broker, Person or firm acting on behalf of Genius is, or will be, entitled to any commission or brokers' or finders' fees from Genius, its shareholders or from any of their Affiliate, in connection with any of the transactions contemplated by this Agreement.

4.13 No Subsidiaries

Except as set under Section 6.2 hereto, Genius (i) does not own, directly or indirectly, any shares of the share capital of any Person and (ii) does not hold any investment in, and does not have any property interest in, any Person:

4.14 Compliance with Laws

Genius is conducting and has conducted in the last three years the Genius Business in compliance with all applicable Laws, other than acts of non-compliance which, individually or in the aggregate, would not constitute a Genius Material Adverse Effect.

4.15 Reporting Issuer Status and Securities Law Matters

4.15.1 Genius is:

4.15.1.1 a "*reporting issuer*" in British Columbia, Alberta, Ontario and Quebec within the meaning of applicable securities Laws in each of the provinces and territories of Canada; and

4.15.1.2 not on the list of reporting issuers in default under applicable securities Laws, and no securities commission or similar regulatory authority has issued any order preventing or suspending trading of any securities of Genius.

4.15.2 Genius:

- 4.15.2.1 is not in default of any material provision of applicable securities Laws or the rules and regulations of the CSE;
- 4.15.2.2 has not taken any action to cease to be a reporting issuer in British Columbia, Alberta, Ontario or Quebec; and
- 4.15.2.3 has not received notification from any securities commission or similar regulatory authority seeking to revoke the reporting issuer status of Genius.

4.15.3 The Genius Shares are:

- 4.15.3.1 listed on the CSE; and
- 4.15.3.2 other than as provided under Section 4.15.4 below, trading in the Genius Shares on the CSE is not currently halted or suspended,
- 4.15.3.3 and, except for such listing and trading, no securities of the Genius Shares are listed or quoted for trading on any other stock or securities exchange or market.

4.15.4 The Genius Shares will be subject to a trading halt upon the announcement of the entering into this Agreement until the Listing Statement has been filed on SEDAR.

4.15.5 No delisting, suspension of trading or cease trading order or other order or restriction with respect to any Genius Securities is pending, in effect, or, to the knowledge of Genius, Threatened, or is expected to be implemented or undertaken.

4.15.6 Genius is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction.

4.15.7 None of Genius' subsidiaries are subject to continuous disclosure or other disclosure requirements under any securities Laws.

4.15.8 Genius has timely filed or furnished with any Governmental Body all material forms, reports, schedules, statements and other documents required to be filed or furnished by Genius with the appropriate Governmental Body since December 31, 2016.

4.15.9 The documents comprising the Genius Public Disclosure Record:

- 4.15.9.1 as filed, complied in all material respects with Law; and
- 4.15.9.2 did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of

this Agreement, on the date of such filing), contain any misrepresentation.

4.15.10 Genius has not filed any:

4.15.10.1 confidential material change report (which at the date of this Agreement remains confidential); or

4.15.10.2 other confidential filings (including redacted filings)

4.15.10.3 with or to any securities commission or similar regulatory authority.

4.16 No Material Adverse Change

Since the Financial Statements Date, there has not been any Genius Material Adverse Change or any event, condition or contingency that may result in such a Genius Material Adverse Change.

4.17 Conduct of Business in Ordinary Course

Since the Financial Statements Date, other than as disclosed in the Genius Public Disclosure Record, Genius has conducted the Genius Business and affairs in the Ordinary Course and in a manner consistent with past practices and, without limiting the generality of the foregoing, it has not:

4.17.1 incurred or discharged any secured or unsecured liability or obligation (whether accrued, absolute or contingent) other than (i) liabilities and obligations disclosed in the Genius Financial Statements, and (ii) liabilities and obligations incurred since the Genius Financial Statements Date in the Ordinary Course and in a manner consistent with past practices;

4.17.2 made any capital expenditure;

4.17.3 issued, sold or otherwise disposed of any shares of its share capital or any warrants, rights, bonds, debentures, notes or other corporate security of Genius;

4.17.4 suffered any extraordinary damages, destructions or losses, to the Genius Assets or otherwise, whether or not covered by insurance;

4.17.5 modified its Organizational Documents or capital structure;

4.17.6 reserved, declared, made or paid any dividend or redeemed, repurchased, purchased, or otherwise acquired shares of its share capital or any of its other corporate securities;

4.17.7 entered into an employment agreement or made any change in or to (i) the rate or form of compensation or remuneration payable to or to become payable to any of its shareholders, directors, officers, employees, licensors, licensees, franchisors, franchisees, distributors, agents, or suppliers, or (ii) any bonus or other incentive payments or arrangements with any of its shareholders, directors, officers, employees, licensors, licensees, franchisors, franchisees, distributors, agents, suppliers, or customers;

4.17.8 removed any director or terminated any officer without cause;

4.17.9 entered into, terminated, cancelled, amended, modified, altered or varied any Genius Material Contract;

4.17.10 made any change in its accounting policies, practices and calculations as utilized in the preparation of the Genius Financial Statements;

4.17.11 changed its business or the manner in which it conducts the Genius Business;

4.17.12 failed to promptly (i) comply with any Laws in all material respects, (ii) file duly and punctually all reports and returns required to be filed by any Laws, and (iii) pay or provide for the payment of all Taxes;

4.17.13 made any loan or advance, or assumed, guaranteed, endorsed or otherwise became liable with respect to the liabilities or obligations of any Person;

4.17.14 purchased or otherwise acquired any shares, units or other interest, or securities convertible into shares or units, of any Person or enter into any profit sharing arrangement, partnership or joint venture with any Person;

4.17.15 incurred any Indebtedness;

4.17.16 changed the banking arrangements and signatories in effect on the date hereof or granted any powers of attorney;

4.17.17 purchased, sold, leased or otherwise disposed of any Genius Assets having, individually, a value in excess of \$10,000, or any right, title or interest therein or grant any Encumbrances, in respect thereto;

4.17.18 failed to maintain in full force and effect its insurance policies providing coverage and amounts of coverage comparable to the coverage and amounts of coverage provided under its policies of insurance in effect on the date hereof;

4.17.19 failed to perform duly and punctually in all material respects all of its contractual obligations in accordance with the terms thereof;

4.17.20 failed to maintain and keep the Genius Assets in good condition and working order, except for ordinary wear and tear;

4.17.21 modified, changed or terminated its business organization or its relationship with its suppliers, customers and others having business relations with it; and

4.17.22 authorized, agreed or otherwise committed to any of the foregoing.

4.18 Corporate Records

4.18.1 The Corporate Records of Genius are complete and accurate in all material respects, and contain copies of all by-laws and material resolutions passed by its shareholders, directors and committees of the board of directors since the date of its incorporation, all of which by-laws and resolutions have been duly passed.

4.18.2 The registers of shareholders, registers of transfers and registers of directors of Cerro Genius are complete and accurate in all material respects.

4.19 Books and Records

The Books and Records of Genius, are complete and accurate in all material respects in accordance with sound business practices, including the maintenance of an adequate system of internal controls, and fairly present and disclose, in all material respects, in accordance with IFRS applied on a basis consistent with prior periods and throughout the periods involved, (i) the financial position of Genius, and (ii) all material transactions of Genius.

4.20 Financial Statements

The Genius Financial Statements fairly present and disclose, in all material respects in accordance with IFRS applied on a basis consistent with prior periods and throughout the periods involved (i) the Genius Assets, liabilities and obligations (whether accrued, contingent or absolute), income losses retained earnings, reserves and financial condition of Genius, (ii) the results of operations of Genius and the source and use of its funds, and (iii) the changes in the financial condition of Genius, all as at the dates and for the periods therein specified.

4.21 No Undisclosed Liabilities

Genius has no liabilities or obligations of any nature (whether or not accrued, contingent, determined, determinable or otherwise) except for those liabilities or obligations:

4.21.1 reflected in or reserved against the Genius Financial Statements;
or

4.21.2 incurred after the Financial Statements Date in the Ordinary Course.

4.22 Related Party Transactions

Except as disclosed in the Genius Financial Statements and with the exception of indemnification agreements in favour of directors and officers of Genius, there are no Contracts or other transactions currently in place between Genius, on the one hand, and (i) any director or officer of Genius, (ii) any holder of record or, beneficial owner of Genius Shares, and (iii) any Affiliate of any such, officer, director, holder of record or beneficial owner, on the other hand.

4.23 No Dividends

Genius has not, since the Financial Statements Date, (i) reserved, declared, made or paid any dividend or redeemed, repurchased or otherwise acquired shares of its share capital or other corporate security, or (ii) agreed to reserve, declare or pay to the shareholders of record prior to the Closing Time any dividend or to redeem, repurchase or otherwise acquire shares of its share capital or other corporate security.

4.24 No Guarantees

Genius is not party to or bound either absolutely or on a contingent basis by any comfort letter, understanding or agreement of guarantee, indemnification, assumption or endorsement or any like commitment with respect to the liabilities or obligations of any Person (whether accrued, absolute or contingent).

4.25 Title to Assets

Genius is the sole and unconditional owner of, and has a good and marketable title to, all the Genius Assets free and clear of any and all Encumbrances, other than such Assets consumed or disposed of after the Financial Statements Date in the Ordinary Course and in a manner consistent with past practice.

4.26 Owned Real Property

Genius does not own any real property.

