



Gensource

POTASH CORP

Corporate Presentation

TSXV:GSP
December 2017

Disclaimer

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The scientific and technical information contained in this presentation has been reviewed and approved by Mike Ferguson, P.Eng., who is the President and Chief Executive Officer of Gensource and a “qualified person” under National Instrument 43-101.

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For a more complete review of the factors that may affect Gensource's forward-looking statements, please see the company's Information Circulars and Management's Discussion and Analyses, posted on Sedar, www.sedar.ca, or on the Company's website at www.gensourcepotash.ca/?page_id=642 .

Corporate Summary

Highlights

- Vanguard 1 Project is in the **first quartile** of all potash producers worldwide: **sub-US\$40.00/t** cash costs
- **Lowest All-in Cash Costs** in North America of **US\$170.31/t (delivered CFR India)**, **All-in OpEx costs of US\$ 95.97/t** (includes taxes and royalties)
- New strategy by **deploying innovative extraction methods** and **partnering directly with potash users**
- Near-term Potash Production: **Q4 2019 target**
- Vanguard 1 **Bankable Feasibility Study** completed **May 2017**
- **157mt** of Measured & Indicated resource, of which, **9.79 Mt** classed as Proven and Probable Reserve.
- **Base Case:** Potash price of US\$ 300/t and 45-year economic model
 - **Pre-tax NPV@8%** of **US\$ 329 M** with **18.3% IRR**
 - **Post-tax NPV@8%** of **US\$ 236 M** with **16.3% IRR**

“ Focussed on developing 100%-owned ‘**Vanguard 1**’ project located in central Saskatchewan, Canada ”



People

Experienced and senior team of potash experts with over 150 years of combined potash experience



Proven Track Record

Potash One (sold for over \$430 million), American Soda Co., Pennzoil Sulphur Company



Strong Network of Partners

Golder Associates, Whiting Equipment, ENGCOMP Engineering, South East Construction, Terra Modeling

Gensource Potash Corp. Vision – Mission - Values



Vision:

Create a series of independent, scalable and environmentally sustainable Potash production facilities in Saskatchewan and other jurisdictions in the world.



Mission:

Achieve food security by supplying the world with a key macronutrient at an affordable cost within an open, transparent and sustainable environment.



Values:

The core priorities for Gensource are integrity, forthrightness, innovation and social responsibility.

“Food security is when people have reliable access to sufficient, affordable, nutritious food to support healthy life.”

Potash: Problem & Opportunity



Supply Side

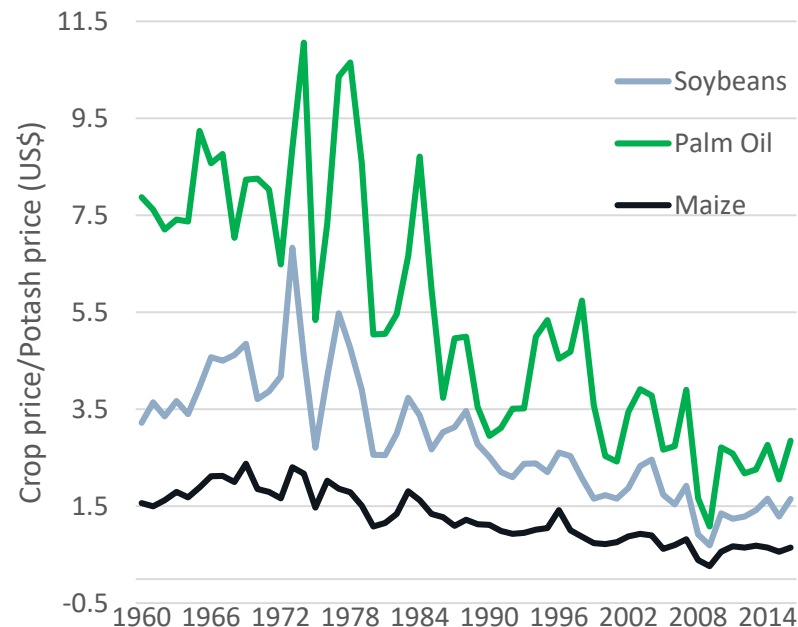
Producers Suffer From:

- ❖ **Lack of Competition:** Potash is controlled by oligopolistic supply-side production and distribution
- ❖ **Lack of Price Transparency:** No price discovery on transactions. No spot or contracted market
- ❖ **Excess Supply Capacity:** Supply add-ons to control market and keep competition out
- ❖ **Compressed Profit Margins:** Costly conventional mining operations coupled with complex supply chain management



Development of Crop Prices

A Historical Overview:



"Farmers face continued margin compression and have zero potash supply choice."



