

Genesis Metals Corp. (TSXV:GIS)

Mineral Resource Estimate at Chevrier Increased by 24%

Exploration Update

January 25, 2022

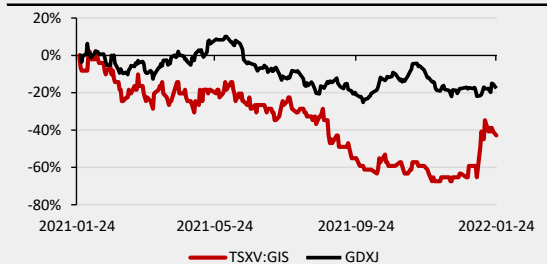
(Currency is C\$ unless noted otherwise)

Closing Price (C\$/sh)	\$0.14	
Rating	NA	
Target (C\$/sh)	NA	
Return to Target	NA	
52 Week Low / High (C\$/sh)	\$0.08 / \$0.28	
CAPITALIZATION		
	Basic	Diluted
Shares Outstanding (M)	62.9	74.2
Market Capitalization (C\$M)	\$8.8	
Enterprise Value (C\$M)	\$6.2	
Cash and Cash Equivalents (C\$M)	\$2.6	
Total Debt (C\$M)	\$0.0	

STOCK CHART



RELATIVE PERFORMANCE



MAJOR SHAREHOLDERS

Management (29%)

DISCLOSURE CODE: 3,4

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, S&P Capital IQ

Company Description

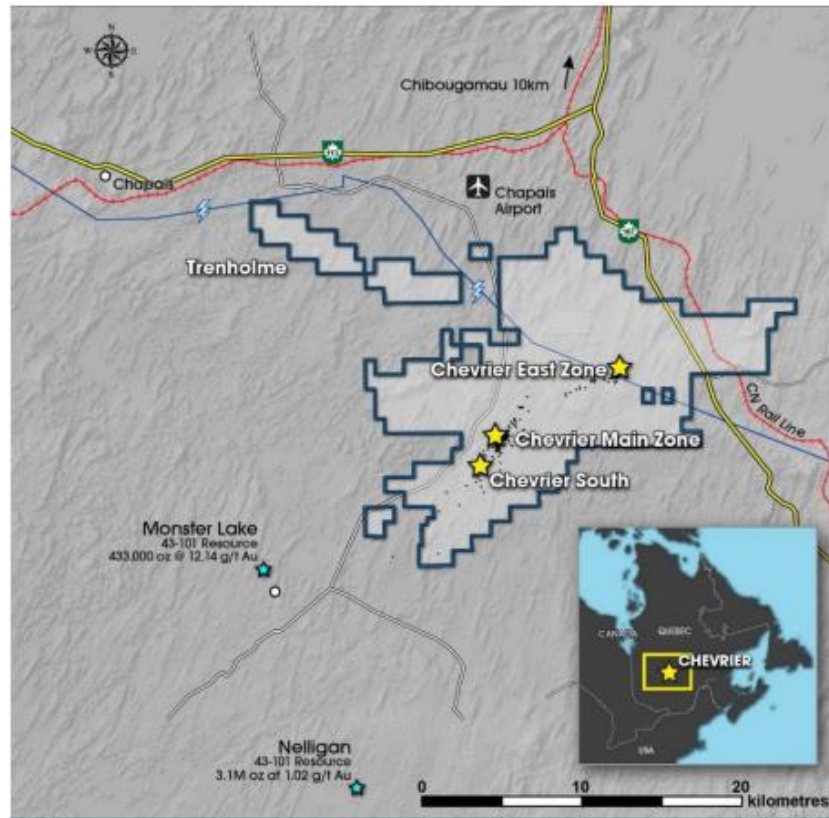
Genesis Metals Corp. engages in the acquisition and exploration of mineral properties in Canada. It holds a 100% interest in the Chevrier Gold deposit that covers an area of 275 square kilometers located near Chibougamau, Quebec; and a 100% interest in the October Gold Property, which covers 203 square kilometers located in the Southern Swayze greenstone belt in Benton Township, Ontario. The company was formerly known as Entourage Metals Ltd. and changed its name to Genesis Metals Corp. in November 2015. Genesis Metals Corp. was incorporated in 2010 and is headquartered in Vancouver, Canada.