4.27 Material Contracts

4.27.1 The Genius Disclosure Statement includes a complete and accurate list of all Genius Material Contracts that are currently in force, and true and complete copies of all such Genius Material Contracts;

4.27.2 All of the Genius Material Contracts are in full force and effect, and Genius is entitled to all rights and benefits thereunder in accordance with the terms thereof. Genius has not waived any material rights under a Genius

Material Contract and no material default or breach exists in respect thereof on the part of Genius or, to the knowledge of Genius, on the part of any other party thereto, and, to the knowledge of Genius, no event has occurred that, alter the giving of notice or the lapse of time or both, would constitute such a material default or trigger a right of termination of any of such Genius Material Contracts;

4.27.3 all of the Genius Material Contracts are valid and binding obligations of Genius, as the case may be, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction;

4.27.4 Genius has not received notice that any party to a Genius Material Contract intends to cancel, terminate or otherwise modify or not renew such Genius Material Contract, and no such action has been Threatened; and

4.27.5 Genius is not a party to any Genius Material Contract that contains any non-competition obligation or otherwise restricts in any material way the Genius Business.

4.28 Tax Matters

4.28.1 For all Tax Periods ending on or prior to the Closing Date, Genius has properly prepared and filed when due all Tax Returns required to be filed, and all such Tax Returns (including information provided therewith or with respect thereto) are true, correct and complete in all material respects as of the time of such filing or after taking into account any changes thereto reflected on any amended Tax Returns.

4.28.2 Genius has fully and timely paid all Taxes owed by Genius (whether or not shown on any Tax Return), and has made adequate provision on its books for any Taxes that are not yet due and payable, for all Tax Periods, or portions thereof, ending on or before the Closing Date.

4.28.3 Genius has withheld all Taxes required to be withheld in connection with any amounts paid or owing to any employee, creditor, independent contractor, partner, stockholder, third party or other Person and timely paid to the appropriate Taxing Authority proper and accurate amounts in all respects for all periods ending on or before the Closing Date in compliance with all Tax withholding and remitting provisions of applicable laws and has complied in all respects with all Tax information reporting provisions of all applicable Laws.

4.28.4 There has been no waiver or extension of any statute of limitations applicable to any claim for, or the period for the assessment or reassessment or collection of, any Taxes due from Genius for any Tax Period

and to the knowledge of Genius, no request for any such waiver or extension is currently pending and no power of attorney granted by or with respect to Genius for Taxes is currently in force.

4.28.5 There is no action, suit, proceeding, investigation, audit or claim now pending or to the knowledge of Genius, Threatened with respect to Taxes due from or with respect to Genius, nor has any audit of any such Tax Return been conducted within the previous five taxable years of Genius, no Taxing Authority has given notice of any intention to assert any deficiency or claim for additional Taxes against Genius and all deficiencies for Taxes asserted or assessed against Genius have been fully and timely paid, settled or properly reflected in the Genius Financial Statements.

4.28.6 To the knowledge of Genius, no claim has been Threatened or made by any Taxing Authority in a jurisdiction where Genius does not currently file a Tax Return that it is or may be subject to Tax by such jurisdiction.

4.28.7 Genius is not a party to any Contract, whether written or unwritten, providing for the payment of Taxes, entitlement to refunds or similar Tax matters.

4.28.8 No private letter ruling of any Taxing Authority with respect to Taxes has been requested by or on behalf of Genius and Genius is not subject to any private letter ruling of any other Taxing Authority.

4.28.9 Genius has provided to Cerro de Pasco copies of all Tax audit reports that have been issued with respect to the previous five taxable years of Genius.

4.28.10 There are no Encumbrances for Taxes upon the Genius Assets.

4.28.11 Genius will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any Tax Period (or portion thereof) ending after the Closing Date as a result of any change in method of accounting for a Taxable Period ending on or prior to the Closing Date.

4.28.12 Genius has given or otherwise made available to Cerro de Pasco true, correct and complete copies of all Tax Returns relating to Genius for Tax Periods, or transactions consummated, for which the applicable statutory periods of limitation have not expired.

4.28.13 Genius has not been subject to Tax audits by the Taxing Authorities in any foreign jurisdiction.

4.28.14 Genius has not realized any capital loss in the current Tax Period or any in any Tax Period ending prior to the time upon which this Agreement is signed.

4.29 Auditors

The auditors of Genius are independent public accountants as required by applicable Laws and there is not now, and there has not been, any reportable disagreement (within the meaning of Section 4.11 of National 51-102 - Continuous Disclosure Obligations), with Genius' auditors.

4.30 Environment

4.30.1 Genius and the operation of the Genius Business are and, in the last five years, have been in compliance, in all material respects, with all Environmental Laws.

4.30.2 There are no pending or to the knowledge of Genius, Threatened Claims of any material nature under or pursuant to any Environmental Laws with respect to or affecting Genius.

4.30.3 The Genius Assets are capable of, and are not restricted by any Permit or Contract from, being operated substantially as they are currently operated while remaining in compliance with Environmental Laws.

4.31 National Instrument 43-101

4.31.1 All of the material assumptions underlying the mineral resource and mineral reserve estimates in the Genius Public Disclosure Record are reasonable and appropriate.

4.31.2 The estimates of mineral resources and mineral reserves as described in the Genius Public Disclosure Record comply in all material respects with NI 43-101;

4.31.3 As of the date hereof, Genius does not have knowledge of any material change in the facts and assumptions underlying such estimates that would reasonably be expected to result in a material adverse change in any production, cost, price, reserves, resources or other relevant information provided in its technical reports disclosing such mineral resources and mineral reserves.

4.31.4 The information set forth in the Genius Public Disclosure Record relating to mineral resources and mineral reserves required to be disclosed therein pursuant to NI 43-101 has been prepared by Genius and its consultants in accordance with methods generally applied in the mining industry and conforms to the requirements of NI 43-101 and, in all material respects, applicable securities Laws.

4.31.5 Genius is in compliance in all material respects with the provisions of NI 43-101 and has filed all technical reports required thereby.

4.32 Permits

4.32.1 No event has occurred or circumstance exists that may (with or without notice or lapse of time) (i) constitute or result directly or indirectly in a violation of or a failure to comply with any material term or requirement of any Permit, or (ii) result directly or indirectly in the revocation, withdrawal, suspension, cancellation, or termination of, or any modification to, any Permit.

4.32.2 Genius has not received, any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (i) any actual, alleged, possible, or potential violation of or failure to comply with any term or requirement of any Permit, or (ii) any actual, proposed, possible, or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to any Permit.

4.32.3 All applications required to have been filed for the renewal of the Permits have been duly filed on a timely basis with the appropriate Governmental Body, and all other material filings required to have been made with respect to such Permits have been duly made on a timely basis with the appropriate Governmental Body.

4.32.4 Genius is, and at all times since the applicable date of issuance of each Permit, has been, in compliance, in all material respects, with all of the terms and requirements of each such Permit and each of them is in full force and effect.

4.33 Anti-Money Laundering Laws

The Genius Business is and has been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable Anti-Money Laundering Laws, and no proceeding by or before any Governmental Body involving Genius with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of Genius, threatened.

4.34 Litigation

4.34.1 There is no pending Proceeding:

4.34.1.1 that has been commenced by or against Genius or that otherwise relates to or may affect the Genius Business or any of the Genius Assets; or

4.34.1.2 that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated hereby.

4.34.2 There are no Orders to which Genius, the Genius Business or the Genius Pasco Assets is subject.

4.34.3 Genius is, and at all times since the applicable date of issuance of each Order, has been, in full compliance with all of the terms and requirements of each such Order to which Genius, or any of the Genius Assets, is or has been subject.

4.34.4 No event has occurred or circumstance exists that may constitute or result in (with or without notice or lapse of time) a violation of or failure to comply with any material term or requirement of any Orders to which Genius, or any of the Genius Assets, is subject.

4.34.5 Genius has not received, at any time since its date of incorporation, any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any term or requirement of any Orders to which any Genius, or any of the Genius Assets, is or has been subject.

4.35 Sufficient Funds

Genius' cash on hand shall be sufficient for Genius to fund the Remaining Consideration.

4.36 Canadian Corporation

Genius is a "Canadian corporation" for the purposes of the *Income Tax Act* (Canada).

4.37 No Other Representation

Except as expressly set forth in this Article 4, Genius does not make any express or implied representation or warranty of any kind whatsoever.