Demand Side

Customers Suffer From:

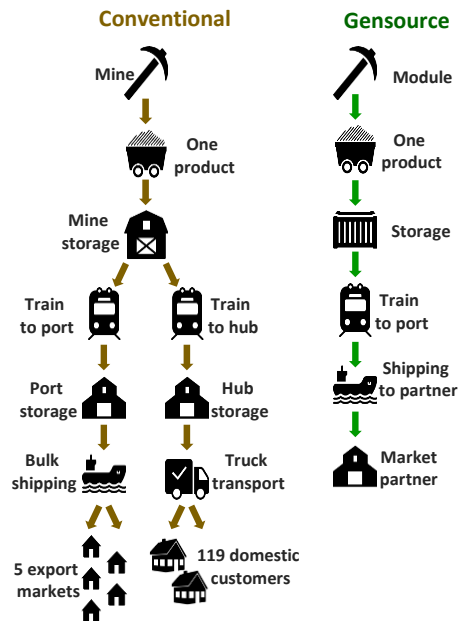
- ❖ **Lack of Competition:** Potash supply is controlled by oligopolistic supply-side production and distribution – **zero price control for customers**
- ❖ **Lack of Price Transparency:** Little price discovery on large transactions – **no spot or contracted market for customers to work with**
- ❖ **Excess Supply Capacity:** Supply add-ons to control market and keep competition out – **minimal choice for competitive alternatives to customers**
- ❖ **Compressed Profit Margins:** Costly global mining operations coupled with complex supply chain management – **high delivered cost to customers and no customer ability to work around existing supply chain**

Gensource Value Proposition

“

To disrupt the existing supply chain by deploying innovative extraction methods and partnering directly with potash users ”

1. Supply Chain Streamlining



2. Innovative Extraction Method



Using brackish formation water, an extraction brine is pumped through horizontal caverns **where only KCl (potash) is dissolved**

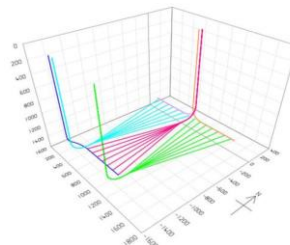


The saturated brine (NaCl and KCl) is pumped to a crystallization process at surface, **removing the KCl and resulting in solid crystals of potassium nutrient (KCl)**

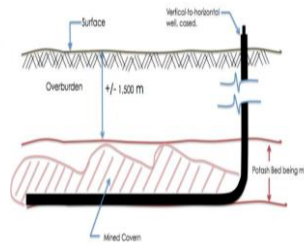


Remaining brine is returned to the horizontal caverns, **the cycle is repeated**

Horizontal Well Pattern

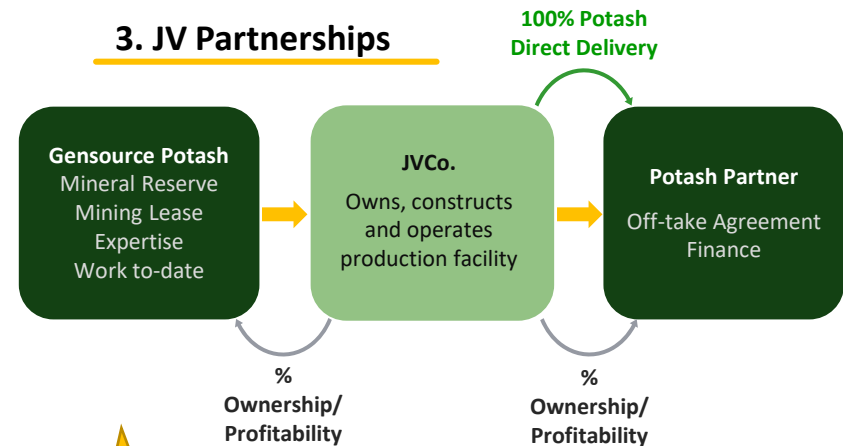


Selective Dissolution



“Cost effective and efficient recovery method”