Impact: Positive

Genesis Metals provided a new resource estimate (MRE) for its 100%-owned Chevrier Au project in the Chibougamau area of Quebec (Figure 1). We view this new update positively as it demonstrates resource growth of 24% (Figure 2) despite the removal of the East zone (which was included in the 2019 estimate) and continued exclusion of the South zone. **With 912k oz Au, we believe there exists significant upside at Chevier in existing zones (Figure 3) along with the potential to make new discoveries given its large land package of >290km² within the mature Chibougamau Au camp that has historically produced 6.7M oz Au. Specifically, we see at least six areas where further drilling may add to this resource including within the Main zone open pit, and within underground resource areas at either ends of the pit.**

- Main zone contained Au in increases by 24% to 912k oz Au.** The new MRE is based on 220 drill holes (63,640m) for combined 22.06Mt at 1.29 g/t Au (I+I). The pit constrained portion of the resource (17.6Mt at average grades of 1.20 g/t Au) is much larger than the 2019 estimate as the pit wall was expanded, and newer and deeper gold zones were incorporated. This is partially attributable to drilling and to changes in modeling assumptions such as gold price increase from US\$1,400 to US\$1,800/oz, and lower cut-off grade of 0.3 g/t from 0.5 g/t Au to encompass additional mineralization. The underground estimate (4.46Mt at 1.62 g/t Au) is inline with the 2019 estimate, however these new resources are now only inferred with no indicated. The new MRE will be incorporated into future exploration plans for the Chevrier project, although given open ended mineralization in various areas (Figure 4, 5), we expect further exploration to continue to add ounces.
 - East zone downgraded to mineral inventory.** After review of the 2019 MRE, Genesis Metals believes that this estimate was based on too few drillholes and questions the continuity of Au mineralization over its 750m strike. A mineral inventory has been established for the East zone (Figure 6, 7), and even at the higher end of the range of 44k oz Au, it is considered too small to be economically extracted.
 - South zone still excluded.** The South zone is located immediately SW and along strike of the Main zone and was remodelled into a block model. Work completed at this zone (18 drill holes over 1,100m strike) is considered insufficient to delineate resources. We do see massive potential from this zone but note that infill drilling will be required to increase confidence in zone continuity and grades.
- We do not yet value Genesis Metals (no rating or target).** The Chevrier project straddles the Au rich Fancamp deformation zone for over 15km highlighting its prospectivity. With continued exploration success, and the delineation of additional resources we expect a warranted re-rating of the stock. **Upcoming catalysts:** 1) Exploration results from 100%-owned October Au project (ongoing) and 2) Exploration plans for Chevrier project (2022).