5. COVENANTS OF CERRO DE PASCO

5.1 Conduct of Business

Except (i) as otherwise contemplated or permitted by this Agreement, including, without limitation, with respect to the Alpha Debt and the Assameka Debt and the repayment, forgiveness or conversion of existing debt pursuant to Section 2.5.1.3; (ii) that Cerro de Pasco may issue up to an additional 40,000,000 Cerro de Pasco Shares at any time prior to the Closing Date in connection with existing debt obligations or otherwise; (iii) in connection with the exercise of the option under the Cerro de Pasco Option Agreement; or (iv) with the prior written consent of Genius, which shall not be unreasonably withheld or delayed, during the period from the date of this Agreement to the Closing Date, Cerro de Pasco shall:

5.1.1 operate the Business in the Ordinary Course;

5.1.2 not, (i) amend its Organizational Documents; (ii) split, combine or reclassify any shares in the capital of Cerro de Pasco; (iii) issue, grant, deliver, sell or pledge, or agree to issue, grant, deliver, sell or pledge, any shares of Cerro de Pasco, or any rights convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of Cerro de Pasco; (iv) redeem, purchase or otherwise acquire, or offer to redeem, purchase or otherwise acquire, any outstanding securities of Cerro de Pasco; (v) amend the terms of any of Cerro de Pasco Shares; (vi) declare, set aside or pay any dividend or distribution (whether in cash, securities or property or any combination thereof) in respect of Cerro de Pasco Shares or other securities of Cerro de Pasco; (vii) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of Cerro de Pasco; (viii) amend its accounting policies or adopt new accounting policies, in each case except as required in accordance with Peru GAAP; or (ix) enter into any agreement with respect to any of the foregoing;

5.1.3 continue to maintain in full force and effect all policies of insurance currently in effect in respect of Cerro de Pasco and give all notices and present all Claims under all policies of insurance in a due and timely fashion;

5.1.4 comply in all material respects with all Laws affecting the operations of Cerro de Pasco and the Cerro de Pasco Business;

5.1.5 not make or rescind any material express or deemed election relating to Taxes, except to the extent it is commercially reasonable;

5.1.6 not make a request for a Tax ruling or enter into any agreement with any Taxing Authority or consent to any extension or waiver of any limitation period with respect to Taxes, except to the extent it is commercially reasonable;

5.1.7 not settle or compromise any Claim relating to Taxes that exceeds, individually or in the aggregate, \$50,000;

5.1.8 not amend any Tax Return or change any of its methods of reporting income, deductions or accounting for income Tax purposes from those employed in the preparation of its income Tax Return for the taxation year ended December 31, 2017, except as may be required by applicable Law or to the extent it is commercially reasonable;

5.1.9 not, directly or indirectly, cause or permit any state of affairs, action or omission described in the following paragraphs:

5.1.9.1 making any material change in the operations or manner of conducting the Cerro de Pasco Business;

5.1.9.2 selling, transferring or otherwise disposing of any of the Cerro de Pasco Assets except for Assets that are obsolete

and that individually or in the aggregate do not exceed \$50,000;

- 5.1.9.3 declaring, paying or making, or setting aside for payment or making, any distribution in respect of its Cerro de Pasco Shares or other capital or securities, or directly or indirectly redeem, repurchase or otherwise acquire any of its Cerro de Pasco Shares or other capital or securities or subdivide or in any way reclassify or change any of the terms or provisions of its Cerro de Pasco Shares or other capital or securities;
- 5.1.9.4 incurring any liability, except for current liabilities that are incurred in the Ordinary Course or for liabilities which do not exceed in the aggregate \$50,000;
- 5.1.9.5 cancelling or waiving any material Claims, rights, debts or other obligations owed to Cerro de Pasco;
- 5.1.9.6 entering into or assuming any Contract that would be considered a Cerro de Pasco Material Contract (by written agreement or otherwise), or selling, encumbering or otherwise disposing or distributing any material Cerro de Pasco Asset except in the Ordinary Course;
- 5.1.9.7 entering into any agreement or arrangement that limits or otherwise restricts in any material respect Cerro de Pasco or any successor thereto, or that would, alter the Closing Time, limit or restrict in any material respect Cerro de Pasco, from carrying on business in any manner;
- 5.1.9.8 incurring, creating, assuming or otherwise becoming liable for any Indebtedness for borrowed money (except for the borrowing under Cerro de Pasco's existing credit facility in the Ordinary Course and in a manner consistent with past practices) or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person, or make any capital contributions, investments or advances to any other Person;
- 5.1.9.9 initiating or settling any litigation to which Cerro de Pasco may be or may become a party involving Claims that exceed, individually or in the aggregate, \$50,000;
- 5.1.9.10 entering into any transaction, understanding or arrangement with any Person under terms and conditions that are not arm's length;

- 5.1.9.11 making any capital expenditure or commitment to make a capital expenditure in excess of \$50,000 individually or in the aggregate, except in connection with the exercise of the option under the Cerro de Pasco Property Option Agreement;
- 5.1.9.12 amending, revising, or renewing any Cerro de Pasco Material Contract in any manner that would be adverse to Cerro de Pasco when such amendments, revisions or renewals in respect of each such Cerro de Pasco Material Contract are taken as a whole, or terminating any such Cerro de Pasco Material Contract;
- 5.1.9.13 take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or impede the ability of Genius to complete the transactions contemplated hereby; or
- 5.1.9.14 entering into any commitment or obligation to do any of the foregoing.

5.2 Genius Representation and Warranties

Cerro de Pasco agrees that, if at any time prior to the Closing Time it becomes aware of any fact, circumstance, event or condition that it reasonably believes to render any of the representations or warranties of Cerro de Pasco contained in this Agreement untrue in any material respect, it shall as soon as possible thereafter advise Genius of the particulars thereof.

5.3 Business Organization

From the date hereof up to the earlier of the Closing Time or the termination of this Agreement, Cerro de Pasco shall (i) preserve its business existence intact, and (ii) use its Best Efforts to keep available the services of its present directors, auditors, officers and employees.

5.4 Adverse Change

5.4.1 From the date hereof up to the earlier of the Closing Time or the termination of this Agreement, Cerro de Pasco shall give prompt notice to Genius of any fact, condition or circumstance of which Cerro de Pasco has Knowledge which (i) would constitute a Cerro de Pasco Material Adverse Effect, or (ii) result in a Default or the breach in any material respect of Cerro de Pasco to comply with or satisfy any covenant, condition or agreement (without giving effect to, applying or taking into consideration any

qualification already contained in such covenant, condition or agreement) to be complied with or satisfied prior to the Closing Time.

5.4.2 Without limiting the generality of Section 5.4.1, Cerro de Pasco shall:

5.4.2.1 give prompt written notice to Genius of the commencement of any Proceeding or the assertion of any material claim or threat to commence any Proceeding against Cerro de Pasco, in each case to the extent Cerro de Pasco has Knowledge thereof; and

5.4.2.2 keep Genius fully and promptly informed as to any developments in any pending Proceeding.

5.5 Access to Information

From and after the date hereof until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, upon reasonable notice, and subject to applicable Laws and restrictions contained in the confidentiality agreements to which Cerro de Pasco is subject, Cerro de Pasco shall, for integration, transition and financing purposes only, provide Genius and its representatives with (i) continuous access to relevant information in connection with the transactions contemplated hereby (in the same manner provided to Genius and its representatives prior to the date hereof), and (ii) reasonable access during normal business hours to all Books and Records, assets and properties of Cerro de Pasco as well as such senior employees of Cerro de Pasco as shall be reasonably agreed to by Cerro de Pasco (in a manner so as to not interfere with the normal business operations of Cerro de Pasco). All of such information shall be treated as confidential information pursuant to the terms of Section 15.2 of this Agreement.

5.6 Records

If there are any material deficiencies in any of the Corporate Records of Cerro de Pasco, then Cerro de Pasco shall take or cause to be taken on behalf of Cerro de Pasco all action necessary or advisable, as reasonably requested by legal counsel to Genius, to correct any such deficiencies prior to Closing.

5.7 Payment of Indebtedness by Related Persons

Except as contemplated by this Agreement, Cerro de Pasco shall use its Best Efforts to cause all Indebtedness owed to Cerro de Pasco by the current holders of Cerro de Pasco Shares or any Person not dealing at arm's length with Cerro de Pasco to be paid in full prior to Closing.

5.8 Exclusivity

From and after the date hereof until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, Cerro de Pasco and each of its shareholders, directors, officers, employees and agents shall not, directly or indirectly solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public

information to, or consider the merits of any unsolicited inquiries or proposals from, any Person (other than Genius) relating to any transaction involving the sale of the Cerro de Pasco Business or the Cerro de Pasco Assets (other than in the Ordinary Course), or any of the share capital of Cerro de Pasco, or any merger, consolidation, business combination, or similar transaction involving Cerro de Pasco.

6. COVENANTS OF GENIUS

6.1 Creation of BranchCo

As soon as practicable after the date of this Agreement, Genius shall establish BranchCo under Peruvian laws as a branch of Genius for the sole purpose of the Transaction.

6.2 Reorganization

Prior to the Closing Date, Genius will incorporate new Affiliates for the purpose of the Reorganization. Subject to Genius Shareholders and regulatory approvals, the ownership of all rights and titles to the Genius Properties will be transferred from Genius to such new Affiliates. Such Affiliates shall then become distinct public entities by way of a public offering or another mean permitted under applicable securities laws. Prior to the Closing Date, Genius will complete the Reorganization.

As a result of the Reorganization, Genius shall have no subsidiaries and shall no longer have any rights nor interest in the Genius Properties at the Closing Date.

6.3 Capitalization

Genius undertakes not to grant any Genius Securities until the Closing Date, except as follows: Genius may issue up to 15,000,000 Genius Shares and 7,500,000 warrants as part of capital raising activities anticipated to occur prior to the Closing Date.