3. JV Partnerships



Advantages:



Choice

Provide customers with a dedicated supply from an independent producer shipped direct from the mine gate resulting in higher quality



Cheaper

Direct-to-consumer results in significant savings (up to USD \$150/t) by avoiding the highly controlled distribution channel

High Quality Asset Base



Saskatchewan Canada
Projects situated in world's largest potash basin



Strong local and provincial support
Ranked #1 mining jurisdiction in the world (Fraser Institute Annual Mining Survey 2016)



N1 43-101 Compliant

- **9.79 Mt** Proved & Probable
- **157 Mt** Measured & Indicated
- **314 Mt** Inferred
- All values **final product potash**



Central to all infrastructure
Including roads, rail, water, and power



Bankable Feasibility Study completed
May 31, 2017

Vanguard 1 - Feasibility Study Highlights



Project Capacity

One module at 250,000 t/a final product, standard grade



CapEx

USD \$210M



Mine Life

>100 years, 157 Mt of Measured & Indicated resource (N1 43-101 compliant)



Sustaining CapEx

USD \$2.9M annually



Mining Method

Selective Dissolution using horizontal caverns



OpEx

USD \$39.54/t



Processing

Cooling crystallization using energy efficiency measures



Construction

20 months



Compelling Project NPV and IRR ¹

(unlevered – 100% Equity Base Case)

Indicator	Pre Sask. Profit Tax	Post Sask. Profit Tax
NPV 8%	\$329,403,545	\$235,822,250
Mining	18.32%	16.31%

Source: Financial Performance Summary– Vanguard 1 Feasibility Study May 31, 2017

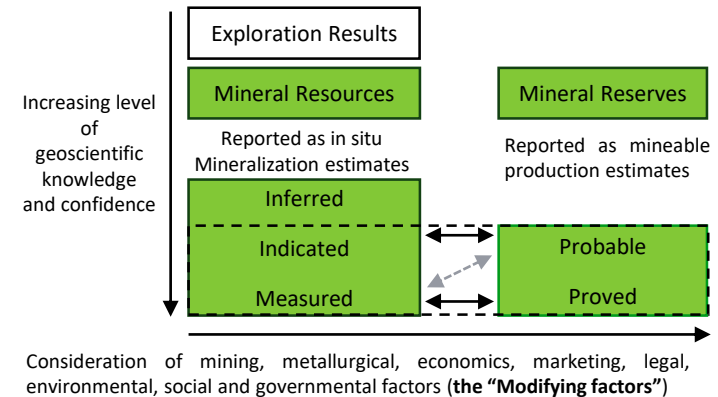
¹ The information is based on: a base case potash price of \$US 300/t, a 45-year economic project life, 1.5% operating cost inflation, \$CAD 100/t (\$US 74.29) shipping cost to East Asia, operating costs of \$CAD 53.23/t (\$US 39.54), sustaining capital reinvestment totalling \$CAD 15.68/t (\$US 11.65/t) and a constant exchange rate of 1.30 \$CAD/\$US

Drilling & Geology – Reserves & Resources

Gensource Potash's 'Vanguard 1 Area' *Mineral Resources* were estimated by Ordinary Kriging techniques using a grid model in Maptek Vulcan. The NI 43-101 was finalized on July 14th 2017, by Terra Modelling Services, an independent geological/geostatistical consultant.

Based on the guidelines established in the 'Technical Report' the Vanguard 1 Area is defined by **157 million tonnes** of final potash product in the **Indicated & Measured** category, over **313 million tonnes** of final potash product in the **Inferred** category, and **9.79 million tonnes** of final potash product in the **Proved & Probable** category - based on the baseline 40% recovery factor.¹

The mineral resources for the Vanguard 1 Project area have been estimated based on the principles established by the Guidelines on 'Best Practices for Mineral Resources and Mineral Reserves' generally accepted by CIM Standards 2010.



