

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of the Company**

Genius Properties Ltd. (the “Corporation”)  
22 Lafleur Nord, Suite 203  
Saint-Sauveur, Québec J0R 1R0

**Item 2 Date of Material Change**

April 27, 2018

**Item 3 News Release**

A news release disclosing the material change was released on May 3, 2018 through Globe Newswire and subsequently filed on SEDAR.

**Item 4 Summary of Material Change**

The Corporation announced the closing of the final tranche of a non-brokered private placement of units for additional gross proceeds of \$780,250 and the issuance of 5,201,667 common shares of the Corporation.

**Item 5 Full Description of Material Change**

The Corporation announced the closing of the second tranche of a non-brokered private placement of 5,201,667 units (the “Units”) for additional gross proceeds of \$780,250, each Unit consisting of one common share (a “Share”) and one-half of one Share purchase warrant (each whole, a “Warrant”), at a price of \$0.15 per Unit. Each Warrant entitles its holder to purchase one additional Share at a price of \$0.25 for a period of 12 months from the date of their issuance.

The Corporation also announced that the expiry date of common share purchase warrants previously issued and valid for 12 months has been extended to April 27, 2019. Each such warrant remains exercisable at a price of \$0.25 per Share.

See the Corporation’s May 3, 2018 news release for more details on the material change.

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

The name and business telephone number of an officer of the Corporation who is knowledgeable about the material change and this report are as follows:

Guy Goulet  
President & CEO  
514-294-7000

**Item 9 Date of Report**

May 7, 2018.



**CSE:GNI**

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Genius Properties Ltd. – 203-22 Lafleur Ave. North, Saint-Sauveur, Québec, Canada J0R 1R0

## **Genius Properties Ltd. Closes Final Tranche of Non-Brokered Financing for Aggregate Gross Proceeds of Over \$2.3 million and Provides Update on Proposed Transaction**

**ST-SAUVEUR, QUÉBEC — (May 3, 2018) -**

***NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES***

Genius Properties Ltd. (CSE:GNI)(CSE:GNI.CN)(CNSX:GNI) ("**Genius**" or the "**Corporation**") is pleased to announce the closing of a second tranche of a non-brokered private placement (the "**Offering**") of units of the Corporation (the "**Units**") at the price of \$0.15 per Unit. Each Unit consists of one common share (a "**Share**") and one-half of one Share purchase warrant (each whole, a "**Warrant**"). Each Warrant entitles its holder to purchase one additional Share at a price of \$0.25 for a period of 12 months from its issuance. A total of 5,201,667 additional Units were sold and issued under the second tranche of the Offering (the "**Second Tranche**"), for additional gross proceeds of \$780,250. In total, 15,575,000 Units were sold under the Offering, for aggregate gross proceeds of \$2,336,250.

In connection with the Second Tranche, Genius paid finder's fees to arm's length third parties in the amount of \$20,562.50.

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

Insiders of the Corporation purchased a total of 400,000 Units under the Offering. Their participation in the Offering constitutes a "related party transaction" as defined under National Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**NI 61-101**"). However, such participation is exempt from the valuation and minority shareholder approval requirements of NI 61-101 based on the fact that neither the fair market value of the Offering, nor the consideration paid by such persons, exceeds 25% of the Corporation's market capitalization. The Corporation did not file a material change report at least 21 days prior to the closing of the Offering as participation of the insiders had not been established at that time.

The Corporation will use the net proceeds of the Offering for its working capital and as a cash contribution in connection with the proposed transaction (the "**Proposed Transaction**") with Cerro de Pasco Resources S.A. ("**Cerro de Pasco**"), as previously described in the Corporation's news releases dated November 9, 2017, December 7, 2017 and January 23, 2018. The net proceeds raised under the Offering allow the Corporation to pay the balance of the cash contribution to Cerro de Pasco (totaling US\$2,500,000) as provided under the Merger Agreement entered between Genius and Cerro de Pasco in November 2017. Such cash contribution will be expended, based on the joint determination of Genius and Cerro de Pasco, on the development of the property owned by Cerro de Pasco, for metallurgical testing and to cover capital requirements related to community relations, permitting and general and administrative expenses.

## **Extension of Warrants**

Furthermore, Genius announces that the expiry date of 5,435,033 common share purchase warrants originally issued on May 26, 2017, December 8, 2017, December 15, 2017, December 21, 2017 and December 29, 2017, all valid for 12 months, has been extended to April 27, 2019. Each such warrant remains exercisable at a price of \$0.25 per Share.

## **Update on the Proposed Transaction**

Genius is also pleased to announce that it has filed an application with the Canadian Securities Exchange (the “**Exchange**”) together with a draft listing statement in order to obtain the Exchange’s approval of the Proposed Transaction. The Corporation’s shares shall resume trading upon receipt of the Exchange’s conditional approval.

As part of the Proposed Transaction, Genius intends to transfer (“**Spin-Off**”) all of its current mining properties (the “**Genius Properties**”) to a new wholly-owned Canadian subsidiary (“**SpinCo**”). Genius will continue the exploration and development of the Genius Properties through SpinCo, re-distribute the common shares of SpinCo to its current shareholders and apply to have them listed on the Exchange.

The annual and special meeting of the Corporation’s shareholders will be held on June 12, 2018 where the shareholders will be asked to, among other things, consider and, if deemed advisable, approve the Proposed Transaction, including the Spin-Off of the Genius Properties.

## **About Genius Properties Ltd.**

Genius is a Canadian mineral exploration company focused on developing projects with some of the world's most critical metals and minerals.

*Neither the Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.*

## **Forward-Looking Statements and Disclaimer**

Certain statements in this press release may be forward-looking. Such statements include those with respect to the use of the proceeds raised under the Offering. Although the Corporation believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurances that its expectations will be achieved. Such assumptions, which may prove incorrect, include the following: (i) Genius will be successful in its efforts to pursue the activities referred to in this news release, and (ii) Genius' management will not identify and pursue other business objectives using the proceeds of the Offering. Factors that could cause actual results to differ materially from expectations include (i) the inability or unwillingness of the subscribers under the Offering to fulfill their contractual obligations, in whole or in part, (ii) the Corporation's failure to make effective use of the proceeds of the Offering, (iii) the Corporation's inability to obtain the necessary regulatory approvals for the Offering, and (iv) generally, the Corporation's inability to develop and implement a successful business plan for any reason. A description of other risks affecting Genius’ business and activities appears in its annual management's discussion and analysis, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). No assurance can be given that any events anticipated by the forward-looking information in this press release will occur, or if any of them do so, what benefits that Genius will derive therefrom. In particular, no assurance can be given as to the future financial performance of Genius. Genius does not undertake any obligation to update or revise any forward-looking statements, except as required under applicable law. The reader is warned against undue reliance on these forward-looking statements.

## **Contact Information**

Guy Goulet, President & CEO - 514-294-7000- [ggoulet@geniusproperties.ca](mailto:ggoulet@geniusproperties.ca)