



GENIUS PROPERTIES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended
December 31, 2016
(Fourth Quarter)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") of Genius Properties Ltd., ("Genius Properties" or "GNI" or the "Company") follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of Genius Properties, on how the Company performed during the three-month period and year ended December 31, 2016. It includes a review of the Company's financial condition and a review of operations for the three-month period and year ended December 31, 2016 as compared to the three-month period and year ended December 31, 2015.

This MD&A complements the audited consolidated financial statements for the year ended December 31, 2016 but does not form part of them. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations and it should be read in conjunction with the audited consolidated financial statements as at December 31, 2016 and related notes thereto.

The audited consolidated financial statements for the year ended December 31, 2016 and 2015 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") applicable to the preparation of annual consolidated financial statements. The accounting policies applied in the financial statements are based on IFRS issued and effective as at December 31, 2016. On April 28, 2017, the Board of Directors approved, for issuance, the annual consolidated financial statements.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com. The shares of Genius Properties are listed on the Canadian Securities Exchange ("CSE") under the symbol "GNI".

REPORT'S DATE

The MD&A was prepared with the information available as at April 28, 2017.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". In the interest of providing shareholders and potential investors with information regarding Genius Properties, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to: volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks. The preliminary assessments contained in the Technical Report referred to in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NATURE OF ACTIVITIES

Genius Properties Ltd. and its subsidiaries (hereafter the "Company" or "Genius Properties" or "GNI") is engaged in the acquisition and exploration of mineral properties, in the distribution of consumable products and the development of a geo-localisation software through its subsidiaries, created during 2014. In 2015, the Company decided to abandon the distribution of consumable products and the development of a geo-localisation software to concentrate its effort in the acquisition and exploration of mineral properties.

ASSETS ACQUISITION

On May 26, 2015, the Company acquired from an arm's-length third party partial assets of Reiva, composed primarily of a portfolio of proprietary brands and exclusive recipes of natural and functional beverages and related products.

All assets were purchased by the issuance of 30,000,000 common shares of the Company at a deemed value of \$0.11 per share for a total value of \$3,300,000. The common shares issued were subject to a thirty-six (36) month escrow, in accordance with CSE policies and applicable securities regulation.

On October 27, 2015, the parties agreed to cancel the agreement signed on May 26, 2015 and return to the Treasury the 30,000,000 common shares previously issued. These common shares were returned to the Treasury in January 2016 and are presented as shares to be cancelled as of December 31, 2015. Share capital was reduced by \$900,000 representing the fair value of the 30,000,000 common shares at the date of the cancellation and the Company recorded a loss on cancellation on acquisition of assets in the consolidated statements of comprehensive loss of \$2,400,000.

BUSINESS DEVELOPMENT HIGHLIGHTS

- **Appointment of Neil D. Novak as Director:**

On May 10, 2016, the Company announced the nomination of Mr. Neil D. Novak, B.Sc., P. Geo as Director of the Company.

Neil's career has spanned nearly 4 decades in the mining industry. He graduated from University of Waterloo in 1977 with a B.Sc. (Earth Sciences). Neil has worked as an exploration geologist throughout much of Canada, Africa, Europe, South America, the Caribbean, China, and Russia; but Northern Ontario was his main area of exploration focus.

Neil's long career in the junior resource sector as an exploration geologist and consultant, has made him a desirable candidate for various public company boards. He has been on the Board of Directors of Noront Resources Ltd. (was also VP Exploration for Noront), Simberi Mining Corporation, Cadillac Ventures Inc. and Renforth Resources Inc. Neil remains as a director of Cadillac Ventures Inc., and is also President/CEO and director of a public exploration company Black Widow Resources Inc. Neil continues to own and manage a private family owned geological consulting company Nominex Ltd.

- **Appointment of Denis Simard as Director:**

On May 10, 2016, the Company announced the nomination of Mr. Denis Simard as Director of the Company.

Denis has almost 35 years of experience in the field of aviation and management of aircraft operations, which makes him an experienced expert recognized nationwide. He has quickly worked his way up by acquiring a vast experience as a pilot but also in the fields management, safety and business development. More recently, Denis has held the positions of Vice President Operations & Marketing, Executive Director, and senior executive in one of the largest helicopter company in Canada. During all of these years, he has played an important role in business development both in Canada and internationally (Haiti, West Africa, Russia, Cuba and Chili). Denis has a thorough knowledge of the economic and regional issues concerning Canadian commercial aviation including mining sectors. From the beginning

MANAGEMENT'S DISCUSSION AND ANALYSIS

of his career, he has been involved during the last 35 years with mining exploration companies across Canada. He is also acting as an independent administrator on a Junior public traded company and one private company. President of Sim Management since October 2015 Denis is still active with the helicopter and mining industry as a consultant.

- **Appointment of Mr. Maxime Lemieux, Mr. Hubert Vallée and Mr. Marc Duchesne as Directors during July 2016:**

Mr. Maxime Lemieux is a lawyer at McMillan LLP.

Mr. Vallée graduated from Laval University. He has been a leader in the mining industry for 30 years. He joined Quebec Cartier Mining as Project Engineer and was promoted to Director of Operations for its Pellet Plant in 2001. He managed the Iron Ore Company of Canada's Pellet Plant in Sept-Iles before joining Domtar Inc. as Mill Manager of its pulp mill in Lebel-sur-Quévillon. He joined Consolidated Thompson in 2006 and was one of the key people who made this project happen. After the sale of Consolidated Thompson to Cliffs, Mr. Vallée acted as VP Project Development for Phase II of Bloom Lake operation. He has also been involved as Senior Vice President, Project Development, at Century Iron Mines. From February 2014, he acting as CEO and President of Lamelee Iron Ore Ltd. Mr. Vallée is known for its superior abilities to bring projects on stream cost-effectively through design innovation and management processes, maintaining relationships with stakeholders. On December 14, 2016, he became the President and CEO of Canadian Metals Inc., a company focused on the exploration and development of a silica deposit in connection with a proposed downstream integration into ferrosilicon production.

Mr. Duchesne is CPA, CA and has over 25 years of senior financial and management experience with major Québec-based companies, most recently as Senior Vice President of Finance for Consolidated Thompson Iron Mines Inc., located in the Labrador Trough in Quebec, which was acquired by Cliffs Natural Resources Inc.. Mr. Duchesne joined Consolidated Thompson in 2006 and actively participated in all phases of its growth. In addition to overseeing financial reporting, controllership and budget planning duties, Mr. Duchesne directed and supervised project capital expenditures during the crucial mine development phase, and additionally, he and the Consolidated Thompson team raised over \$850 million in financing, negotiated and concluded a \$240 million strategic investment by Wuhan Iron and Steel Company ("WISCO"), one of China's largest steel producers, as well as off-take agreements with WISCO, Worldlink Resources of China and SK Networks Co., a subsidiary of the third largest Korean conglomerate, SK Group.

- **Appointment of Mr. Frank Guillemette as President and Mr. Jimmy Gravel as CEO in replacement of Mr. Stéphane Leblanc as President and CEO:**

On September 12, 2016, the Company announced the nomination of Mr. Frank Guillemette as the President of the Company and Mr. Jimmy Gravel as the CEO of Genius Properties in replacement of Mr. Stéphane Leblanc who has acted as President and CEO since the inception of Genius.

Mr. Guillemette is an entrepreneur specializing in business finance and venture capital with over 20 years of experience. Mr. Guillemette launched his career as an employee of Fonds Régional de Solidarité Nord-du-Québec where he was responsible for managing the company's mining portfolio and was accountable for the associated financial duties. In 2004, he founded the private company known as Multi-Ressources Boréal where he remains active in the management of exploration and mining land brokerage. Among other successfully executed gold property transactions are the Souart Project that was sold to Osisko Mining in February of 2016 (\$1.5 million after escrower period ended) and an option deal in 2008 on the Monster Lake Project where TomaGold & IAMGOLD have since invested \$10 million in exploration. He has also held the responsibility of managing multi-million dollars of exploration fieldwork on gold, base metals, rare earth and other commodities including phosphorus, iron and titanium projects. Mr. Guillemette also works as a registered representative of Montreal-based exempt market dealer, EMD Financial Inc.

Mr. Gravel has a proven track record in building and managing teams in the manufacturing industry worldwide. As the former President and CEO of an elevator manufacturer; bilingual International Business Development Manager in the marine industry and a successful Land Developer, Mr. Gravel is

MANAGEMENT'S DISCUSSION AND ANALYSIS

now establishing important relationships building a solid reputation in the Mining Industry in Nova Scotia through the mineral properties acquired and optioned in the last few years, including the Blockhouse Property.

Mr. Leblanc will continue to be actively involved in the growth of Genius as Chairman of the Board and will continue to provide insight and assistance in the pursuit of the company's goal of becoming a junior miner and producer in the coming years.

- **Appointment of Mr. Jimmy Gravel as the interim President in replacement of Mr. Frank Guillemette:**

On September 29, 2016, the Company announced the resignation of Mr. Frank Guillemette as President of Genius Properties and appointed Mr. Jimmy Gravel as the interim President of the Company.