6.4 Conduct of Business

Except (i) as otherwise contemplated or permitted by this Agreement, or (ii) with the prior written consent of Cerro de Pasco, which shall not be unreasonably withheld or delayed, during the period from the date of this Agreement to the Closing Date, Genius shall:

6.4.1 not, (i) amend its Organizational Documents; (ii) split, combine or reclassify any shares in the capital of Genius; (iii) issue, grant, deliver, sell or pledge, or agree to issue, grant, deliver, sell or pledge, any shares of Genius, or any rights convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of Genius; (iv) redeem, purchase or otherwise acquire, or offer to redeem, purchase or otherwise acquire, any outstanding securities of Genius; (v) amend the terms of any of Genius Shares; (vi) declare, set aside or pay any dividend or distribution (whether in cash, securities or property or any combination thereof) in respect of Genius Shares or other securities of Genius; (vii) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of Genius; (viii) amend

its accounting policies or adopt new accounting policies, in each case except as required in accordance with IFRS; or (ix) enter into any agreement with respect to any of the foregoing;

6.4.2 continue to maintain in full force and effect all policies of insurance currently in effect in respect of Genius, except as required in connection with the Reorganization and give all notices and present all Claims under all policies of insurance in a due and timely fashion;

6.4.3 comply in all material respects with all Laws affecting the operations of Genius and the Genius Business;

6.4.4 not make or rescind any material express or deemed election relating to Taxes, except to the extent it is commercially reasonable;

6.4.5 not make a request for a Tax ruling or enter into any agreement with any Taxing Authority or consent to any extension or waiver of any limitation period with respect to Taxes, except to the extent it is commercially reasonable;

6.4.6 not settle or compromise any Claim relating to Taxes that exceeds, individually or in the aggregate, \$50,000;

6.4.7 not amend any Tax Return or change any of its methods of reporting income, deductions or accounting for income Tax purposes from those employed in the preparation of its income Tax Return for the taxation year ended December 31, 2017, except as may be required by applicable Law or to the extent it is commercially reasonable;

6.4.8 not, directly or indirectly, cause or permit any state of affairs, action or omission described in the following paragraphs:

6.4.8.1 declaring, paying or making, or setting aside for payment or making, any distribution in respect of its Genius Shares or other capital or securities, or directly or indirectly redeemed, repurchased or otherwise acquired any of its Genius Shares or other capital or securities or subdivided or in any way reclassified or changed any of the terms or provisions of its Genius Shares or other capital or securities;

6.4.8.2 incurring any liability, except for current liabilities that are incurred in the Ordinary Course or for liabilities which do not exceed in the aggregate \$50,000;

6.4.8.3 cancelling or waiving any material Claims, rights, debts or other obligations owed to Genius;

- 6.4.8.4 entering into or assuming any Contract that would be considered a Genius Material Contract (by written agreement or otherwise), except as required in connection with the Reorganization;
- 6.4.8.5 entering into any agreement or arrangement that limits or otherwise restricts in any material respect Genius or any successor thereto, or that would, alter the Closing Time, limit or restrict in any material respect Genius, from carrying on business in any manner;
- 6.4.8.6 incurring, creating, assuming or otherwise becoming liable for any Indebtedness for borrowed money or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person, or make any capital contributions, investments or advances to any other Person;
- 6.4.8.7 initiating or settling any litigation to which Genius may be or may become a party involving Claims that exceed, individually or in the aggregate, \$50,000;
- 6.4.8.8 entering into any transaction, understanding or arrangement with any Person under terms and conditions that are not arm's length, except as required in connection with the Reorganization;
- 6.4.8.9 making any capital expenditure or commitment to make a capital expenditure in excess of \$50,000 individually or in the aggregate;
- 6.4.8.10 amending, revising, or renewing any Genius Material Contract in any manner that would be adverse to Genius when such amendments, revisions or renewals in respect of each such Genius Material Contract are taken as a whole, or terminating any such Genius Material Contract, except as required in connection with the Reorganization;
- 6.4.8.11 take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or impede the ability of Cerro de Pasco to complete the transactions contemplated hereby; or
- 6.4.8.12 entering into any commitment or obligation to do any of the foregoing.

6.5 Adverse Change

6.5.1 From the date hereof up to the earlier of the Closing Time or the termination of this Agreement, Genius shall give prompt notice to Cerro de

Pasco of any fact, condition or circumstance of which Genius has Knowledge which (i) would constitute a Genius Material Adverse Effect, or (ii) result in a Default or the failure in any material respect of Genius to comply with or satisfy any covenant, condition or agreement (without giving effect to, applying or taking into consideration any qualification already contained in such covenant, condition or agreement) to be complied with or satisfied prior to the Closing Time.

6.5.2 Without limiting the generality of Section 6.5.1, Genius shall:

- 6.5.2.1 give prompt written notice to Cerro de Pasco of the commencement of any Proceeding or the assertion of any material claim or threat to commence any Proceeding against Genius, in each case to the extent Genius has Knowledge thereof; and
- 6.5.2.2 keep Cerro de Pasco fully and promptly informed as to any developments in any pending Proceeding.

6.6 Confidentiality

Between the date of this Agreement and the earlier of the Closing Date or the termination of this Agreement, Genius shall maintain confidential all information disclosed by Cerro de Pasco and its Affiliates with respect to Cerro de Pasco, the Cerro de Pasco Business and the Cerro de Pasco Assets, including, for greater certainty, the terms and conditions of this Agreement (subject to continuous disclosure requirements of applicable securities Laws), in accordance with the terms and conditions of Section 15.2 of this Agreement.

6.7 Due Diligence

Genius acknowledges that (i) the documents provided in connection with the transactions contemplated hereby and the documents listed in the Cerro de Pasco Disclosure Statement hereto have been made available to Genius for due diligence purposes, and that (ii) Genius has satisfied itself with the results of its due diligence investigations in respect of all matters relating to Cerro de Pasco Shares, Cerro de Pasco, including, without limitation, matters related to the Cerro de Pasco Business, the Cerro de Pasco Assets, the operations and the Liabilities and financial position of Cerro de Pasco disclosed to Genius prior to the execution of this Agreement.

Genius agrees that, if at any time prior to the Closing Time it becomes aware of any fact, circumstance, event or condition that it reasonably believes to render any of the representations or warranties of Genius contained in this Agreement untrue in any material respect, it shall as soon as possible thereafter advise Cerro de Pasco of the particulars thereof.

6.8 Additional Genius Covenants

Genius shall use its Best Efforts to ensure that:

6.8.1 the Genius Securities to be issued pursuant to the transactions contemplated by this Agreement will:

- 6.8.1.1 have been duly authorized and, upon issue, will be validly issued as fully paid and non-assessable securities in the capital of Genius; and
- 6.8.1.2 will not be issued in violation of Organizational Documents of Genius or any applicable Law.

7. MUTUAL COVENANTS OF GENIUS AND CERRO DE PASCO

7.1.1 Each of the Parties shall use its Best Efforts to:

- 7.1.1.1 satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 8 to the extent the same is within its control;
- 7.1.1.2 take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary and commercially reasonable to permit the completion of the transactions provided for herein in accordance with its obligations under this Agreement and applicable Laws and cooperate with the other Party in connection therewith,

in each case, at or prior to the Closing Time, unless another date is specified herein.

7.1.2 Each of the Parties shall use its Best Efforts to not take or cause to be taken any action which is inconsistent with this Agreement or which would reasonably be expected to prevent or significantly impede or materially delay the completion of the transactions contemplated by this Agreement.

7.1.3 Each of the Parties shall use its Best Efforts to execute and do all acts, further deeds, things and assurances as may be required in the reasonable opinion of the other Party's legal counsel to permit the completion of the transactions contemplated by this Agreement.

7.1.4 Genius shall use its Best Efforts to obtain the required CSE conditional and final approvals of the Transaction, which shall be granted by the CSE subject to standard terms for similar transactions. Cerro de Pasco will provide commercially reasonable cooperation in obtaining such CSE approvals.

7.1.5 Cerro de Pasco shall use its Best Efforts to obtain, or cause to be obtained, prior to Closing, any Required Consents which may be necessary to obtain under the Cerro de Pasco Material Contracts, which Required Consents

shall be upon such terms as are acceptable to Genius and Cerro de Pasco, acting reasonably. Genius will provide commercially reasonable cooperation in obtaining such Required Consents, including providing information regarding Genius and its Affiliates as is reasonably requested by a third party in order to grant its consent provided that Genius and its Affiliates are not under any obligation to pay any material amounts of money, incur any material obligations, commence any legal proceedings, or offer or grant any material accommodation (financial or otherwise) to any third party in order to obtain such consents, approvals and waivers.

7.1.6 Genius shall use its Best Efforts to obtain, or cause to be obtained, prior to Closing, any Required Consents which may be necessary to obtain under the Genius Material Contracts, which Required Consents shall be upon such terms as are acceptable to Cerro de Pasco and Genius, acting reasonably. Cerro de Pasco will provide commercially reasonable cooperation in obtaining such Required Consents, including providing information regarding Cerro de Pasco and its Affiliates as is reasonably requested by a third party in order to grant its consent provided that Cerro de Pasco and its Affiliates are not under any obligation to pay any material amounts of money, incur any material obligations, commence any legal proceedings, or offer or grant any material accommodation (financial or otherwise) to any third party in order to obtain such consents, approvals and waivers.

7.1.7 The Parties agree that all rights to indemnification existing in favour of the present and former directors and officers of Cerro de Pasco (each such present or former director or officer of the Cerro de Pasco being herein referred to as an “**Cerro de Pasco Indemnified Party**” and such persons collectively being referred to as the “**Cerro de Pasco Indemnified Parties**”) as provided by applicable Law, contracts or agreements to which Cerro de Pasco is a party and in effect as of the date hereof, shall:

- a. survive, and continue in full force and effect following, the completion of the transaction contemplated by this Agreement; and
- b. shall not be modified by such completion,

and Cerro de Pasco and any successor to Cerro de Pasco shall continue to honour such rights of indemnification and indemnify the Cerro de Pasco Indemnified Parties pursuant thereto, with respect to actions or omissions of the Cerro de Pasco Indemnified Parties occurring prior to the Closing Time, for six years following the Closing Time.