Mineral Reserves¹

Reserve Category	Total KCl Grade ²	Carnallite Grade	Insoluble Grade	Average Thickness	Sylvinite w. deductions (Mt)	Sylvite/KCl (Mt)	Recovered KCl (Mt)
Probable	43.37	0.77	6.07	3.83	39.53	17.15	3.94
Proven	43.49	0.82	6.12	3.79	58.45	25.42	5.85
Total	43.44	0.8	6.1	3.81	97.98	42.56	9.79

Mineral Resource Estimation¹

Resource Category	Total KCl Grade	Carnallite Grade	Insoluble Grade	Average Thickness	Total Sylvinite (Mt)	Sylvinite w. deductions (Mt)	Sylvite (Mt) 40% Recovery
Indicated	36.82	0.82	5.07	11.19	480.96	432.87	63.75
Measured	36.45	0.72	5.25	11.23	676.25	642.44	93.68
Total	36.61	0.76	5.17	11.21	1157.22	1075.31	157.43

Base Case

¹ TMS, NI 43-101 Technical Report Summary, July 14, 2017

² K₂O cut off grade of 15% (equating to 24.6% KCl) and 25% further deductions for unknown anomalies

Vanguard 1 Cost Breakdown

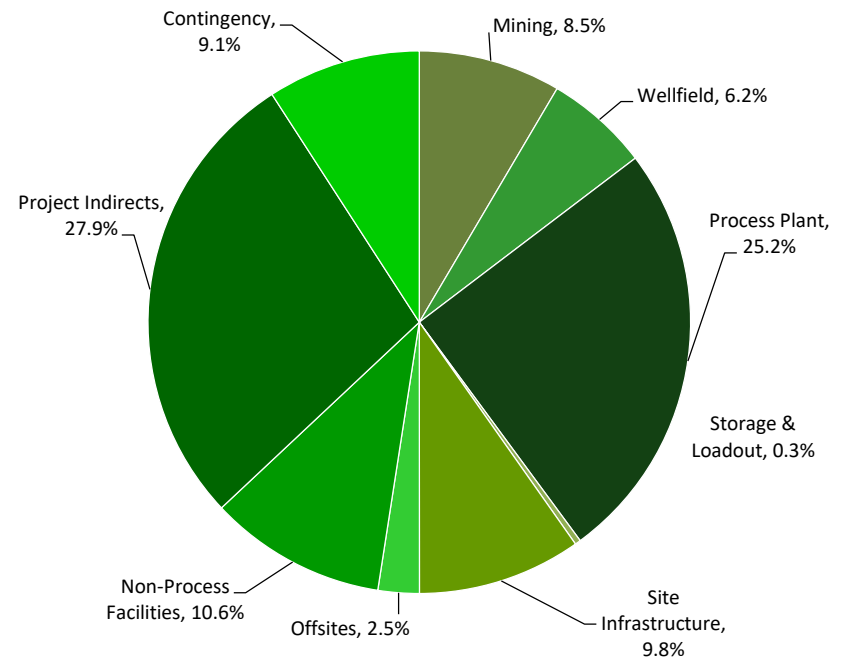


CapEx Breakdown

Project economics includes fully drawn contingency expense

Item	'000 CA\$
Mining	\$ 23,738
Wellfield	\$ 17,304
Process Plant	\$ 70,610
Storage & Loadout	\$ 957
Site Infrastructure	\$ 27,297
Offsites	\$ 6,877
Non-Process Facilities	\$ 29,550
Project Indirects	\$ 77,972
Total (Pre-Contingency)*	\$ 254,305
Contingency	\$ 25,564
Grand Total	\$ 279,869

*Source: Gensource Potash – Vanguard 1
Feasibility Study May 31, 2017*



*A statistical analysis was completed, using Palisade's @Risk software, to yield a range of probable project costs and aid in the determination of a probabilistic contingency to apply to the project. A contingency of \$25,564,000 was selected, representing the value from the 75th percentile of the analysis output. The 75th percentile (or Level of Confidence) value means that 75% of the total project cost outputs from the statistical analysis were equal to or less than this value.