- **Resignation of Mr. Neil D. Novak as Director:**

On October 18, 2016, Mr. Neil D. Novak resigned as member of the Board of Directors of the Company.

- **Appointment of Mr. Terence Coughlan as a technical advisor:**

On December 5, 2016, the Company announced the appointment of Mr. Terence Coughlan as a technical advisor of Genius Properties.

Mr. Coughlan, of Dartmouth, Nova Scotia, holds a Bachelor of Science degree in Geology from Saint Mary's University and has been actively involved in the mineral resource industry since 1984. Previously, Mr. Coughlan was the Vice President and Director of Gammon Gold Inc., a mineral exploration company that traded on the TSX and NY Stock exchanges. He was Vice President and Director of Acadian Mining Corporation and furthermore the former President & CEO of GoGold Resources Inc. Mr. Coughlan held this position from January 2010 to January 2016 and currently holds the position of Director and Chairman of the Board. GoGold is a Canadian-based gold and silver producer with properties in Mexico. Mr. Coughlan is a qualified person as defined by National Instrument 43-101

- **Resignation of Mr. Stéphane Leblanc as Chairman of the Board:**

On December 9, 2016, the Company announced the resignation of Mr. Stéphane Leblanc as the Chairman of the Board of Directors.

- **Financing:**

On June 21, 2016, the Company concluded a private placement by issuing 2,900,000 units at a price of \$0.05 per unit for net proceeds of \$143,064 after deducting share issuance costs of \$1,936. No commission was paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 2,900,000 common shares and 2,900,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.10 until June 21, 2017.

On November 10, 2016, the Company concluded a private placement by issuing 300,000 units at a price of \$0.05 per unit for net proceeds of \$15,000. No share issuance costs were incurred and no commission was paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 300,000 common shares and 300,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.10 until November 10, 2017.

On December 9, 2016, the Company concluded a private placement by issuing 1,240,000 units at a price of \$0.05 per unit for net proceeds of \$58,453 after deducting share issuance costs of \$3,547. No commission was paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 1,240,000 common shares and 1,240,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.10 until December 9, 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS

On December 30, 2016, the Company concluded a private placement by issuing 6,358,000 flow-through common shares at a price of \$0.05 per share for net proceeds of \$248,553 after deducting share issuance costs of \$69,347. An amount of \$95,370 representing the premium paid by the investors was recorded in liability related to flow-through shares based on the residual value method. As part of this private placement, the Company also issued a total of 460,640 broker warrants. Each broker warrant entitles its holder to purchase one common share at \$0.05 per share until December 30, 2018.

BUSINESS DEVELOPMENT SUBSEQUENT EVENTS

- **Consolidation:**

Subsequently to the year-end, in an effort to facilitate greater flexibility in pursuing its plans to advance its projects and to conclude any additional financings required by the Company, Genius Properties, completed a share consolidation on a basis of five pre-consolidation shares for one post-consolidation share. On the share consolidation date, the number of pre-consolidation common shares was 92,395,410. The number of post-consolidation common shares was 18,479,082.

- **Appointment of Mr. Guy Goulet as President and CEO of the Company and Mr. jimmy Gravel resigned as President :**

On April 5, 2017, Mr. Jimmy Gravel concluded his interim-Presidency of the Company voting in Mr. Goulet as President. Mr. Gravel remains Vice-President of the Company.

Mr. Goulet graduated from École Polytechnique de Montréal in 1986 as a geological engineer. He has been involved at the senior management and board levels of publicly listed junior exploration and mining companies for more than 30 years and is a member of the Ordre des Ingénieurs du Québec. He was co-credited for the restart of the Wrightbar gold mine in Val d'Or, Quebec in 1996 and collaborated with Hydro-Québec (LTD division) and Group STAS on the only project leading to the production of lithium metal from high purity lithium carbonate. From 2000 to 2008, he served as co-founder, president and chairman of H2O Innovation, the largest water treatment company in Canada that manufactures and installs integrated systems for various markets. Returning to his roots in mining, he joined Maya Gold & Silver in 2008 where he served as CEO until his resignation in March 2017. During his tenure he was co-credited for restarting the Zgounder silver mine in Morocco and continues to serve on the board of directors. Mr. Goulet has raised in excess of \$125 million over his career with TSX Venture Exchange companies.

EXPLORATION HIGHLIGHTS

- **Acquisition of Dissimieux Lake Phosphate-Titanium-Rare Earth Property:**

On March 23, 2016, the Company announced the acquisition of the Dissimieux Lake Titanium-Phosphate-REE's Property (the "Property") from Jourdan Resources Inc. ("Jourdan") located within the La Blache Lake Anorthositic Complex, located 140 km northwest of Baie-Comeau and 130 km north of Forestville (Quebec) along the Upper North Shore of the St-Lawrence River, and approximately 350 km in-line north-northeast of Quebec City.

- **Acquisition of various properties located in Nova Scotia:**

On May 10, 2016, the Company announced the acquisition from two arm's length prospectors associated with 21Alpha Gold Resources, a 100% interest in nine (9) mineral exploration properties covering various mineral showings in the south central region of the Province of Nova Scotia.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- **Sales Agreement with Majescor Resources Inc. for Montagne B Lithium:**

On May 25, 2016, the Company entered into an option agreement with Majescor Resources Inc. to sell 100% of the Montagne B Lithium Properties (approximately 708 hectares), located 8 and 12 km southwest of Nemaska Lithium's World Class Whabouchi lithium deposit in central Québec.

- **Acquisition of Mt. Cameron Graphite deposit:**

On October 18, 2016, the Company entered into an assignment agreement dated October 17, 2016 to acquire from Mt. Cameron Minerals Inc. up to a 100% interest in the Mt. Cameron Graphite Deposit located in the Boisdale Hills region of Cape Breton, Nova Scotia, marking a strategic entry into the large flake graphite market. Reports have indicated that this deposit has the potential of becoming one of the largest graphite mines in the world producing ultra-high purity flake graphite.

- **Geophysics completed and drill targets identified for the Blockhouse Gold Property belonging to the 9 mineral exploration properties acquired in May 2016:**

On December 15, 2016, the Company announced the completion of the 2016 IP survey at the Blockhouse Gold Property. Results have confirmed 2 high priority targets for next month's drilling program to test for the presence of 'leg-reef' and 'saddle' type veins on the property.

In April 2016, samples from mine spoils that are present near the old mine opening (shaft) returned results up to 38.6 g/t Au (1.24 ounces/ton).

In November, 2016, samples assayed from historic drill core, stored at the province's core library, reported results up to 0.5 g/t over 1.5 m in the hangingwall of the Prest vein in DDH BH-1 near the intersection of the Prest vein with the favourable horizon. Historic whole core sampling limited the amount of available core to be sampled. The 2016 IP survey identified this area as one of the high-priority targets.

EXPLORATION SUBSEQUENT EVENTS

- **Completion of the due diligence on Mt. Cameron Property:**

On January 4 2017, the Company announced the completion of its due diligence with respect to its proposed option to acquire all of Mt. Cameron Minerals Inc. interest in the Mt. Cameron Graphite Deposit, which was previously announced in the Company's news release dated October 18, 2016. The Company intends to proceed in settling the terms of the acquisition with Mt. Cameron in a formal option agreement, which will replace the current binding letter of intent dated October 14, 2016.

- **Genius Properties starts drilling at Blockhouse:**

On January 5, 2017, the Company announced that the drilling program at the Blockhouse Gold Property has begun. As per the December 15, 2016 press release, the company is drilling 2 high priority targets to test for the presence of leg-reef and saddle type veins on the property. The program will also be targeting the continuity of the "Prest Shoot" that historically produced an average of 49.6 grams of gold per ton.

In January 2017, 644m of NQ core was drilled at Blockhouse, Nova Scotia. The drilling was completed in late January 2017. Drilling targeted 2 geophysics targets outlined in the 2016 IP survey and all three known fissure type veins on the property. Additionally, two holes perpendicular to bedding were completed. Preliminary results showed a new zone of Au mineralized quartz veins along a wider, perpendicular structure to the previously mined Prest fissure vein.

Hole BH-17-01 was drilled northwest perpendicular to bedding back toward the historic mine workings. The hole was spotted so that it would intersect a historically mapped fault, intersect the Prest vein below historic workings and intersect a geophysics anomaly outlined in the 2016 ground IP survey. This is the first drilling done to date at Blockhouse that was not directly targeting the Prest vein. Results were encouraging as a previously unknown zone of quartz veins with visible gold through the fault, showed 1.1 grams per tonne gold over 9.55 metres, with subintervals of 1.6 g/t Au over 6.2 m and 3.4 g/t Au over 2.1

MANAGEMENT'S DISCUSSION AND ANALYSIS

m and including peak grades of 25.7 g/t over 0.22 m and 7.1 g/t over 0.24 m. The true widths, extent and orientation of the zone are not yet understood.