7.1.8 Prior to the Closing Time, notwithstanding any other provision hereof, Cerro de Pasco may purchase prepaid non-cancellable run-off directors’ and officers’ liability insurance providing coverage for a period of six years from the Closing Date with respect to claims arising from or related to facts or events which occur on or prior to the Closing Date, provided that the total cost of such run-off directors’ and officers’ liability insurance shall not exceed 200% of the

current annual aggregate premium for directors' and officers' liability insurance currently maintained by Cerro de Pasco.

8. CONDITIONS OF CLOSING

8.1 Mutual Conditions Precedent

The respective obligations of Genius and Cerro de Pasco to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the following conditions at or prior to the Closing Date:

8.1.1 *Genius Shareholders' Approval.* On or prior to the Closing Date, the shareholders of Genius shall have approved the Transaction and Reorganization at a special meeting of shareholders called for such purpose.

8.1.2 *Cerro de Pasco Board and Shareholders' Approvals.* On or prior to the Closing Date, the board of directors and the General Shareholders Meeting of Cerro de Pasco shall have approved, with the quorum and majority required by Peruvian law and by Cerro de Pasco's bylaws, the Absorption and all the transactions regulated in this Agreement.

8.1.3 *CSE Approval.* The CSE shall have conditionally approved the listing thereon of the Genius Shares to be issued pursuant to the Absorption as of the Closing Date.

8.1.4 *Regulatory Approvals.* All other appropriate regulatory approvals shall have been obtained or received from the Persons having jurisdiction in the circumstances, and all other applicable regulatory requirements and conditions shall have been complied with.

8.1.5 *Restrictions.* There shall not be in force any Order or decree restraining or enjoining the consummation of the transactions contemplated under this Agreement and there shall be no Proceeding, whether of a judicial or administrative nature or otherwise, in progress that relates to or results from the transactions contemplated under this Agreement that would, if successful, result in an Order or ruling that would preclude completion of the transactions contemplated under this Agreement in accordance with the terms and conditions hereof or thereof.

8.1.6 *Prohibitions.* No Law shall have been enacted, enforced, promulgated or issued by any Governmental Body that makes illegal or otherwise, directly or indirectly enjoins or prohibits any of the transactions contemplated by this Agreement.

8.1.7 *Required Consents.* All Required Consents under any Cerro de Pasco Material Contracts and Genius Material Contracts which are required or necessary for the completion of the transactions contemplated under this Agreement shall have been obtained or received.

The foregoing conditions are for the mutual benefit of Genius and Cerro de Pasco and may be waived in writing, in whole or in part, by Genius and Cerro de Pasco at any time.

8.2 Conditions for the Benefit of Genius

The completion of the Transaction in accordance with the terms of this Agreement is subject to the following conditions, each of which is hereby declared to be for the exclusive benefit of Genius. Each condition is to be performed or complied with at or prior to the Closing Time:

8.2.1 *Truth of Representations and Warranties.* The representations and warranties of Cerro de Pasco contained in Article 3 shall be true and correct in all material respects as of the date hereof and the Closing Date with the same force and effect as if such representations or warranties were made on and as of such date; provided, however, that if a representation or warranty speaks only as of a specific date it only needs to be true and correct as of that date.

8.2.2 *Performance of Covenants.* Cerro de Pasco shall have performed and complied in all material respects with all covenants contained in this Agreement required to be performed or complied with by Cerro de Pasco at or prior to the Closing Time.

8.2.3 *Additional Deliveries.* The documents referred to in Section 9.1 shall have been delivered to Genius at the Closing Time.

8.2.4 *Material Adverse Change.* From the date of this Agreement, there shall not have occurred any Cerro de Pasco Material Adverse Change.

Any condition can be waived in whole or in part by Genius without prejudice to any claims it may have for breach of representations or warranty or non-performance of an obligation.

8.3 Conditions for the Benefit of Cerro de Pasco

The Transaction in accordance with the terms of this Agreement are subject to the following conditions, each of which is hereby declared to be for the exclusive benefit of Cerro de Pasco. Each condition is to be performed or complied with in all respects at or prior to the Closing Time:

8.3.1 *Incorporation of BranchCo.* Genius shall have established BranchCo under Peruvian laws as a branch of Genius for the sole purpose of the Transaction.

8.3.2 *Reorganization.* Genius shall have completed the Reorganization on or prior to the Closing Date.

8.3.3 *Genius Board.* The Genius Board of Directors shall be comprised of six directors, four of which will be representatives of Cerro de Pasco, and two of which will be representatives of Genius. One representative of Cerro de Pasco

and one representative of Genius shall be named as authorized bank signatories with regard to the Genius bank accounts.

8.3.4 *Genius Board and Officer Resignations and Releases.* Any directors of the Genius Board of Directors that are resigning in connection with the completion of the Transaction shall have provided resignations and mutual releases in favour of Genius in form and substance satisfactory to Cerro de Pasco, acting reasonably. Any officers of Genius that are resigning in connection with the completion of the Transaction (including, without limitation, the President and Chairman) shall have provided resignations and mutual releases in favour of Genius in form and substance satisfactory to Cerro de Pasco, acting reasonably.

8.3.5 *Truth of Representations and Warranties.* The representations and warranties of Genius contained in Article 4 shall be true and correct in all material respects as of the date hereof and the Closing Date with the same force and effect as if such representations or warranties were made on and as of such date; provided, however, that if a representation or warranty speaks only as of a specific date it only needs to be true and correct as of that date.

8.3.6 *Performance of Covenants.* Genius shall have performed and complied in all material respects with all covenants contained in this Agreement required to be performed or complied with by Genius at or prior to the Closing.

8.3.7 *Additional Deliveries.* The documents referred to in Section 9.2 shall have been delivered to Cerro de Pasco at the Closing Time.

8.3.8 *Material Adverse Change.* From the date of this Agreement, there shall not have occurred any Genius Material Adverse Change.

8.3.9 *Post-Absorption Capitalization.* The number of Genius Shares held by the former holders of Cerro de Pasco Shares (as at the Closing Date) shall equal the CDP Percentage of Genius Shares, on a post-Closing basis.

Any condition can be waived in whole or in part by Cerro de Pasco without prejudice to any claims it may have for breach of representations or warranty or non-performance of an obligation.

9. CLOSING AND POST-CLOSING DELIVERIES AND OBLIGATIONS

9.1 Cerro de Pasco Closing Deliveries

At the Closing Time, Genius shall have received the following:

9.1.1 certified copies of (A) the Organizational Documents of Cerro de Pasco; (B) the resolutions of the board of directors of Cerro de Pasco approving the execution, delivery and performance of this Agreement and the other

documents contemplated by this Agreement; and (C) the resolutions of the General Shareholders Meeting of Cerro de Pasco approving the Absorption.

9.1.2 a certificate of compliance, attestation, status, good standing or like certificate with respect to Cerro de Pasco issued by the appropriate government official of the Republic of Peru dated within five Business Days of the Closing Date;

9.1.3 an officer's certificate, dated the Closing Date, to the effect that the conditions specified in Section 8.2.1, Section 8.2.2 and Section 8.2.4 have been fulfilled (giving full effect to any supplements to the Cerro de Pasco Disclosure Statement delivered by Cerro de Pasco to Genius);

9.1.4 all Books and Records in the possession of Cerro de Pasco; and

9.1.5 evidence of termination of all transactions and arrangements referred to in Section 3.21 in form and substance acceptable to Genius, acting reasonably.

9.2 Genius Closing Deliveries

At the Closing Time, Cerro de Pasco shall have received the following:

9.2.1 all payments due pursuant to the provisions of Section 2.7;

9.2.2 certified copies of (A) the Organizational Documents of Genius; (B) all resolutions of the board of directors of Genius approving the execution, delivery and performance of this Agreement and the other documents contemplated by this Agreement and approving the Transaction; and (C) all resolutions of shareholders of Genius approving the Transaction and all related matters;

9.2.3 certified copies of the public deed of creation of BranchCo;

9.2.4 a certificate of compliance, attestation, status, good standing or like certificate with respect to Genius issued by the appropriate government official of the jurisdiction of its incorporation dated within five Business Days of the Closing Date;

9.2.5 a certificate of compliance, attestation, status, good standing or like certificate with respect to BranchCo issued by the appropriate government official of the Republic of Peru dated within five Business Days of the Closing Date; and

9.2.6 an officer's certificate, dated the Closing Date, to the effect that the conditions specified in, Section 8.3.2, Section 8.3.3, Section 8.3.5, Section 8.3.6, Section 8.3.8 and Section 8.3.9 have been fulfilled (giving full effect to any supplements to the Genius Disclosure Statement delivered by Genius to Cerro de Pasco).

9.3 Genius Post-Closing Obligations

9.3.1 *Conversion of BranchCo.* Immediately following the Closing Time, Genius shall determine whether BranchCo is required to be converted to a corporate entity, and if Genius determines that conversion to a corporate entity is required:

9.3.1.1 Genius shall make application for such conversion as soon as practicable following completion of the Absorption; and

9.3.1.2 following completion of the conversion, Genius shall ensure that the board of directors of the converted corporate entity be comprised of three directors, all of which will be appointed by the Cerro de Pasco representatives on the Genius Board of Directors.