Figure 1: Chevrier project location in Quebec



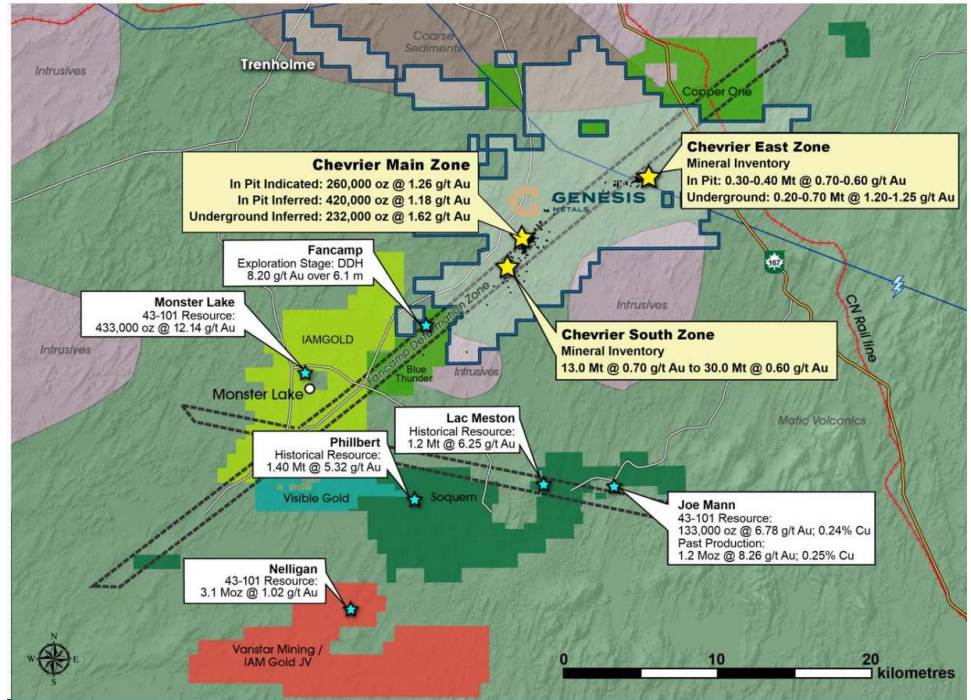
Source: Company Reports

Figure 2: Chevrier project mineral resource estimate – 2022 vs. 2019

	Category	January 2022 Estimate				March 2019 Estimate				% Change		
		Mt	g/t Au	cont. oz	cut-off	Mt	g/t Au	cont. oz	cut-off	Mt	g/t Au	cont. oz
Main zone - pit constrained	Indicated	6.4	1.26	260,000	0.3 g/t	6.6	1.39	295,000	0.5 g/t	-3%	-10%	-13%
	Inferred	11.2	1.18	420,000	0.3 g/t	1.3	1.35	56,000	0.5 g/t	88%	-14%	87%
Main zone - underground	Indicated	-	-	-	1 g/t	1.9	1.64	100,000	0.95 g/t	na	na	na
	Inferred	4.46	1.62	232,000	1 g/t	4.6	1.33	198,000	0.95 g/t	-4%	18%	15%
East zone - pit constrained	Inferred	-	-	-		0.3	1.53	15,000	0.5 g/t	na	na	na
East zone - underground	Inferred	-	-	-		0.7	1.19	28,000	0.95 g/t	na	na	na
Total	I&I	22.06	1.29	912,000		15.44	1.39	692,000				24%