DDH # X	X (NAD83)	Y (NAD83)	Azimuth (degrees)	Dip (degrees)	Depth (m)	From (m)	To (m)	Interval (m)	Gold (g/t)
BH-17-01	386883	4921246	340	-55	146	36.7	46.25	9.55	1.1
BH-17-02	386883	4921246	80	-45	38	Results Pending			
BH-17-03	386880	4921246	80	-90	137	92.8	93.8	1.00	0.9
BH-17-04	386857	4921367	45	-45	65	Results Pending			
BH-17-05	386753	4921431	340	-45	80	Results Pending			
BH-17-06	386873	4921242	80	-90	119	Results Pending			
BH-17-07	386889	4921273	280	-70	59	Results Pending			

Additional samples have been sent to Actlabs, including several intersections of the Prest vein, the east vein, the geophysics targets and additional quartz veins through the fault. The additional results should aid in defining the orientation of the new gold zone at Blockhouse.

Core was boxed on-site by the drill crew and transported to the core shack by Genius personnel. Core was then logged and marked for sampling. Samples were sawn in half with a diamond blade core saw. Half was sent to Activation Laboratories in Ancaster, Ont., in sealed bags, while half was retained. Once at Actlabs, samples were pulverized and fire assayed with Code 1A2-30. Samples containing visible gold were also submitted for metallic screening, Code 1A4 (100 mesh). Quality assurance/quality control procedures included the systematic insertion of certified reference standards and blanks which were reviewed to verify the integrity of the lab results.

Preliminary results at Blockhouse indicate a new gold zone.

The technical sections of this MD&A have been prepared and reviewed by Alex Mackay, PGeo, and a qualified person according to National Instrument 43-101 guidelines.

EXPLORATION ACTIVITIES

Exploration activities for the three-month period ended December 31, 2016

During the three-month period ended December 31, 2016, the Company incurred \$12,030 in exploration and evaluation expenditures (\$238,547 for the three-month period ended December 31, 2015) of which the majority of the expenses were spent on the Nova Scotia properties (approximately 95% of expenses in 2015 were spent on the Dissimieux Lake property).

During the last quarter, the Company focused on the due diligence following the signing of a letter of intent to acquire the Mt. Cameron Graphite property. In addition, Genius Properties completed the induced polarization (IP) survey at the Blockhouse gold property.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENIUS PROPERTIES LTD.

Exploration and evaluation expenditures For the three-month period ended December 31, 2016

	QUÉBEC							NOVA SCOTIA								Total		
	Montagne B	Torngat Diamond	Gueret Guinecourt	Dalquier	Mine Lorraine	Wapoos	Dissimieux Lake	Mount Cameron	Blockhouse	Kemptville	Chocolate Lake	Tancook Island	Leipsigat	Dares Lake	Gold River		Londonderry	Western Lake
	\$																	
Exploration and evaluation expenditures																		
Drilling	-	-	-	-	-	-	4,128	4,290	5,564	-	-	-	-	-	-	-	-	13,982
Geophysical	-	-	-	-	-	-	-	-	7,869	-	-	-	-	-	-	-	-	7,869
Geology	(4,750)	(230)	-	(216)	-	(67)	(365)	-	(6,843)	1,750	-	-	-	-	-	-	-	(10,721)
Geochemistry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Metallurgy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Reports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environment & Community	-	-	-	-	-	-	-	-	900	-	-	-	-	-	-	-	-	900
Supervision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(4,750)	(230)	-	(216)	-	(67)	3,763	4,290	7,490	1,750	-	-	-	-	-	-	-	12,030
Mining rights:																		
Acquisition option	-	-	-	-	-	-	6,420	126,515	(105,355)	8,178	9,813	22,897	6,542	45,794	1,636	19,626	17,991	160,057
Renewal of licences	(4,231)	-	-	-	-	-	-	-	(4,225)	-	-	900	900	900	-	-	-	(5,796)
Acquisition of claims	-	-	-	-	-	-	-	-	-	590	-	-	80	120	-	-	-	790
	(4,231)	-	-	-	-	-	6,420	126,515	(109,580)	8,768	9,813	23,797	7,522	46,814	1,636	19,626	17,991	155,091
Balance, beginning of period	2,446	230	-	216	-	67	460,086	-	189,702	-	-	-	-	-	-	-	-	632,747
Balance, end of period	(6,535)	-	-	-	-	-	470,269	130,805	67,612	10,518	9,813	23,797	7,522	46,814	1,636	19,626	17,991	799,868

GENIUS PROPERTIES LTD.

Exploration and evaluation expenditures For the three-month period ended December 31, 2015

	QUÉBEC							NOVA SCOTIA								Total		
	Montagne B	Torngat Diamond	Gueret Guinecourt	Dalquier	Mine Lorraine	Wapoos	Dissimieux Lake	Mount Cameron	Blockhouse	Kemptville	Chocolate Lake	Tancook Island	Leipsigat	Dares Lake	Gold River		Londonderry	Western Lake
	\$																	
Exploration and evaluation expenditures																		
Drilling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Geophysical	-	-	-	-	110,000	-	-	-	-	-	-	-	-	-	-	-	-	110,000
Geology	9,500	-	-	-	125,000	-	-	-	-	-	-	-	-	-	-	-	-	134,500
Geochemistry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Metallurgy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Reports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environment & Community	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,953)
	9,500	-	-	-	235,000	-	-	-	-	-	-	-	-	-	-	-	-	238,547
Mining rights:																		
Acquisition of options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Renewal of licences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of claims	5,819	-	325	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,144
	5,819	-	325	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,144
Balance, beginning of period	-	-	-	4,126	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of period	15,319	-	325	4,126	235,000	-	-	-	-	-	-	-	-	-	-	-	-	244,691

Exploration activities for the year ended December 31, 2016

During the year ended December 31, 2016, the Company incurred \$799,868 in exploration and evaluation expenditures (\$282,701 for the year ended December 31, 2015). See the following table below for the allocation of exploration and evaluation expenditures and the mining rights for all the mining properties for the years ended December 31, 2016 and 2015.

During the fiscal year ending December 31, 2016, the Company entered an option agreement with Majescor Resources Inc. to sell 100 percent of the Montagne B Lithium Property. Furthermore, acquisition of the Blockhouse Gold Property also took place. Under the 2016/2017 Nova Scotia mineral incentive program (NSMIP) the Blockhouse Gold District was approved for assistance in funding for its drilling program. The Company also entered into an agreement to acquire up to 100% interest in the Mt. Cameron graphite deposit from Mt. Cameron Minerals Inc. The Company completed the due diligence for the Mt. Cameron acquisition and has also completed the 2016 induced polarization (IP) survey at the Blockhouse Gold Property.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENIUS PROPERTIES LTD.

Exploration and evaluation expenditures For the year ended December 31, 2016

	QUÉBEC							NOVA SCOTIA										Total		
	Montagne B	Torngat Diamond	Gueret Guinecourt	Dalquier	Mine Lorraine	Wapoos	Dissimieux Lake	Mount Cameron	Blockhouse	Kemptville	Chocolate Lake	Tancook Island	Leipsigate	Dares Lake	Gold River	Londonderry	Western Lake			
	\$																			
Exploration and evaluation expenditures																				
Drilling	-	-	-	-	-	-	4,128	4,290	5,564	-	-	-	-	-	-	-	-	-	13,982	
Geophysical	-	-	-	-	-	-	-	-	15,873	-	-	-	-	-	-	-	-	-	15,873	
Geology	(4,750)	-	-	-	-	-	10,321	-	155	1,750	-	-	-	-	-	-	-	-	7,476	
Geochemistry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Metallurgy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Technical Reports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Environment & Community Supervision	-	-	-	-	-	-	-	-	900	-	-	-	-	-	-	-	-	-	900	
	(4,750)	-	-	-	-	-	14,449	4,290	22,492	1,750	-	-	-	-	-	-	-	-	38,231	
Mining rights:																				
Acquisition of options	-	-	-	-	-	-	455,820	126,515	44,645	8,178	9,813	22,897	6,542	45,794	1,636	19,626	17,991	759,457		
Renewal of licences	(2,573)	-	-	-	-	-	-	-	475	-	900	900	900	-	-	-	-	602		
Acquisition of claims	788	-	-	-	-	-	-	-	-	590	-	80	120	-	-	-	-	1,578		
	(1,785)	-	-	-	-	-	455,820	126,515	45,120	8,768	9,813	23,797	7,522	46,814	1,636	19,626	17,991	761,637		
Total	(6,535)	-	-	-	-	-	470,269	130,805	67,612	10,518	9,813	23,797	7,522	46,814	1,636	19,626	17,991	799,868		

GENIUS PROPERTIES LTD.