9.3.2 *Genius Officers.* Immediately following the Closing Time, the Genius Board of Directors shall appoint Steven Zadka as President of Genius and Guy Goulet as Chief Executive Officer of Genius.

10. TAX MATTERS

Between the date of this Agreement and the earlier of the Closing Date or the termination of this Agreement, Cerro de Pasco shall timely file all Tax Returns that have to be filed within such period, and pay all Taxes that are due and payable within such period, relating to Cerro de Pasco arising from or relating to any pre-Closing Tax Period. To the extent not filed as of the date hereof, all such Tax Returns shall be prepared in a manner consistent with the most recent Tax Returns of Cerro de Pasco, except for the sales tax returns which shall be filed in the Ordinary Course.

11. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

11.1 Survival of Representations and Warranties of Cerro de Pasco

The representations and warranties of Cerro de Pasco contained in this Agreement shall not survive the completion of the transactions contemplated by this Agreement and shall expire and be terminated on the earlier of the Closing Time and the date on which this Agreement is terminated in accordance with Article 14. This Section will not limit any covenant or agreement of any of the Parties, which, by its terms, contemplates performance after the Closing Time or the date on which the Agreement is terminated, as the case may be.

11.2 Survival of Representations and Warranties of Genius

The representations and warranties of Genius contained in this Agreement, shall not survive the completion of the transactions contemplated by this Agreement and shall expire and be terminated on the earlier of the Closing Time and the date on which this Agreement is terminated in accordance with Article 14. This Section will not limit any covenant or

agreement of any of the Parties, which, by its terms, contemplates performance after the Closing Time or the date on which the Agreement is terminated, as the case may be.

12. INDEMNIFICATION

12.1 Indemnification by Cerro de Pasco

Subject to Section 12.3, Cerro de Pasco shall indemnify and save harmless Genius and its directors, officers, employees, agents, consultants and other representatives, from and against any claims, demands, actions, causes of action, judgments, damages, losses (which shall include any diminution in value), liabilities, costs or expenses (including, without limitation, interest, penalties and reasonable attorneys' and experts' fees and disbursements) (collectively, the "Losses") which may be made against Genius or any of its directors, officers, employees, agents, consultants and other representatives or which any of them may suffer or incur as a result of, arising out of or relating to:

12.1.1 any material non-fulfillment of a covenant provided under Article 5 or Article 7 on the part of Cerro de Pasco contained in this Agreement; and

12.1.2 the material failure of a representation or warranty made by Cerro de Pasco in Article 3 of this Agreement to be true and correct in all material respects.

12.2 Indemnification by Genius

Subject to Section 12.3, Genius shall indemnify and save harmless Cerro de Pasco and its directors, officers, employees, agents, consultants and other representatives, from and against any Losses which may be made against Cerro de Pasco or any of its directors, officers, employees, agents, consultants and other representatives or which any of them may suffer or incur as a result of, arising out of or relating to:

12.2.1 any material non-fulfillment of a covenant provided under Article 6 or Article 7 on the part of Cerro de Pasco contained in this Agreement; and

12.2.2 the material failure of a representation or warranty made by Genius in Article 4 of this Agreement to be true and correct in all material respects.

12.3 Limitations on Indemnification

12.3.1 The right of a Party to indemnification pursuant to Article 12 shall not survive the consummation of the transactions contemplated by this Agreement and shall expire and be terminated on the earlier of the Closing Time and the date on which this Agreement is terminated in accordance with Article 14, provided that, any right to indemnification asserted by a Party pursuant to Article 12 prior to the Closing Time or the date on which this Agreement is terminated in accordance with Article 14, as applicable, shall

survive the Closing Time or the date on which this Agreement is terminated in accordance with Article 14, as applicable.

12.3.2 *Limitation of Indemnification by Cerro de Pasco* - Notwithstanding anything herein contained, no Claim shall be asserted by Genius against Cerro de Pasco and Cerro de Pasco shall not be liable to indemnify and save harmless Genius, in respect of any Claim resulting from any matter referred to in Section 12.1 hereof, (i) for a single Claim or set of Claims, where the amount of the Claim is less than \$50,000 and (ii) unless and until all Claims of Genius exceed \$100,000 (the “**Cerro de Pasco Basket Amount**”) in the aggregate, at which point Cerro de Pasco will be obligated to indemnify Genius from and against all Claims resulting from any matter referred to in Section 12.1 hereof as provided herein, including the Cerro de Pasco Basket Amount, it being understood that all Claims, including Claims falling below the \$50,000 minimum Claim amount shall be counted towards determining whether Cerro de Pasco Basket Amount has been reached; provided that, notwithstanding anything herein contained, this limitation on indemnification shall not apply to losses that arise from any Claim based upon fraud, wilful misconduct or intentional misrepresentation.

12.3.3 *Limitation of Indemnification by Genius* - Notwithstanding anything herein contained, no Claim shall be asserted by Cerro de Pasco against Genius, and Genius shall not be liable to indemnify and save harmless Cerro de Pasco, in respect of any Claim resulting from any matter referred to in Section 12.2 hereof, (i) for a single Claim or set of Claims, where the amount of the Claim is less than \$50,000 and (ii) unless and until all Claims of Cerro de Pasco exceed \$100,000 (the “**Genius Basket Amount**”) in the aggregate, at which point Genius will be obligated to indemnify Cerro de Pasco from and against all Claims resulting from any matter referred to in Section 12.2 hereof, as provided herein, including the Genius Basket Amount, it being understood that all Claims, including Claims falling below the \$50,000 minimum Claim amount shall be counted towards determining whether Genius Basket Amount has been reached; provided that, notwithstanding anything herein contained, this limitation on indemnification shall not apply to losses that arise from any Claim based upon fraud, wilful misconduct or intentional misrepresentation or any Claim as a result of or arising out of a breach of a representation, warranty or covenant contained in Sections 4.1 and 4.2 hereof.

12.4 Notification

Promptly upon obtaining knowledge thereof, the Indemnified Party shall notify the Indemnifying Party of any cause which the Indemnified Party has determined has given or could give rise to indemnification under this Article 12. The omission so to notify the Indemnifying Party shall not relieve the Indemnifying Party from any duty to indemnify and hold harmless which otherwise might exist with respect to such cause unless (and only to that extent) the omission to notify materially prejudices the ability of the Indemnifying Party to exercise its right to defend provided in this Article 12.

12.5 When Amount Payable

No Party is obliged to pay any damages to the other Party for any Loss arising from any Claim (including a Third Party Claim) until the earlier of the following has occurred:

12.5.1 Genius and Cerro de Pasco have agreed to the amount in writing;
or

12.5.2 the amount has been determined by an arbitrator in accordance with Article 13 of this Agreement.

12.6 Defense of Third Party Claim

If any legal proceeding shall be instituted or any claim or demand shall be asserted by a third party against the Indemnified Party (each a “**Third Party Claim**”), then the Indemnifying Party shall have the right, after receipt of the Indemnified Party’s notice under Section 12.4 and upon giving written notice to the Indemnified Party within 10 days of such receipt, to defend the Third Party Claim at its own cost and expense with counsel of its own selection, provided that:

12.6.1 the Indemnified Party shall at all times have the right to fully participate in the defense at its own expense;

12.6.2 the Third Party Claim seeks only monetary damages and does not seek any injunctive or other relief against the Indemnified Party;

12.6.3 the Indemnifying Party unconditionally acknowledges in writing its obligation to indemnify and hold the Indemnified Party harmless with respect to the Third Party Claim;

12.6.4 legal counsel chosen by the Indemnifying Party is satisfactory to the Indemnified Party, acting reasonably; and

12.6.5 if the amount of the Third Party Claim is greater than \$100,000, inclusive of reasonably estimated interest and costs, then the Indemnifying Party shall deliver a letter of credit, surety bond or similar security in form and substance satisfactory to the Indemnified Party, acting reasonably, in the amount by which such Third Party Claim exceeds \$100,000, as security for the payment of amounts payable by the Indemnifying Party to the Indemnified Party pursuant hereto. Amounts payable by the Indemnifying Party pursuant to a Third Party Claim shall be paid in accordance with the terms of the settlement or, the judgment, as applicable, but in any event prior to the expiry of any delay for a judgment to become executor.

12.7 No Compromise

The Indemnifying Party shall not be permitted to compromise and settle or to cause a compromise and settlement of any Third Party Claim, without the prior written consent of the Indemnified Party, unless:

12.7.1 the terms of the compromise and settlement require only the payment of money and do not require the Indemnified Party to admit any wrongdoing or take or refrain from taking any action;

12.7.2 the Indemnifying Party shall have delivered to the Indemnified Party a letter of credit, surety bond or similar security in form and substance satisfactory to the Indemnified Party, acting reasonably, in the amount of the compromise and settlement (including, interest and costs, if any, payable pursuant thereto) as security for the payment thereof;

12.7.3 the Indemnified Party receives, as part of the compromise and settlement, a legally binding and enforceable unconditional satisfaction or release, which is in form and substance satisfactory to the Indemnified Party, acting reasonably; and

12.7.4 the Third Party Claim and any claim or liability of the Indemnified Party with respect to the claim is being fully satisfied because of the compromise and settlement and the Indemnified Party is being released from any and all obligations or liabilities it may have with respect to the Third Party Claim.