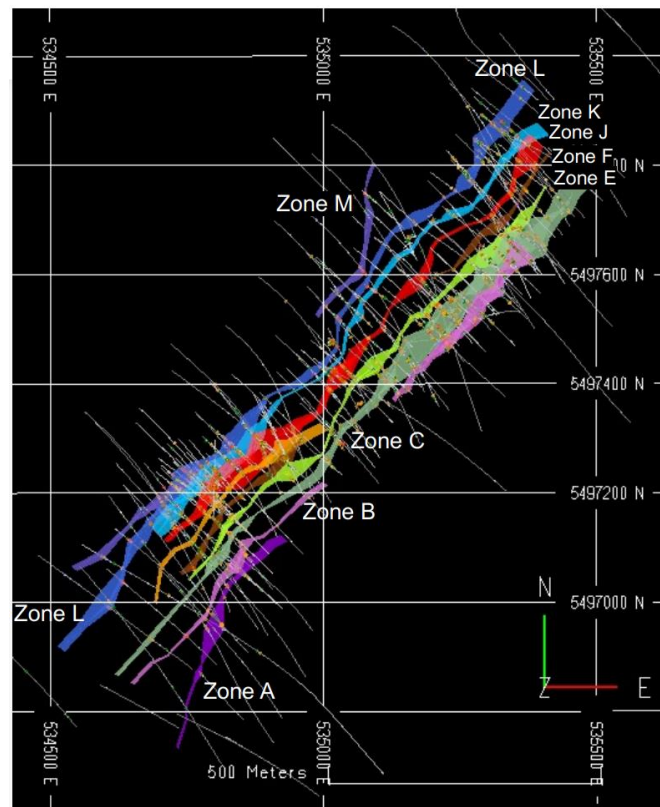
Source: Company Reports, RCSI

Figure 3: Chevrier project resource areas



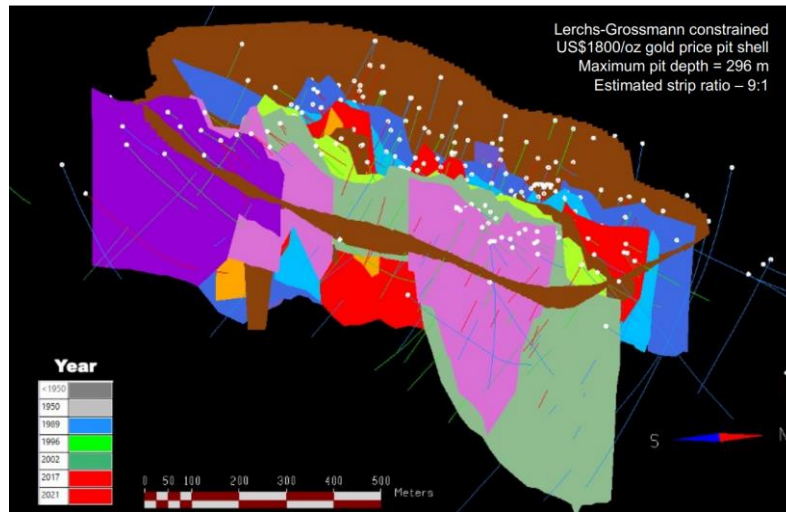
Source: Company Reports

Figure 4: Main zone plan view



Source: Company Reports

Figure 5: Main zone perspective looking west



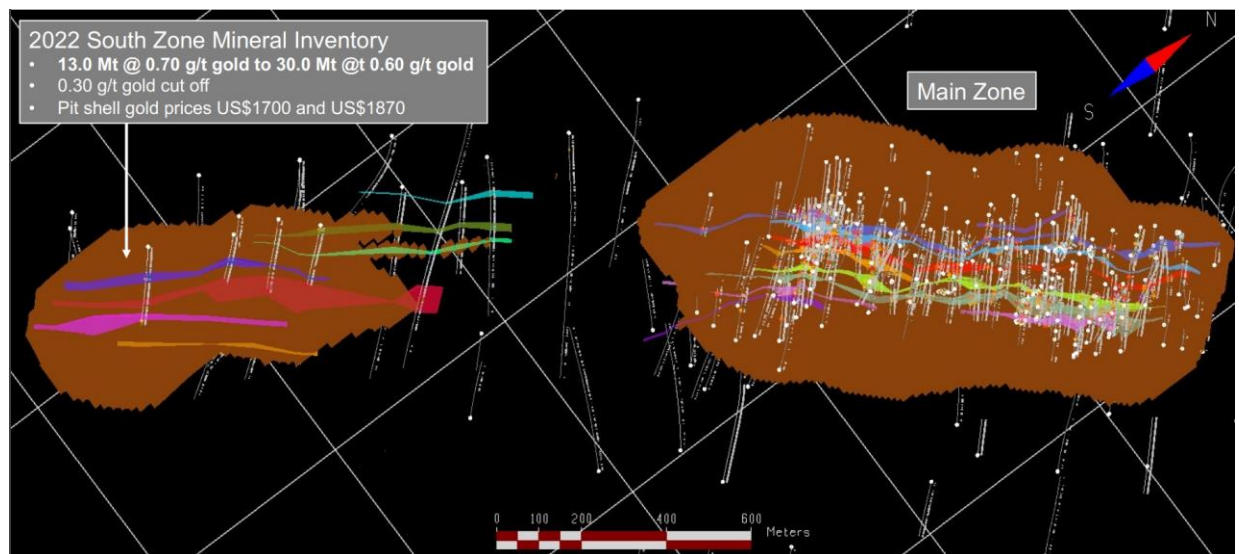
Source: Company Reports

Figure 6: Chevrier project mineral inventory estimate for the South and East zones

	Mt	g/t Au	cont. oz	cut-off
South Zone OP - low range	13	0.6	250,780	0.3 g/t
South Zone OP - high range	31	0.7	697,682	0.3 g/t
East Zone OP - low range	0.3	1.23	11,864	
East Zone OP - high range	0.4	1.26	16,204	
East Zone UG - low range	0.2	1.2	7,716	
East Zone UG - high range	0.7	1.25	28,132	
Total	45.6	0.69	1,012,378	