Exploration and evaluation expenditures For the year ended December 31, 2015

	QUÉBEC							NOVA SCOTIA										Total		
	Montagne B	Torngat Diamond	Gueret Guinecourt	Dalquier	Mine Lorraine	Wapoos	Dissimieux Lake	Mount Cameron	Blockhouse	Kemptville	Chocolate Lake	Tancook Island	Leipsigate	Dares Lake	Gold River	Londonderry	Western Lake			
	\$																			
Exploration and evaluation expenditures																				
Drilling	-	-	-	4,126	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,126	
Geophysical	-	-	-	-	110,000	-	-	-	-	-	-	-	-	-	-	-	-	-	110,000	
Geology	9,500	-	-	-	125,000	-	-	-	-	-	-	-	-	-	-	-	-	-	134,500	
Geochemistry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Metallurgy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Technical Reports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Environment & Community Management fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,184	
	9,500	-	-	4,126	235,000	-	-	-	-	-	-	-	-	-	-	-	-	-	271,810	
Mining rights:																				
Acquisition of options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Renewal of licences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of claims	7,152	-	325	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,477
Claim management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,414
	7,152	-	325	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,891
Total	16,652	-	325	4,126	235,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	262,701

Initial purchase of claims

On October 10, 2013, the Company purchased all the rights and interest in approximately 2,950 mining claims located in the Province of Quebec (the "Claims") from two private companies 9248-7792 Quebec Inc. ("9248") and 9257-1256 Quebec Inc. ("9257") for a consideration of 10,000,000 common shares of the Company at \$0.06 representing the fair value of the stock price on the agreement date. A 0.4% and 0.6% net smelter royalty ("NSR") was retained by the private companies, respectively, where 0.2% and 0.3%, respectively, may be repurchased by the Company for a total cash consideration of \$500,000.

Since the acquisition, the Company did not renew and/or identified mining claims that would not be renewed as they become expired.

Montagne B

On July 1, 2014, the Company entered into an agreement with a close relative of the president of the Company, to acquire a 25% interest in 55 mining claims named Montagne "B" property in the Abitibi region, in consideration of all costs associated with an airborne survey (electromagnetic and magnetic) of the 55 mining claims. Exploration on the Montagne "B" is oriented towards the search for special metals.

On May 1st, 2016, the Company entered into an option agreement with Majescor Resources Inc. ("MJX") whereby MJX can acquire a 100% interest in the Montagne B property by making an initial cash payment of \$6,250 (paid), by issuing 625,000 common shares (issued) of MJX to the Company and by making a final cash payment of \$6,250 six months after the completion of a minimum private placement of \$200,000. The 625,000 common shares was estimated at a fair value of \$0.08 per share at the date of issuance (September 2, 2016) for a total of \$50,000. The total consideration received \$56,250 was recorded as a gain on disposal

MANAGEMENT'S DISCUSSION AND ANALYSIS

of mining properties. On October 25, 2016, MJX announced the termination of option agreement signed on May 1st, 2016. As at December 31, 2016, Genius Properties decided to not renew claims at their expiry.

Gueret & Guinecourt Lake

During the year ended December 31, 2015, the Company did not renew the 31 mining claims at their expiry.

Mine Lorraine - Gisement Blondeau

On July 25, 2015, the Company entered into an agreement with Canadian Mining House, to acquire a 10% interest in 83 mining claims named Mine Lorraine-Gisement Blondeau property located in Québec in consideration of \$40,000 in cash payable no later than May 1, 2016 and by incurring a total of \$230,000 in exploration and evaluation expenditures by December 31, 2015. As at December 31, 2016, the Company incurred a total of \$235,000 in exploration and evaluation expenditures but did not pay the required cash payment of \$40,000 as at May 1, 2016. Since, Genius Properties did not fulfill its obligations, the agreement to acquire an interest in the Mine Lorraine property has been cancelled.

Dissimieux Lake

On March 21, 2016 and amended on May 4, 2016, the Company has entered into an option agreement with Jourdan Resources Inc., to acquire a 100% interest in 15 mining claims located in Dissimieux Lake Phosphate Titanium-REE's property, province of Québec, by issuing 6,000,000 common shares within 15 days following the date of the signature and a number of common shares equivalent to an amount of \$180,000 within 90 days following the signature. On April 5, 2016, the Company issued 6,000,000 common shares at a fair value of \$0.05 per share for a consideration of \$300,000. On June 20, 2016 the Company fulfilled its obligations by issuing 3,600,000 common shares at a fair value of \$0.035 (value of \$0.05 as per the agreement for \$180,000) per share for a consideration of \$126,000.

The Project consists of 15 claims for 8.4 km², and is road accessible via Provincial Highway #138 at Forestville, then driving northward on Highway #385 to Labrieville, and from there using a network of secondary gravel forestry roads provides direct access to the Property on the east-southeast shore of Dissimieux Lake. The Property hosts titanium-phosphate (ilmenite-apatite) mineralization located near the southern margin of the La Blache Anorthositic Complex (the "LBAC"). The LBAC is elongated in a northeast-southwest direction and stretches over 60 km by 15 to 25 km wide, and was emplaced into a highly metamorphosed and folded package of steeply dipping, north-northeast dipping paragneisses and amphibolites of the Grenville Geological Province. The Property is dominated by steep hills, with elevations ranging from 435 m to 700 m above sea level.

- 100% owner Dissimieux Lake Phosphate Project;
- 235 million tonnes @ 3.65% P₂O₅ and 4.72% TiO₂;
- 92% apatite (Ca₅(PO₄)₃F) recovery - to produce a 41.2%P₂O₅ concentrate;
- 62.5% ilmenite (FeTiO₃) recovery - to produce a 48.1% TiO₂ concentrate;

Only regional geophysical surveying and geological mapping had been carried out in the Property area before AFCAN Mining Corporation ("AFCAN"), formerly known as Société d'exploration Minière et pétrolière Gaspésie, staked the original claims at Dissimieux Lake. AFCAN completed detailed mapping, sampling and geophysical surveys over the original property (Pritchard, 1994, in GM53348; Birkett, 1995 and 1996, in GM 53515 and GM 54835; Oswald and Birkett, 1996, in GM 54764). A drill program of 8 holes totalling 637.5 m on two sections was also carried out in 1994 by AFCAN (GM 53349).

Ilmenite-apatite concentrations were traced for more than 6 km of strike length along a northeast-southwest orientation, up to 1 km wide, near the south shore of Dissimieux Lake. The mineralization was hosted in several bands 20 m to 50 m wide made up of finely disseminated magmatic apatite and ilmenite, associated with gabbro, and the ilmenite occurred as a magnetite-ilmenite assemblage linked to magnetic high anomalies. The average grades calculated from surface sampling was 5% TiO₂ (corresponding to 10%

MANAGEMENT'S DISCUSSION AND ANALYSIS

ilmenite) and 3.5% P₂O₅(corresponding to 10% apatite). The corresponding average grades from the core samples were 4.72% TiO₂and 3.65% P₂O₅, with highs of 8.35% TiO₂ and 4.42% P₂O₅. Lower intensity magnetic anomalies retained the higher TiO₂ grades but were lower in P₂O₅.

Lakefield Research of Canada Ltd. ("Lakefield") (1997, in GM 54867; 1998, in GM 56490), COREM (2000, in GM 58571) and Lakefield (2000, in GM 58570) assessed the feasibility of concentrating the titanium and phosphate. Lakefield achieved recoveries of 92 % of the apatite to produce a concentrate at 41.2 % P₂O₅, and recovered 62.5 % of the ilmenite to produce a concentrate at 48.1% TiO₂ with a sample containing 3.5 % P₂O₅ and 5.4 % TiO₂. It was concluded at the time that the higher the TiO₂ and P₂O₅ grades in rocks, the higher the recoveries in concentrates.

Met-Chem Canada Inc. ("Met-Chem") (2000, in GM 58569) made an attempt to estimate the "Mining Potential" of the southern portion of the ilmenite-apatite mineralization. The underlying concept rested entirely on the assumption that a direct correlation existed between the strong magnetic anomalies and the ilmenite-apatite mineralization. However, this relationship was never confirmed as the mafic components of the LLBAC, such as the gabbros and the ultramafic rocks exhibited high magnetic susceptibilities, even in the absence of ilmenite-apatite mineralization.

Nevertheless to estimate the potential resources, Met-Chem used the two drilled sections from AFCAN, the geophysical surveys and geological mapping. The cumulative length of favorable magnetic anomalies covered 11,200 m, multiplied by width (averaging 90 m) of the mineralization based on the area of mineralization calculated from the two existing drill sections to a maximum depth of 75 m. A specific gravity of 3.25 tonnes per m³ was used based on core samples.

In 2012 to 2013 Jourdan drilled 34 holes at Dissimieux Lake, for a total of 3949 m, demonstrating mineralization over a strike length of 2.4 kilometres. Five parallel zones of phosphate mineralization were intersected, often with intersections of mineralization great than 100m in drilled thickness

"Anticipated Resources" of 235 million tonnes were estimated at a grade of 3.65% P₂O₅ and 4.72% TiO₂based on the drill core results (Met-Chem, 2000, in GM58569). The estimate is considered historic Mineral Resources.

The terms "Mining Potential" and "Anticipated Resources" are not recognized National Instrument ("NI") 43-101 Mineral Resources or Mineral Reserves categories, and therefore should not be relied upon. There has been insufficient work and a Qualified Person has not reviewed nor evaluated "Mining Potential", "Anticipated Resources" or historic Mineral Resources in terms of NI 43-101 standards to qualify the estimates into current Mineral Resources. There is no evidence at this time to suggest that any future exploration would result in any of the estimates being converted into NI 43-101 compliant Mineral Resources. GENIUS is of the opinion that the estimates reflects either the ilmenite-apatite or titanium-phosphate mineralization potential of the Property.