12.8 Failure to Defend

If the Indemnifying Party fails:

12.8.1 within 10 days from receipt of the notice of a Third Party Claim to give notice of its intention to defend the Third Party Claim in accordance with Section 12.6, or

12.8.2 to comply at any time with any of Sections 12.6.1 through 12.6.5 (both inclusive),

then the Indemnifying Party shall be deemed to have waived its right to defend the Third Party Claim and the Indemnified Party shall have the right (but not the obligation) to undertake or to cause Indemnified Party to undertake the defense of the Third Party Claim for the account and at the risk and expense of the Indemnifying Party.

12.9 Cumulative

The rights, recourses and remedies provided to an Indemnified Party under this Article 12 are cumulative with any other right such Indemnified Party may have or may hereafter acquire under any Law, any provision of this Agreement or otherwise, and any rights, recourses or

remedies such Indemnified Party shall have may be asserted completely against the Indemnifying Party, without regard to the rights the Indemnified Party may have against another Person.

12.10 Other Limitations

Nothing herein shall be construed or interpreted as creating any right or entitlement on the part of the Indemnified Party to any form of double recovery. The Indemnified Party shall use its Best Effort to mitigate upon and after making a claim for indemnification under this Article 12. No Indemnified Party shall be entitled to recover any amount relating to any matter arising under one provision of this Agreement to the extent such Indemnified Party has already recovered such amount with respect to such matter pursuant to that or other provisions of this Agreement.

12.11 Non-Waiver

The rights, remedies and resources of each Party hereunder shall not be affected by any event or matter other than the Closing having occurred, except a specific and duly authorized written waiver or release executed by a Party.

12.12 Insurance Proceeds

The Indemnifying Party shall not have any indemnification liability under this Agreement in respect of any Loss to the extent that such Loss is covered by net proceeds received from insurance by the Indemnified Party, or from another Person liable for such Loss; provided, however, that a Loss shall not be deemed to be “covered” by insurance to the extent of any applicable deductible or self-insurance retention.

12.13 Tax Benefits

In determining the amount of any Loss under this Article 12, such Loss will be increased (or decreased) to take into account any net Tax cost (or net Tax benefit) incurred or enjoyed by the Indemnified Party as a result of the matter giving rise to such Loss and the receipt of an indemnity payment hereunder, *provided* that the net Tax cost or net Tax benefit, as the case may be, shall be calculated only taking into consideration the Tax year in which the Loss in question was incurred or suffered by the relevant Indemnified Party (and no impact in any other Tax year shall be included in such calculation). For greater certainty, any net Tax cost will include any further cost resulting from such increased payment.

13. ARBITRATION AND MEDIATION

13.1 Disputes

Subject to Article 12, any dispute, claim, question, controversy or difference among the Parties arising out of or relating to a dispute in connection with this Agreement (a “Dispute”) shall be resolved as provided in this Article 13.

13.2 Arbitration Notice

Any Party may proceed to arbitration by written notice (the “**Arbitration Notice**”) to the other Party describing the reasons for the Dispute and reasonable details to support the Dispute. Upon receipt of an Arbitration Notice, the Dispute shall be referred to and finally resolved by arbitration, to the exclusion of the courts, pursuant to the provisions of the *Code of civil Procedure* (Québec), Book VII (Private Dispute Prevention and Resolution Processes), except as such provisions are modified by this Article 13.

13.3 Selection of Arbitrator

Within 10 days of the service of the Arbitration Notice, the Parties shall attempt to appoint a mutually acceptable arbitrator, failing which, such arbitrator will be appointed by a judge of the Superior Court of Québec.

13.4 Arbitration Proceedings

The arbitration tribunal shall consist of a single arbitrator. The arbitration shall take place in the City of Montréal, Québec and the language of arbitration shall be English.

13.5 Arbitration Costs and Interest

The arbitrator shall have the jurisdiction to award the costs of the arbitration, including his or her own fees and expenses and the fees and expenses of each Party in preparing their case, and to direct the payment of interest in respect of any award at such rate and from such date as he or she deems appropriate.

13.6 Arbitration Award

The arbitration award shall be made in writing and the arbitrator shall be instructed to conduct the arbitration in a speedy and expeditious manner, unless the subject matter of the Dispute required otherwise.

13.7 Parties to Negotiate

After written notice is given to refer any Dispute to arbitration, the Parties shall meet within 15 Business Days of delivery of the notice and shall negotiate in good faith any changes in these arbitration provisions or the rules of arbitration which are herein adopted, in an effort to expedite the process and otherwise ensure that the process is appropriate by given the nature of the Dispute and the values at risk.

13.8 Binding and Final Award

Every award of the arbitrator, including any interlocutory award and any award on jurisdiction, is final and binding on the Parties, not subject to appeal. Judgment *in exequatour* or homologation of the award rendered by the arbitrator may be entered in any court having jurisdiction.

13.9 Confidentiality

The arbitration shall be kept confidential and the existence of the proceeding and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) are not be disclosed beyond the arbitrator, the Parties, their legal counsel, experts and consultants and any Person necessary to the conduct of the proceeding.

13.10 Injunctive Relief

Nothing herein shall preclude any Party from seeking injunctive, provisional or protective relief in the courts of the Province of Québec or in the courts of another country in the event that the Party perceives that without such injunctive, provisional or protective relief, serious harm may be done to the Party.

14. TERMINATION

14.1 Right of Termination

This Agreement may be terminated and the Absorption abandoned at any time prior to the Closing Date:

14.1.1 by the mutual written consent of Genius and Cerro de Pasco;

14.1.2 in the circumstances set forth in Section 2.4.2, unless otherwise agreed to in writing by the Parties;

14.1.3 by either of Genius or Cerro de Pasco, if there shall be any Law that makes consummation of the Transaction illegal or otherwise prohibited and such Law has become final and non-appealable, or if any Order of a competent Governmental Body enjoining BranchCo and Cerro de Pasco from consummating the Absorption shall be entered and such Order shall have become final and non-appealable; provided that such right to terminate under this Section 14.1.3 shall not be available to any Party unless such Party has used its commercially reasonable efforts to, as applicable, appeal or overturn such Law or Order or otherwise have it lifted or rendered no-applicable in respect of the Transaction;

14.1.4 by either Genius or Cerro de Pasco, if the Closing Date does not occur on or prior to May 16, 2018 or such other date as Genius and Cerro de Pasco may agree; provided, however, that the right to terminate this Agreement under this Section 14.1.4 shall not be available to any Party whose breach of any of its representations, warranties, covenants or agreements contained in this Agreement has been the cause of, or resulted in, the failure of the Closing Date to occur on or before such date;

14.1.5 by either of Genius or Cerro de Pasco, if the shareholders of the other Party (and/or in the case of a termination by Genius, the board of

directors of Cerro de Pasco) fail to approve this Agreement and the Transaction;

14.1.6 by Genius, by written notice to Cerro de Pasco, if Cerro de Pasco breaches any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would cause any of the conditions precedent set out in Section 8.1 or Section 8.2 hereof not to be satisfied and such breach is incapable of being cured or is not cured within 30 days after notice thereof has been received by Cerro de Pasco; provided, however, that Genius may not rely on the failure to satisfy any of the conditions set out in Section 8.1 or Section 8.2 if the condition would have been satisfied but for a breach by Genius in complying with its obligations hereunder or if Genius is then in breach of this Agreement so as to cause any of the conditions set forth in Section 8.1 or Section 8.3 not to be satisfied; and

14.1.7 by Cerro de Pasco, by written notice to Genius, if Genius breaches any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would cause any of the conditions precedent set out in Section 8.1 or Section 8.3 hereof not to be satisfied and such breach is incapable of being cured or is not cured within 30 days after notice thereof has been received by Genius; provided, however, that Cerro de Pasco may not rely on the failure to satisfy any of the conditions set out in Section 8.1 or Section 8.3 if the condition would have been satisfied but for a breach by Cerro de Pasco in complying with its obligations hereunder or if Cerro de Pasco is then in breach of this Agreement so as to cause any of the conditions set forth in Section 8.1 or Section 8.2 not to be satisfied.

14.2 Effect of Termination.

If this Agreement is terminated in accordance with the provisions of Section 14.1, no Party shall have any further liability to perform its obligations hereunder except that the provisions of this Section 14.2, Section 14.3, Article 13, Section 15.1, Section 15.2 and Section 15.11 shall survive such termination of this Agreement. Notwithstanding the foregoing:

14.2.1 the termination of this Agreement in accordance with the provisions of Section 14.1 shall not relieve any Party from any liability for any intentional or willful breach by it of this Agreement, including any intentional or willful making of a misrepresentation in this Agreement; and

14.2.2 any right to indemnification asserted by a Party pursuant to Article 12 prior to the Closing Time or the date on which this Agreement is terminated in accordance with Article 14, as applicable, shall survive the Closing Time or the date on which this Agreement is terminated in accordance with Article 14, as applicable.

14.3 Effects of Termination on Paid Consideration and Remaining Consideration

Unless otherwise agreed to in writing by the Parties, if this Agreement terminates:

14.3.1 pursuant to Section 14.1.2, then the loan consisting of the Paid Consideration plus the amount of Remaining Consideration paid by Genius as of the Capital Deadline shall be forgiven by Genius.