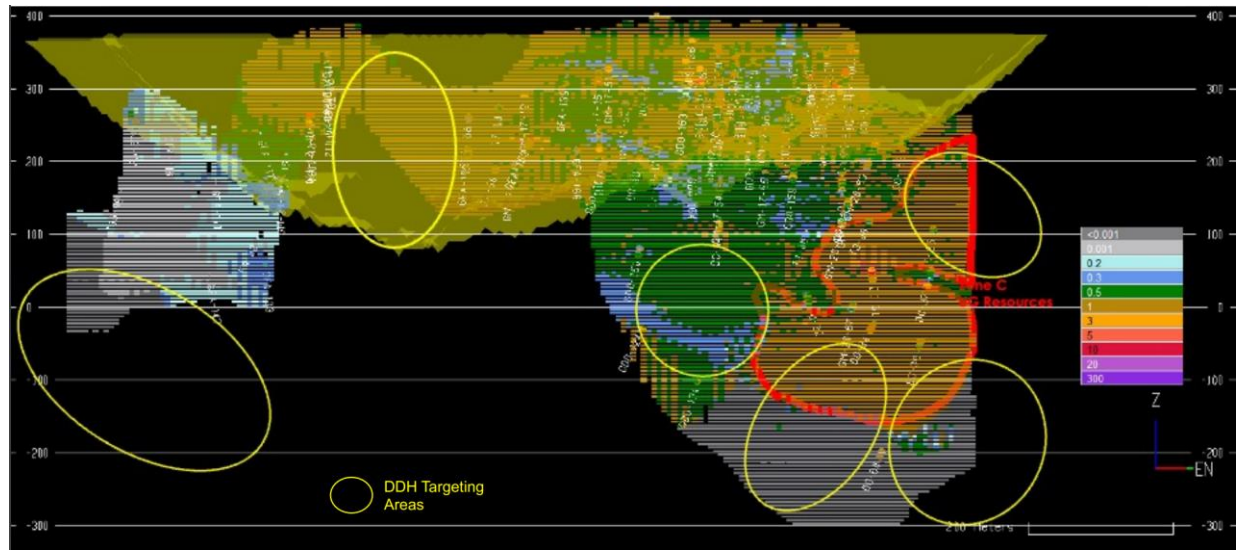
Source: Company Reports, RCSI

Figure 7: South zone mineral inventory



Source: Company Reports

Figure 8: Zone C capped ordinary Kriged blocks Au g/t



Source: Company Reports

Figure 9: 2022 Chevrier MRE – Sensitivity to cut-off grades

Open Pit Sensitivities to Cut-off Grade – Indicated Mineral Resources					
Cut-off	Zone	Class	Tonnes	Au Cut	Au Oz Cut
0.20	All	2	6,500,000	1.25	260,000
0.25	All	2	6,400,000	1.25	260,000
0.30	All	2	6,400,000	1.26	260,000
0.35	All	2	6,300,000	1.27	260,000
0.40	All	2	6,200,000	1.29	260,000
0.45	All	2	6,000,000	1.31	250,000
0.50	All	2	5,800,000	1.34	250,000

Open Pit Sensitivities to Cut-off Grade – Inferred Mineral Resources					
Cut-off	Zone	Class	Tonnes	Au Cut	Au Oz Cut
0.20	All	3	11,300,000	1.16	420,000
0.25	All	3	11,300,000	1.17	420,000
0.30	All	3	11,200,000	1.18	420,000
0.35	All	3	11,000,000	1.19	420,000
0.40	All	3	10,600,000	1.22	420,000
0.45	All	3	10,300,000	1.24	410,000
0.50	All	3	10,000,000	1.27	410,000

Underground Sensitivities to Cut-off Grade – Inferred Mineral Resources					
Cut-off	Zone	Class	Tonnes	Au Cut	Au Oz
0.80	all	3	4,720,000	1.58	240,000
0.90	All	3	4,460,000	1.62	232,000
1.00	All	3	4,460,000	1.62	232,000
1.10	All	3	4,140,000	1.66	222,000
1.25	All	3	3,690,000	1.73	205,000
1.50	All	3	2,210,000	1.96	139,000
2.00	All	3	740,000	2.43	58,000

Source: Company Reports

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Updated January 24, 2022

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			SELL / Tender	0%
			NA	3%
			Under Review	1%

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Company Name	Ticker Symbol	Disclosures
Genesis Metals Corp.	TSXV:GIS	3,4

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