The last major work on the Property was the Met-Chem scoping study (2000, in GM 58569). Met-Chem indicated the ilmenite-phosphate mineralization was amenable to open-pit mining with a 1:1 waste to ore. It was proposed to transport the concentrate via a pipeline at a cost of \$3.28 per tonne transport based on a yearly transport of 457,500 tonnes of concentrate (217,500 tonnes of ilmenite and 240,000 tonnes of apatite) over a distance of 140 km. In 2009, the Vendors assayed a sample from the original apatite concentrate for Rare Earth Elements ("REE's") and Rare Metal analysis at ALS Laboratories using the 38 element ICP-MS Analytical Method (ME-MS81) (refer to the appended table). The apatite concentrate sample contains 0.18% TREE's, of which 72% are LREE's (Light REE'S: La, Ce, Pr, Nd, Pm, Sm) and 28% are HREE's (Heavy REE's: Eu, Tb, Dy, Ho, er, Tm, Yb, Lu, Y). The most significant REE's results are 517 ppm Cerium (Ce), 66 ppm Dysprosium (Dy), 115 ppm Gadolinium (Gd), 169 ppm Lanthanum (La), 405 ppm Neodymium (Nd), 85 ppm Praseodymium (Pr), 98 ppm Samarium (Sm), 521 ppm Strontium (Sr) and 348 ppm Yttrium (Yt).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Blockhouse Gold (Nova Scotia)

On May 4, 2016, the Company has entered into an option agreement with two prospectors, to acquire a 100% interest in 107 mining claims located in Nova Scotia by issuing 5,000,000 common shares (2,500,000 common shares for each prospector). In addition, the Company will issue 500,000 common shares for each \$1,000,000 in exploration and evaluation expenditures incurred by Genius, subject to a maximum of 2,500,000 common shares. An additional 2,500,000 common shares will be issued if the Company completes a feasibility Study. Nova Scotia properties consisted of the following properties: Blockhouse Gold (26 claims), Kemptville NS (5 claims), Chocolate Lake NS (6 claims), Tancook Island NS (14 claims), Leipsigate NS (4 claims), Dares Lake NS (28 claims), Gold River NS (1 claims), Londonderry NS (12 claims) and Western Lake NS (11 claims). The properties are subject to a 1.5% NSR of which two-thirds (2/3) may be purchased at any time by the Company for \$1,000,000.

The majority of the Property lie within NTS area 21"A" and the land package includes 14 licenses comprised of 107 claims covering approximately 1,733 hectares (17.33 square kilometres). The initial exploration focus of Genius will be on the Blockhouse Property and the nearby Dares Lake Property, both located in Lunenburg County.

There are several documented gold bearing veins on the Blockhouse Property, most notably the Prest Vein that saw limited underground (narrow vein) production in the late 1800s up until the early 1930s. This property was revisited in the 1980s when 10 diamond drill holes were completed, testing near surface potential of the property. The drill results and historical mining results are documented in a 1989 drill summary report by James E. Tilsley & Associates Ltd. (filed as an assessment report AR 89-105 with the Nova Scotia DNR) where it is reported that 3,500 ounces of gold was recovered from 6,200 tons of mined and milled material from underground workings between the surface and 90 meters depth. It is further reported that most of the gold was recovered from the fissure vein that was within a very dark arenaceous slate horizon, they refer to this production area as the "Prest Shoot". Historical records on file with Nova Scotia Department of Natural Resources indicate that the Prest Shoot accounted for 2,043 tons of mill feed between 1896 and 1935, yielding 3,259 ounces of gold for an average grade of 1.59 ounces per ton (49.6 g/t). The width of the Prest Vein within the historically mined shoot is reported to average 0.25 meters (range of 0.15 to 0.61 m) and the wall rock where sampled is reported to average 0.085 ounces per ton (2.9 g/t), however there was insufficient sample data to determine how extensive the gold mineralization is within the host wall rock. Underground mapping and sampling of the 60 metre level occurred in the late 1930s, the Prest Shoot as described was traced for 138 metres in the north drift and averaged 0.35 metres in width with an average gold content of 0.37 ounces per ton.

In early April 2016, Genius engaged an independent qualified person (IQP) to meet with the Vendors of the Property and complete a due diligence site visit, where samples of vein material were selected by the geologist. Neil D. Novak P.Geo., a Qualified Person completed the due diligence investigation at the request of Genius. The Prest Vein does not outcrop, consequently the sampling was limited to selecting random samples from mine spoils that are present as piles near the old mine opening (shaft) that had been covered over and capped by a reinforced concrete slab as per local mine rehabilitation requirements. The samples were presumably from the Prest Vein. One sample of quartz vein was selected from three different piles, one sample was selected that included arenaceous shale with minor quartz from a waste pile and then one sample was selected from a saddle type vein that outcropped on the Property near the site of the historical mill.

- BH - 1 from the Blockhouse Property presumably the Prest Vein. The specimen is a banded dark grey - light grey quartz vein. This sample was tested for gold content and returned an assay of 22.5 g/t Au (0.72 ounces/ton);
- BH - 2 from the Blockhouse Property presumably mine waste, this sample was selected from a small trench that the author dug into the hand-cobbed pile of material near the main shaft, it consists of quartz vein material and dark grey slaty shale. This sample was tested for gold content and returned an assay of 0.136 g/t Au (0.004 ounces/ton);

MANAGEMENT'S DISCUSSION AND ANALYSIS

- BH - 3 from the Blockhouse Property, quartz vein material representative of what was thought to be high grade material. This sample was tested for gold content and returned an assay of 11.8 g/t Au (0.378 ounces/ton);
- BH - 4 from the Blockhouse Property, quartz vein material representative of high grade material. This sample was tested for gold content and returned an assay of 38.6 g/t Au (1.24 ounces/ton);
- BH - 5 from the Blockhouse Property, quartz vein material from a long trench located near the old mill, this may be a sample of vein in outcrop, but not 100% certain due to overburden. This sample was tested for gold content and returned an assay of 0.315 g/t Au (0.01 ounces/ton).

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

The Review and Evaluation Committee for the NSMIP supports the project and has approved \$60,000 to explore licenses in Blockhouse, Lunenburg County. All funds awarded by NSMIP are to be directed at paying up to 50% toward any combination of drill contract costs, core analysis and trenching completed on the project. The Blockhouse property exploration program for the summer of 2016, as submitted in the grant application, is estimated to cost approximately \$250,000.

Mt. Cameron Graphite Project (Nova Scotia)

Genius Properties Ltd. has entered into an assignment agreement dated October 17, 2016 to acquire from Mt. Cameron Minerals Inc. up to a 100% interest in the Mt. Cameron Graphite Deposit located in the Boisdale Hills region of Cape Breton, Nova Scotia, marking a strategic entry into the large flake graphite market. Reports have indicated that this deposit has the potential of becoming one of the largest graphite mines in the world producing ultra-high purity flake graphite.

The Property is conveniently located 25 kilometers west of Sydney, Nova Scotia and is comprised of 7 licenses (82 claims over 13.3 km²). In regards to infrastructure, the property is easily accessible by paved roads and is in close proximity of an electric utility. With the potential construction of NOVAPORT, a deep-water mega-terminal in Sydney, trans-Atlantic shipping would be readily available, Moreover, having an extensive history in steel manufacturing and coal mining, Sydney has a highly skilled workforce to offer.

The mineralization on the Property is flake graphite in marble of the George River formation and has been identified along a strike length of approximately 12 km with zones up to 1.5 km wide and interpreted to be up to 300 m deep. Mt. Cameron has carried out prospecting, drilling and geophysics on the Property; all of which indicate an extensive mineralized zone. Preliminary mineral processing studies have been carried out by Dr. Ian Flint, former Director of the Minerals Engineering Center at Dalhousie University in Halifax

Historical works:

- **2004** - As part of a regional reconnaissance exploration program, Mt. Cameron mapped extensive beds and ridges of graphitic marble and schist in Pre Cambrian - Grenville Age rocks on the eastern flank of the Boisdale Hills, some 25 km west of Sydney, Nova Scotia. Preliminary metallurgical work on samples taken during the mapping of these units determined that the graphite in these rocks is of the rare flake form. Average grade of the marble hosted surface samples was greater than 4% graphite;

MANAGEMENT'S DISCUSSION AND ANALYSIS

- **2007** - The Province, through the Office of Economic Development and DNR, commissioned a graphite market study to determine market trends and supply / demand worldwide. The study determined that the Property had good potential to be one of the largest graphite mines in the world. Indications are that this deposit is substantial and has the potential to be mined at annual rates resulting in annual production as high 200,000 tonnes of ultra high purity flake graphite and still maintain a 20 year, or longer, mine life;
- **2008** - In August 2008, Mt. Cameron initiated an exploration and metallurgical testing program budgeted at \$4 million. Initial results from deep penetrating geophysics, drilling, assaying, bulk sampling, and pilot plant testing at the Mineral Engineering Centre at Dalhousie University met or exceeded expectations;
- **2009** - Further metallurgical work determined that the flake graphite could be readily separated from the marble by flotation with expected commercial production after refining of above 99% graphite. Bench scale metallurgical testing has already achieved a grade of 99.3% from a large bulk sample taken in 2008.
- **2010** - In the late Fall, a 1,300 m diamond drilling program identified an area west of Campbell Lake where 10 holes intersected up to 40 m of high grade graphitic marble extending about 400 m along strike. This area shows considerable promise for the development of a substantial mining operation.