Vanguard 1 Cost Breakdown



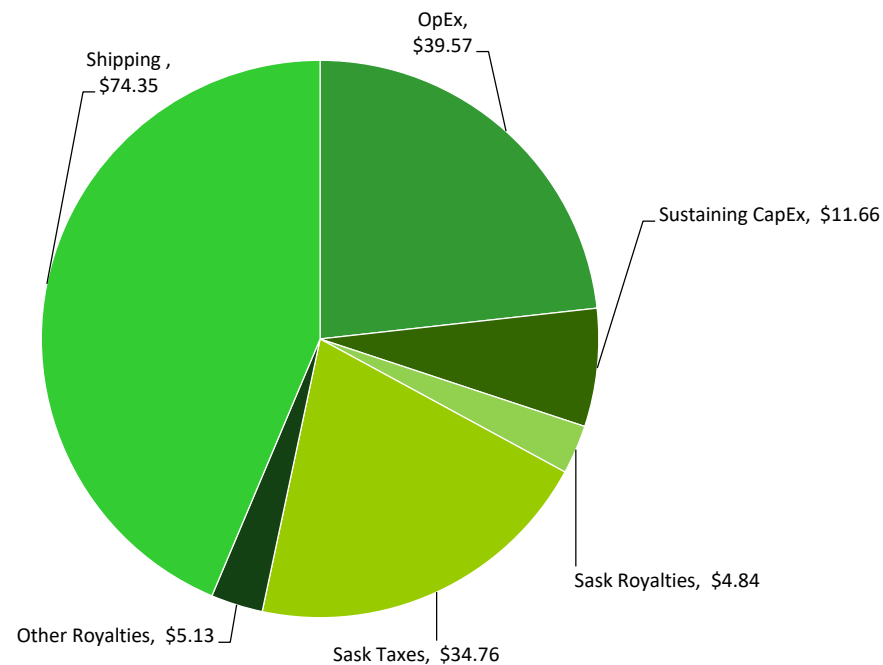
OpEx Breakdown

All-in costs per tonne of \$US 95.97 (Ex Works)

Price/ Tonne	Net \$		Margin %	
	No Shipping	With Shipping	No Shipping	With Shipping
\$225	\$129.03	\$53.68	57%	24%
\$250	\$154.03	\$79.68	62%	32%
\$275	\$179.03	\$104.68	65%	38%
\$300	\$204.03	\$129.68	68%	43%
\$325	\$229.03	\$154.68	70%	48%
\$350	\$254.03	\$179.68	73%	51%
\$375	\$279.03	\$204.68	74%	55%
\$400	\$304.03	\$229.68	76%	57%

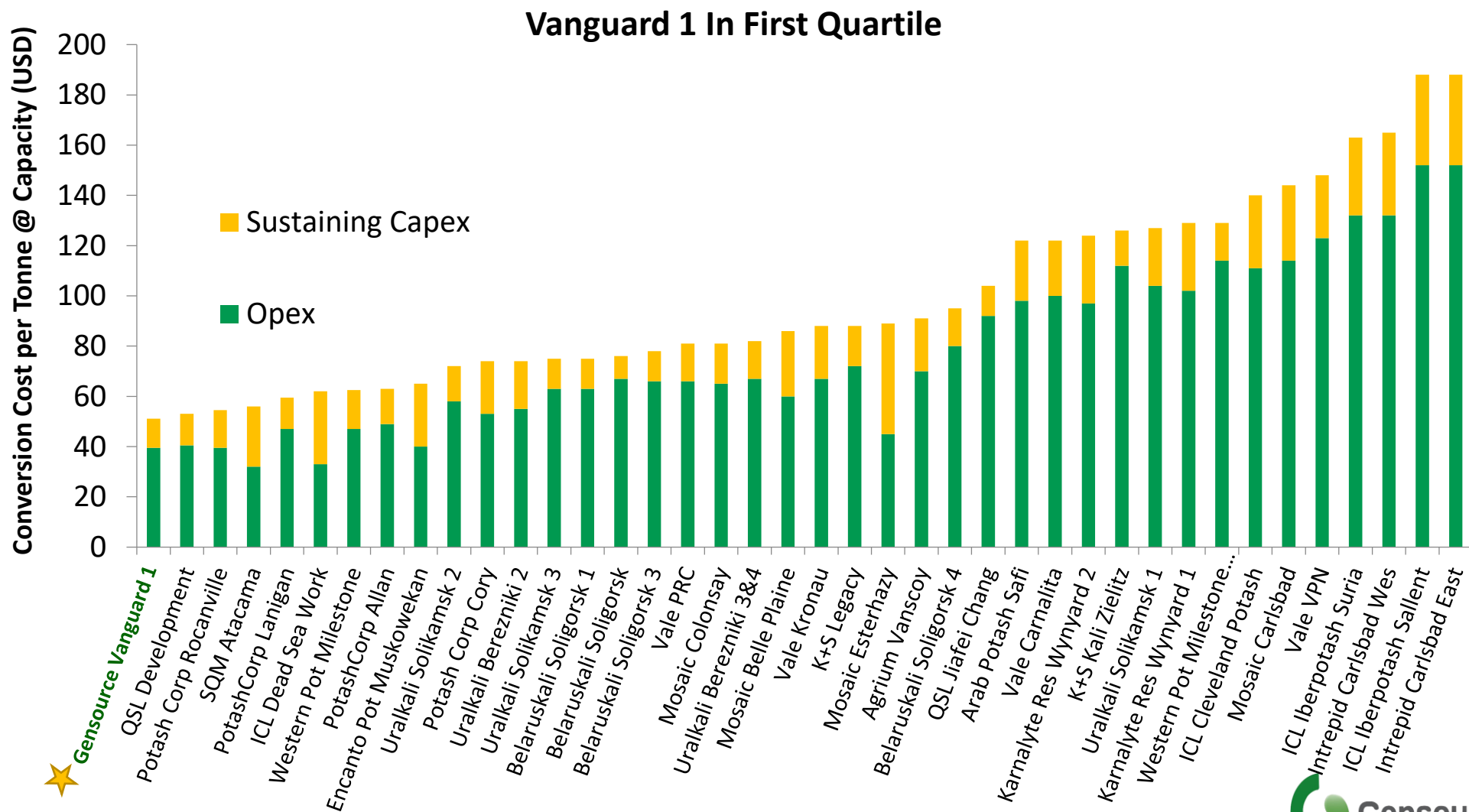
Source: Gensource Potash – Vanguard 1
Feasibility Study May 31, 2017