14.3.2 pursuant to Section 14.1.5 because the shareholders of Genius fail to approve the Transaction, then the loan consisting of the Paid Consideration plus the amount of Remaining Consideration paid by Genius as of the date of such termination shall be forgiven by Genius.

14.3.3 pursuant to Section 14.1.5 because the General Shareholders Meeting and/or the board of directors of Cerro de Pasco fail to approve this Agreement and the Transaction, then the loan consisting of the Paid Consideration plus the amount of Remaining Consideration paid by Genius as of the date of such termination shall remain as a loan due on demand ranking pari passu with any amount of the Alpha Debt and Assameka Debt which has not yet been converted in accordance with Sections 2.5.1.1 and 2.5.1.2 at the time of such termination.

14.3.4 for any reason other than those specified in Sections 14.3.1, 14.3.2 and 14.3.3 above, then the loan consisting of the Paid Consideration plus the amount of the Remaining Consideration paid by Genius as of the date of such termination shall either (upon joint approval of the Parties): (i) remain as loan due on demand ranking pari passu with any amount of the Alpha Debt and Assameka Debt which has not yet been converted in accordance with Sections 2.5.1.1 and 2.5.1.2 at the time of such termination; or (ii) be converted into a capital contribution to Cerro de Pasco, the terms of which shall be negotiated by the Parties, acting reasonably.

15. MISCELLANEOUS

15.1 Announcement

No press release, public statement or announcement or other public disclosure, or disclosure to employees, contractors, suppliers or others with a material business relationship with Cerro de Pasco, with respect to this Agreement or the transactions contemplated in this Agreement may be made except with the prior written consent and joint approval (not to be unreasonably withheld, conditioned or delayed) of Cerro de Pasco and Genius, or if required by Law or a Governmental Body. Where the public disclosure is required by Law or a Governmental Body, the Party required to make the public disclosure will use its Best Effort to obtain the approval (not to be unreasonably withheld, conditioned or delayed) of the other Party as to the form, nature and extent of the disclosure.

15.2 Confidentiality

15.2.1 Cerro de Pasco and Genius have and will exchange certain confidential and proprietary information in any matter or form, whether or not reduced to writing, relating to its respective business and affairs including,

without limitation, information concerning its customers, suppliers, financial and business information and strategies, marketing and business plans, processes, formulas, ideas, manufacturing methods, programs, techniques, devices, lists, data, drawings, images, movies, pictures, figures, designs, patterns, know-how, software, technology, inventions, layout, trade secrets and other intellectual property, prototypes, tools, and quality control, as well as, information relating to operations, planning or strategy, research and development, products, services, systems, prices, contracts, and retail markets (all such information, whether furnished before or after the date of this Agreement, together with all analyses, compilations, studies and other documents prepared by either Cerro de Pasco or Genius, or their Affiliates, employees, officers, directors, shareholders, agents and accounting, financial and legal advisors and financing sources (collectively, the “**Representatives**”) which contain or refer to any such information and their respective review of such information being hereinafter collectively referred to as the “**Confidential Information**”), provided, however, that Confidential Information shall not include information that:

- 15.2.1.1 was generally available to the public prior to the time of disclosure to the Party;
- 15.2.1.2 was generally known by the Party prior to its disclosure by the other Party, other than as a result of disclosure in violation of the terms of this Agreement by the Party receiving the information or any of its Representatives;
- 15.2.1.3 was disclosed to the Party by a third party (without any breach of any confidentiality agreement with or obligation to the other Party) who did not unlawfully receive such information on a confidential basis from the other Party;
- 15.2.1.4 after being furnished to the Party, becomes generally available to the public, other than as a result of direct or indirect disclosure by such Party, or any of its Representatives (including, without limitation, disclosure as a result of a violation of the terms of this Agreement) or any third Party who may have received such information on a confidential basis from the other Party; or
- 15.2.1.5 was developed by the Party independent of any disclosure by the other Party, without any breach of this Agreement.

15.2.2 Each of Cerro de Pasco and Genius recognizes and acknowledges the competitive value and confidential and proprietary nature of the Confidential Information provided to it hereunder and the losses, costs and damages that could result to Cerro de Pasco or Genius if the Confidential Information is disclosed to any third party. Accordingly, each of Cerro de Pasco and Genius agrees:

- 15.2.2.1 to keep the Confidential Information provided to it in strict confidence, not use such Confidential Information for any purpose whatsoever, directly or indirectly, whether in competition with Cerro de Pasco or Genius or otherwise, other than for the purpose of conducting the Transaction and not to use such Confidential Information for any other reason after the execution and, if applicable, the termination of this Agreement, until a period of two years has elapsed after the Closing Date;
- 15.2.2.2 to disclose Confidential Information only to the other Party and its Representatives who are directly involved in conducting the Transaction, who need to know such Confidential Information in connection with the Transaction and who have previously agreed, in order to obtain the Confidential Information, to be bound by terms and conditions substantially similar to those contained in this Section 15.2; and
- 15.2.2.3 except as set forth in this Section 15.2, not to disclose, reproduce, distribute or otherwise provide, directly or indirectly, any Confidential Information to a third party or entity without the written consent of the other Party.

15.2.3 Each of Cerro de Pasco and Genius shall at all times retain sole and exclusive title to and ownership of all rights in and control over the use of all their respective Confidential Information. The Parties agree that nothing in this Agreement is intended to grant any rights or license in respect of any intellectual property rights of either Party, nor shall this Agreement grant either Party any rights in or to the Confidential Information of the other Party, except the limited right to use such Confidential Information in accordance with this Agreement.

15.3 Further Assurances

Each Party upon the request of the other, whether before or after the Closing, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect complete consummation of the transactions contemplated by this Agreement.

15.4 Successors in Interest

This Agreement and the provisions hereof shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns. Neither Party may assign this Agreement or any of its rights and obligations hereunder without the prior consent of the other Party.

15.5 Notices

Any notice, consent, authorization, direction or other communication required or permitted to be given hereunder shall be in writing and shall be delivered either by personal delivery or by recognized national courier or by facsimile or by email, and addressed as follows:

15.5.1 in the case of Genius:

Genius Properties Ltd.
22, Lafleur, suite 203
Saint-Sauveur, Québec J0R 1R0

Attention: Guy Goulet
Email: info@guygoulet.com

with a copy to (which shall not constitute notice):

Lavery, de Billy, L.L.P.
1 Place Ville Marie, suite 4000
Montréal, Québec H3B 4M4

Attention: René Branchaud
Email: rbranchaud@lavery.ca

15.5.2 in the case of Cerro de Pasco:

Cerro de Pasco Resources S.A.
Calle Manuel Gonzales Olaechea 401
San Isidro, Lima, Peru

Attention: Steven Zadka
Email: szadka@pascoresources.com

with a copy to (which shall not constitute notice):

Cassels Brock & Blackwell LLP
2200 - 885 West Georgia Street
Vancouver, British Columbia, V6C 3E8

Attention: Darrell W. Podowski
Email: dpodowski@casselsbrock.com

Any notice, consent, authorization, direction or other communication delivered as aforesaid shall be deemed to have been effectively delivered and received, if sent by facsimile or by email on the Business Day next following receipt of such transmission or, if delivered by personal delivery or by recognized national courier, to have been delivered and received on the date of such delivery provided, however, that if such date is not a Business Day then it

shall be deemed to have been delivered and received on the Business Day next following such delivery. Any Party may change its address for service by written notice delivered as aforesaid.

15.6 Expenses

Each Party to this Agreement shall pay its respective legal, accounting and other professional advisory fees, costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement and all documents and instruments executed or delivered pursuant to this Agreement, as well as any other fees, costs and expenses incurred, unless otherwise specifically set out in this Agreement.

15.7 Execution by Electronic Transmission

The signature of any of the Parties may be evidenced by a facsimile, scanned email or internet transmission copy of this Agreement bearing such signature.

15.8 Counterparts

This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed an original, and such counterparts together shall constitute one and the same instrument.

15.9 Force Majeure

Neither Party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God or natural disaster, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, fire, explosion, flood, pandemic, disease, or any other similar causes (including, but not limited to, general mechanical, electronic or communication interruptions, disruptions or failures) (any of which being a “**Force Majeure**”), provided that, a lack of funds (which includes, for greater certainty, the Remaining Consideration) shall not be considered a Force Majeure, and the payment of monies from one Party to another shall be deemed to be within the reasonable control of the Party who is to pay and the lack of funds (which includes, for greater certainty, the Remaining Consideration) for any such payment shall not be construed an event of Force Majeure. Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 15.9.

15.10 Time

Time shall be of the essence of this Agreement. Except as otherwise expressly stated, all references herein to time shall be references to Montréal time.

15.11 Attornment

Subject to the provision of Article 13, each Party hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Québec, in the judicial district of Montréal, in connection with this Agreement.

15.12 Negotiation of Agreement

Each of the Parties acknowledges that it has been represented by independent counsel of its choice throughout all negotiations that have preceded the execution of this Agreement and that it has executed same with consent and upon advice of said independent counsel. Each Party and its counsel cooperated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto shall be deemed the work of product of the Parties and may not be construed against any Party by reason of its preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against the Party that drafted it is of no application and is hereby expressly waived by the Parties.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date and at the place first above mentioned.

GENIUS PROPERTIES LTD.

By: “Guy Goulet”
Name: Guy Goulet
Title: President and CEO

CERRO DE PASCO RESOURCES S.A.

By: “Steven Zadka”
Name: Steven Zadka
Title: President