"The Mt. Cameron Graphite deposit could be one of the largest in the world," says John Wightman, M.Sc., FGAC, P.Eng, President of Mt. Cameron Minerals Inc). Mr. Wightman's optimism about the potential value of the graphite deposit has received support in a report to Mt. Cameron regarding a bulk sample assessed by Separation Technology LLC of Needham, Mass. "The report is another indication of a potential large deposit of battery-grade graphite throughout the site. The attributes of graphite marble allow for low-cost clean separation technology, with little or no damage to the high-quality graphite when separated from the surrounding material," specified Mr. Wightman. The numbers in this latest bulk assessment align with those from previous tests at Dalhousie University by Dr. Ian M. Flint, a senior consulting metallurgist.

EXPLORATION OUTLOOK

The Company's technical team is currently working on the exploration recommendations set forth for each of its properties. The proposals will be analyzed by the Board of Directors.

QUALIFIED PERSON

Alex MacKay P.Geol, is the qualified person under NI 43-101 who has reviewed and approved the technical information contained in this document for the 2016 explored properties.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUNCTIONAL AND PRESENTATION CURRENCY

These selected annual financial information, selected quarterly financial information and other financial information are presented in Canadian dollars, the Company's functional currency.

SELECTED ANNUAL FINANCIAL INFORMATION

The following selected financial information is derived from our audited financial statements for each of the three most recently completed financial years.

SELECTED ANNUAL FINANCIAL INFORMATION

	December 31 2016	December 31 2015	December 31 2014
	\$	\$	\$
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS			
Operating expenses			
Exploration and evaluation expenditures	799,868	282,701	764,411
General and administrative expenses	638,729	1,132,394	1,101,246
Gain on disposal of property and equipment	(25,318)	-	-
Write-off of property and equipment	6,620	-	-
Gain on disposal of mining properties	(56,250)	(30,000)	(80,000)
Loss on cancellation on acquisition of assets	-	2,400,000	-
	1,363,649	3,785,095	1,785,657
Other expenses (revenues)			
Net change in fair value of marketable securities	(56,770)	20,381	(86,693)
Finance expense	12,569	25,711	4,554
Exchange loss (gain)	40	(190)	6,786
Gain on settlement of accounts payable	(107,901)	(56,208)	-
	(152,062)	(10,306)	(75,353)
Tax income	(53,820)	(122,962)	-
Net loss from continuing operations	1,157,767	3,651,827	1,710,304
Net loss (earnings) from discontinued operations	(100,176)	1,104,182	340,385
Net loss and comprehensive loss	1,057,591	4,756,009	2,050,689
Net loss from continuing operations attributable to:			
Shareholders of Genius Properties Ltd.	1,157,767	3,651,827	1,710,304
Non-controlling interests	-	-	-
Net loss (earnings) from discontinued operations attributable to:			
Shareholders of Genius Properties Ltd.	(82,126)	997,467	273,945
Non-controlling interests	(18,050)	106,715	66,440
Basic and diluted loss (earnings) per share:			
Basic and diluted loss per share from continuing operations	0.02	0.07	0.07
Basic and diluted loss (earnings) per share from discontinued operations	(0.00)	0.02	0.01
CONSOLIDATED STATEMENTS OF CASH FLOWS			
Continuing operations			
Cash flows used for operating activities	(550,488)	(545,617)	(1,760,320)
Cash flows from financing activities	234,711	647,757	1,942,724
Cash flows from (used for) investing activities	302,395	(4,575)	(49,565)
Net change in cash and cash equivalents	(13,382)	97,565	132,839
Discontinued operations			
Cash flows used for operating activities	-	(85,766)	(284,609)
Cash flows from financing activities	-	-	-
Cash flows used for investing activities	-	(124,353)	(264,846)
Net change in cash and cash equivalents	-	(210,119)	(549,455)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
Cash and cash equivalents	196,919	210,301	322,855
Property and equipment	-	222,699	233,509
Intangible assets	-	-	513,144
Bank loan	-	202,500	225,000
Equity	(344,251)	(577,810)	(645,593)
Total assets	364,061	596,217	1,520,003

MANAGEMENT'S DISCUSSION AND ANALYSIS

The basic and diluted loss per share from continuing operations during the year ended December 31, 2016 is \$0.02 (\$0.07 in 2015 and \$0.07 in 2014). During the year ended December 31, 2016, the Company realized a net loss from continuing operations of \$1,157,767 as compared to a net loss from continuing operations of \$3,651,827 (a decrease of \$2,494,060 compared to 2015) for the year ended December 31, 2015 and to a net loss from continuing operations of \$1,710,304 (a decrease of \$1,941,523 compared to 2014) for the year ended December 31, 2014.

The significant decrease of \$2,494,060 for the year ended December 31, 2016 as compared to 2015 in net loss from continuing operations is attributable to the loss on cancellation on acquisition of assets of \$2,400,000 recorded in 2015 as compared to a loss of cancellation on acquisition of assets of \$Nil for the year ended December 31, 2016.

The significant increase of \$1,941,523 for the year ended December 31, 2015 as compared to 2014 in net loss from continuing operations is mainly attributable to the loss of cancellation on acquisition of assets of \$2,400,000 recorded in 2015 as compared to a loss on cancellation on acquisition of assets of \$Nil for the year ended December 31, 2014.

The total assets as at December 31, 2016 was \$364,061 as compared to \$596,217 and \$1,520,003 for the years ended December 31, 2015 and 2014 respectively. The decrease of \$232,156 in total assets in 2016 compared to 2015 (\$364,061 compared to \$596,217) is mainly due to the disposal of property and equipment (net book value of \$204,682) in October 2016 combined with the repayment of the bank loan of approximately \$185,000.

A decrease of \$1,155,942 in total assets in 2015 compared to 2014, is mainly due to the write-off of inventories of \$287,991 and intangibles of \$560,122 in 2015 following the decision (November 2015) of the Company to discontinued the distribution of consumable products under its subsidiary Zencig and the development of a geo-localisation software under its subsidiary Zippler to concentrate its effort on the acquisition and exploration of mineral properties.

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the Board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2016

Net (loss) income from continuing operations

During the year ended December 31, 2016, the Company realized a net loss from continuing operations of \$1,157,767 as compared to a net loss from continuing operations of \$3,651,827 for the year ended December 31, 2015.

The significant decrease of \$2,494,060 for the year ended December 31, 2016 as compared to 2015 in net loss from continuing operations is attributable to the loss on cancellation on acquisition of assets of \$2,400,000 recorded in 2015 as compared to a loss of cancellation on acquisition of assets of \$Nil for the year ended December 31, 2016.

During the year ended December 31, 2015, the Company realized a net loss from continuing operations of \$3,651,827 as compared to a net loss from continuing operations of \$1,710,304 for the year ended December 31, 2014.

The significant increase of \$1,941,523 for the year ended December 31, 2015 as compared to 2014 in net loss from continuing operations is mainly attributable to the loss on cancellation on acquisition of assets of \$2,400,000 recorded in 2015 as compared to a loss of cancellation on acquisition of assets of \$Nil for the year ended December 31, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating expenses

During the year ended December 31, 2016, operating expenses were \$1,363,649 as compared to \$3,785,095 for the year ended December 31, 2015.

The significant decrease of \$2,421,446 for the year ended December 31, 2016 as compared to 2015 in operating expenses is attributable to the loss on cancellation on acquisition of assets of \$2,400,000 recorded in 2015 as compared to a loss of cancellation on acquisition of assets of \$Nil for the year ended December 31, 2016.

The significant increase of \$347,111 for the year ended December 31, 2016 as compared to 2015 in net loss is mostly attributable to a significant increase of \$196,122 in share-based compensation combined with an increase of \$141,394 in management and consulting fees and an increase of \$40,420 in travel and promotion.

During the year ended December 31, 2015, operating expenses were \$3,785,095 as compared to \$1,785,657 for the year ended December 31, 2014.

The significant increase of \$1,999,438 for the year ended December 31, 2015 as compared to 2014 in operation expenses is mainly attributable to the loss on cancellation on acquisition of assets of \$2,400,000 recorded in 2015 as compared to a loss of cancellation on acquisition of assets of \$Nil for the year ended December 31, 2014..

Other expenses (revenues)

During the year ended December 31, 2016, the other revenues was \$152,062 as compared to other revenues of \$10,306 for the year ended December 31, 2015 and other revenues of \$75,353 for the year ended December 31, 2014.

The increase of \$141,756 in 2016 as compared to 2015 (revenues of \$ 152,062 in 2016 compared to revenues of \$10,306 in 2015) in other revenues is mostly attributable to an increase of \$77,151 in net change in fair value of marketable securities (revenues of \$56,770 in 2016 compared to an expense of \$20,381 in 2015) combined with an increase of \$51,693 in gain on settlement of accounts payable (\$107,901 in 2016 compared to \$56,208 in 2015).

The decrease of \$65,047 in 2016 as compared to 2015 (revenues of \$ 10,306 in 2015 compared to revenues of \$75,353 in 2014) in other revenues is mostly attributable to a decrease of \$107,074 in net change in fair value of marketable securities (expense of \$20,381 in 2015 compared to revenues of \$86,693 in 2015).

SELECTED QUARTERLY FINANCIAL INFORMATION

Genius Properties anticipates that the quarterly and annual results of operations will primarily be impacted for the near future by several factors, including the timing and efforts of the exploration's expenditures and efforts related to the development of the Company. Due to these fluctuations, the Company believes that the quarter to quarter and the year-to-year comparisons of the operating results may not be a good indication of its future performance.

The following selected quarterly financial information is derived from our unaudited condensed interim financial statements for each of the two most recently completed financial years.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SELECTED ANNUAL FINANCIAL INFORMATION

	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	\$	\$	\$	\$	\$	\$	\$	\$
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS								
Operating expenses								
Exploration and evaluation expenditures	167,121	72,504	319,365	240,878	262,219	10,466	4,557	5,459
General and administrative expenses	225,947	141,621	174,245	96,916	284,973	171,015	321,638	354,768
Gain on disposal of property and equipment	(25,318)	-	-	-	16,055	(16,055)	-	-
Write-off of property and equipment	6,620	-	-	-	-	-	-	-
Gain on disposal of mining properties	(12,500)	(45,522)	1,772	-	(30,000)	-	-	-
Loss on cancellation on acquisition of assets	-	-	-	-	2,400,000	-	-	-
	361,870	168,603	495,382	337,794	2,933,247	165,426	326,195	360,227
Other expenses (revenues)								
Net change in fair value of market investments	(3,405)	(865)	(45,000)	(7,500)	35,381	(15,000)	-	-
Finance expense	(14,193)	4,439	4,274	18,049	25,711	-	-	-
Exchange loss (gain)	12,854	(11,809)	(1,091)	86	8,627	(277)	58	(8,598)
Gain on settlement of accounts payable	20,280	13,207	(135,388)	(6,000)	(56,208)	-	-	-
	15,536	4,972	(177,205)	4,635	13,511	(15,277)	58	(8,598)
Tax income	(53,820)	-	-	-	(122,962)	-	-	-
Net loss from continuing operations	323,586	173,575	318,177	342,429	2,823,796	150,149	326,253	351,629
Net loss (earnings) from discontinued operations	-	-	-	-	558,238	454,115	41,305	50,524
Net loss and comprehensive loss	323,586	173,575	318,177	342,429	3,382,034	604,264	367,558	402,153
Net loss from continuing operations attributable to:								
Shareholders of Genius Properties Ltd.	307,110	190,488	317,977	342,192	2,823,796	150,149	326,253	351,629
Non-controlling interests	16,476	(16,913)	200	237	(62,381)	52,428	3,315	6,638
	323,586	173,575	318,177	342,429	2,761,415	202,577	329,568	358,267
Net loss (earnings) from discontinued operations attributable to:								
Shareholders of Genius Properties Ltd.	(82,126)	-	-	-	997,467	-	-	-
Non-controlling interests	(18,050)	-	-	-	106,715	-	-	-
	(100,176)	-	-	-	1,104,182	-	-	-
Basic and diluted loss (earnings) per share:								
Basic and diluted loss per share from continuing operations	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.02
Basic and diluted loss (earnings) per share from discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The net loss from continuing operations of \$173,575 for Q3-2016 is mostly attributable to a gain on disposal of mining properties of \$45,522 combined with a decrease of exploration and evaluation expenditures as compared to Q1-2016 and Q2-2016.

The net loss from continuing operations of \$2,823,796 for Q4-2015 is attributable to a loss on cancellation on acquisition of assets of \$2,400,000.

The net loss from continuing operations of \$150,149 for Q3-2015 is mostly attributable to an overvaluation of the management and consulting fees expenses of Q1-2015 and Q2-2015 adjusted in Q3-2015.

RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2016

Net (loss) income from continuing operations

The basic and diluted loss per share from continuing operations for the three-month period ended December 31, 2016 is \$0.00 as compared to \$0.01 for the three-month period ended December 31, 2015.

During the three-month period ended December 31, 2016, the Company realized a net loss from continuing operations of \$323,586 as compared to a net loss from continuing operations of \$2,823,796 for the three-month period ended December 31, 2015.

The significant decrease of \$2,500,210 for the three-month period ended December 31, 2016 as compared to 2015 in net loss from continuing operations is attributable to the loss on cancellation on acquisition of assets of \$2,400,000 recorded in Q4-2015 as compared to a loss of cancellation on acquisition of assets of \$Nil for Q4-2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating expenses

During the three-month period ended December 31, 2016, operating expenses were \$361,870 as compared to \$2,933,247 for the three-month period ended December 31, 2015.

The significant decrease of \$2,571,377 for the three-month period ended December 31, 2016 as compared to 2015 in operating expenses is attributable to the loss on cancellation on acquisition of assets of \$2,400,000 recorded in 2015 as compared to a loss of cancellation on acquisition of assets of \$Nil for the three-month period ended December 31, 2016.

Other expenses (revenues)

During the three-month period ended December 31, 2016, the other expenses was \$15,536 as compared to other expenses of \$13,511 for the three-month period ended December 31, 2015.

There were no major changes in during the three-month period ended December 31, 2016 compared to Q4-2015 in other expenses.

CASH FLOWS

Cash flows used for operating activities

Cash flows used for operating activities were \$550,488 during the year ended December 31, 2016, a decrease of \$80,895 as compared to cash flows of \$631,383 used for operating activities during the year ended December 31, 2015. The decrease of \$80,895 is explained by funds of \$Nil used for operating activities of discontinued operations during the year ended December 31, 2016 as compared to funds of \$85,766 used for operating activities of discontinued operations during the year ended December 31, 2015.

Cash flows from financing activities

Cash flows from financing activities were \$234,711 during the year ended December 31, 2016, a decrease of \$413,046 as compared to cash flows of \$647,757 generated from financing activities during year ended December 31, 2015. The decrease of \$413,046 is partially explained by the repayment of \$50,000 for a loan payable to a director and the repayment of \$202,500 for a bank loan during the year ended December 31, 2016. There were no repayments of loan during the year ended December 31, 2015.

In addition, Genius Properties raised \$487,211 from private placements (common shares) net of share issuance costs of \$61,689 during the year ended December 31, 2016 as compared to funds of \$615,257 raised from private placements (common shares) net of share issuance costs of \$19,793 during the year ended December 31, 2015 which consisted of a decrease \$128,046 for the year ended December 31, 2016 as compared to the year ended December 31, 2015.

Cash flows used for investing activities

Cash flows from investing activities were \$302,395 during the year ended December 31, 2016, an increase of \$431,323 as compared to cash flows of \$128,928 used for investing activities during the year ended December 31, 2015.

The decrease of \$431,046 is explained by no acquisition of property and equipment combined with the proceeds of disposal of property and equipment of \$230,000 and proceeds of disposal of marketable securities of \$72,395 during the year ended December 31, 2016 as compared to the acquisition of property and equipment of \$4,575 and cash used for investing activities of discontinued operations of \$124,353 during the year ended December 31, 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RELATED PARTY TRANSACTIONS

Related parties include the Company's joint key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

	December 31 2016	December 31 2015
	\$	\$
Management fees (exploration expenditures)	-	23,184
Consulting fees	193,350	403,650
Professional fees	6,267	24,000
Share-based compensation	32,940	14,850
	232,557	465,684

In addition to the related party transactions presented elsewhere in these financial statements, the following is a summary of other transactions:

For the year ended December 31, 2016, legal fees and share issuance costs for a total amount of \$9,081 were charged by a company in which a director is a partner (\$95,164 for the year ended December 31, 2015). In addition, for the year ended December 31, 2016, the Company recorded a gain of \$32,630 on settlement of accounts payable (\$Nil for the year ended December 31, 2015). Trade accounts and other payables include an amount of \$Nil (\$182,619 as at December 31, 2015) due to this related party.

For the year ended December 31, 2016, legal fees, transaction costs and share issuance costs for a total amount of \$57,471 were charged by a company in which a director is a partner (\$Nil for the year ended December 31, 2015). Trade accounts and other payables include an amount of \$35,407 (\$Nil as at December 31, 2015) due to this related party.

For the year ended December 31, 2016, a company controlled by the former CEO did not charge any rental office expenses (\$6,000 for the year ended December 31, 2015).

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

RECLASSIFICATION

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year, mainly a reclassification within General and administrative expenses items (Professional fees to management and consulting fees, see Note 18 in the audited financial statements). The reclassification has no material impact on the clarity and usefulness of information presented in this MD&A.

CONTINGENCIES

Governmental laws and regulations regarding environmental protection regulate the Company's operations. The environmental consequences are not easily identifiable, either in terms of results, the impacts or the expiration date. Currently, and to the best knowledge of its management, the Company is in conformity with current laws and regulations.

SUBSEQUENT EVENTS

Subsequently to the year end, in an effort to facilitate greater flexibility in pursuing its plans to advance its projects and to conclude any additional financings required by the Company, Genius Properties, completed a

MANAGEMENT'S DISCUSSION AND ANALYSIS

share consolidation on a basis of five pre-consolidation shares for one post-consolidation share. On the share consolidation date, the number of pre-consolidation common shares was 92,395,410. The number of post-consolidation common shares was 18,479,082.

On January 3, 2017 the Company amended its option agreement with Mt. Cameron Minerals Incorporated and 21 Alpha Resources Inc. The amount of cash payment had been reduced to \$125,000 instead of \$175,000 and the number of shares has been increased to 4,000,000 shares instead of 3,000,000. The Company has issued 4,000,000 common shares to 21 Alpha Resources Inc. at a fair value of \$0.04 per share for a consideration of \$160,000.

OFF-FINANCIAL POSITION ARRANGEMENTS

As at December 31, 2016, the Company has non off-financial position arrangements.

GOING CONCERN ASSUMPTION

The accompanying consolidated financial statements have been prepared on the basis of the a going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt on the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the year ended December 31, 2016, the Company recorded a net loss of \$1,057,591 (\$4,756,009 in 2015) and has an accumulated deficit of \$13,983,687 as at December 31, 2016 (\$12,908,046 as at December 31, 2015). Besides the usual needs for working capital, the Company must obtain funds to enable it to meet the timelines of its exploration programs and to pay its overhead and administrative costs. The Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable. The Company has not yet generated income nor cash flows from its operations. The recovery of the cost of exploration and evaluation assets as well as other tangible and intangible assets, is subject to certain conditions: the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to continue the exploration, evaluation, development, construction and ultimately disposal of these assets. As at December 31, 2016, the Company had a negative working capital of (\$401,126) ((\$823,009) as at December 31, 2015) consisting of cash and cash equivalents of \$196,919 (\$210,301 as at December 31, 2015). Management believes that these funds will not be sufficient to meet the obligations and liabilities of the Company. These uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new equity instruments. During the year ended December 31, 2016, the Company has raised \$548,900 from private placements to fund exploration works and working capital. While management has been successful in raising financing in the past, there is no assurance that it will succeed in obtaining additional financing in the future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL MANAGEMENT

The Company considers the items included in equity and long term loan as capital components.

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders of the Company.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity. Capital for the reporting periods are presented in the statement of changes in equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which the amount should be used for exploration work. On December 30, 2016, the Company completed a flow-through private placement of \$317,900. As at December 31, 2016, the Company has the obligation to incur \$317,900 in exploration expenditures no later than December 31, 2017 in order to comply with the requirements of flow-through private placement.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. No changes were made in the objectives, policies and processes for managing capital during the reporting periods.

CAPITAL

	December 31 2016	December 31 2015	December 31 2014
	\$	\$	\$
Equity	(344,251)	(577,810)	(645,593)

IFRS ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies and estimates under IFRS are disclosed in the audited annual consolidated financial statements for the year ended December 31, 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OTHER REQUIREMENTS IN THE MANAGEMENT DISCUSSION AND ANALYSIS

The following selected financial information is derived from our unaudited financial statements.

GENIUS PROPERTIES LTD.

Disclosure of outstanding share data post consolidation effective February 1st, 2017 (as at April 28, 2017)

Outstanding common shares:	18,479,082		
Outstanding share options:	950,000		
Average exercise price of:	\$0.389		
Average remaining life of:	3.40 years		
		Exercise price	Remaining life
	Expiry date	Number	
			\$
			(years)
	April 9, 2019	260,000	0.50
	August 6, 2020	270,000	0.50
	September 9, 2021	420,000	0.25
		<u>950,000</u>	
Outstanding warrants:	3,543,636		
Average exercise price of:	\$0.454		
Average remaining life of:	0.21 years		
		Exercise price	Remaining life
	Expiry date	Number	
			\$
			(years)
	June 7, 2017	2,000,000	0.25
	June 21, 2017	580,000	0.50
	June 29, 2017	163,508	0.25
	June 29, 2017	400,000	1.50
	November 10, 2017	60,000	0.50
	December 9, 2017	248,000	0.50
	December 30, 2018	92,128	0.25
		<u>3,543,636</u>	

RISK AND UNCERTAINTIES

An investment in the common shares of the CME should be considered highly speculative. Genius Properties is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

Price risk

The Company is exposed to equity securities price risk because of the marketable securities held by the Company. When trading its shares, unfavorable market conditions could result in the disposal of its listed shares at less than its value. As at December 31, 2015 and 2016, price risk is not considered significant.

Credit risk

Credit risk is the risk that the other party to a financial instrument fails to honour one of its obligations and, therefore, causes the Company to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

Credit risk of cash and cash equivalents is considered negligible, since the counterparty is a reputable bank with excellent external credit rating.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

During the year, the Company has financed its acquisitions of mining rights, exploration expenditures and working capital needs through private financings (issuance of shares in 2016). Management estimates that the cash and cash equivalents as at December 31, 2016 will not be sufficient to meet the Company's needs for cash during the coming year.

Contractual maturities of financial liabilities (including capital and interest) are as follows:

	December 31 2016			
	Less than 1 year	1-5 years	More than 5 years	Total
Trade accounts payable and accrued liabilities	\$ 430,642	\$ -	\$ -	\$ 430,642

	December 31 2015			
	Less than 1 year	1-5 years	More than 5 years	Total
Trade accounts payable and accrued liabilities	\$ 769,307	\$ -	\$ -	\$ 769,307
Loan payable to a director	55,000	-	-	55,000
Bank loan	202,500	-	-	202,500

Interest rate risk

As at December 31, 2016, the Company is not exposed to changes in market interest. As at December 31, 2015, the Company was exposed to changes in market interest through its long-term debt at variable interest rate.

Exploration and mining risks

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration and evaluation stage only. The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. Currently, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs.

The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

Titles to property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

According to the mining law and regulations of the Province of Québec, to renew its claims, the Company must incur a minimum of exploration expenditures and must pay the Québec government, a rent per claim, for every 2 years renewal period. Between the date of this MD&A and December 31, 2017, no claim will need to be renewed for a negligible amount and will not require additional exploration expenditures because the Company has met the requirements.

According to the mining law and regulations of the Province of Nova Scotia, to renew its claims, the Company must incur a minimum of exploration expenditures and must pay the Nova Scotia government, a rent per claim of \$20.00 and \$200.00 of expenditures, for every one year renewal period. Between the date of this MD&A and December 31, 2017 259 claims will need to be renewed for an amount of \$5,180 plus \$51,800 in additional exploration expenditures.

Permits and licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Metal prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Environmental regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or

MANAGEMENT'S DISCUSSION AND ANALYSIS

emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Conflicts of interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Stage of development

The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or providing a return on investment, and in future, there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

Industry conditions

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

Uninsured risks

The Company's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental regulations, political uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Capital needs

The exploration and evaluation, development, mining and processing of the Company's properties may require substantial additional financing. The only current source of future funds available to the Company is the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Company or that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In addition, any future equity financings by the Company may result in a substantial dilution of the existing shareholders. Failure to obtain sufficient financing may result in delaying or indefinite postponement of further exploration and evaluation, development or production on any or all of the Company's properties or even a loss of property interest.

Key employees

Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

Canada Customs and Revenue Agency

No assurance can be made that Canada Customs and Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada).

CERTIFICATION OF ANNUAL FILINGS

The President and Chief Executive Officer and the Chief Financial Officer have signed the Basic Certifications of Annual Filings as required by National Instrument 52-109 for venture issuer, thus confirming, the review, the absence of misrepresentations and the fair presentation of the annual filings.

- The President and Chief Executive Officer and the Chief Financial Officer confirm to have reviewed the annual financial statements and the annual MD&A (together, the "annual filings") of the Company for the year ended December 31, 2016.
- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the period presented in the annual filings.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ADDITIONAL INFORMATION

The additional information on the Company is available through regular filings of quarterly financial statements and press releases on Sedar (www.sedar.com) and on the Company's website www.geniusproperties.ca.

Officers

(s) Guy Goulet
Guy Goulet
President and CEO

(s) Stéphane Leblanc
Stéphane Leblanc
CFO

Directors

Jimmy Gravel
Maxime Lemieux
Hubert Vallée
Marc Duchesne
Guy Goulet

Transfer agent

Computershare Canada
1500 boulevard Henri-Bourassa
Bureau 700
Montréal (Québec) H3A 3S8

Special advisor

Terence Coughlan
Claude Rousseau

Legal advisors

Lavery, De Billy SENCRL / LLP
Montréal (Québec)

Head office

1000 Sherbrooke Street West
Suite 2700
Montréal QC H3A 3G4

Auditor

Raymond Chabot Grant Thornton
Montréal (Québec)