Cash Margins







*A statistical analysis was completed, using Palisade's @Risk software, to yield a range of probable project costs and aid in the determination of a probabilistic contingency to apply to the project. A contingency of \$25,564,000 was selected, representing the value from the 75th percentile of the analysis output. The 75th percentile (or Level of Confidence) value means that 75% of the total project cost outputs from the statistical analysis were equal to or less than this value.

Gensource Versus Traditional Miners



Source: Randle Green Consulting, CRU, Integer Research, Company Reports, Gensource Potash

Comparative Mining Methods

Specifications 	Conventional 	Conventional Solution Mining 	Selective Dissolution Vanguard 1 
Min. Viable Production Rate	2.5 Mt/a	2.0 Mt/a	250 kt/a
CapEx per Tonne (US\$)	\$ 1,990 *	\$ 1,620 *	\$ 840 **
Operating Costs (US\$)	\$ 80/t *	\$ 118/t *	\$ 39.57/t **
Development Time	7-10 years	6-8 years	3 years **
Tailings	2t salt tailings per tonne of potash produced	2t salt tailings per tonne of potash produced	None
Brine Containment Structures	Large salt tailings and brine pond structures	Large salt tailings, brine pond structures, and cooling ponds	None

* Potash Mining Supply Chain Requirement Guide, Ministry of Economy, Government of Saskatchewan, September 14, 2012

** Gensource - NI 43-101 Technical Report and Feasibility Summary July 14, 2017

Economics

Assumptions

Resource/Engineering Investment	\$ 8,000,000
US to Canada \$	1.30

Per Tonne of Potash	US \$	CAD \$
Price (US)	\$ 300.00	\$ 390.00
Cost to Process	\$ 40.95	\$ 53.24
Shipping	\$ 77.00	\$ 100.10
Sustaining CapEx	\$ 12.00	\$ 15.60
Royalties & Taxes	\$ 38.00	\$ 49.40
EBITDA	\$ 132.05	\$ 171.67

Module Potash Production	250 Mt p.a.	
Carried Interest	30%	
NPV (\$CAD)	250K Tonnes	500K Tonnes
8%	\$ 148,632,918.60	\$ 275,891,162.47
10%	\$ 112,873,102.71	\$ 206,832,754.59
15%	\$ 63,035,556.16	\$ 112,184,002.63
25%	\$ 25,205,980.96	\$ 43,184,259.65
IRR	64%	72%

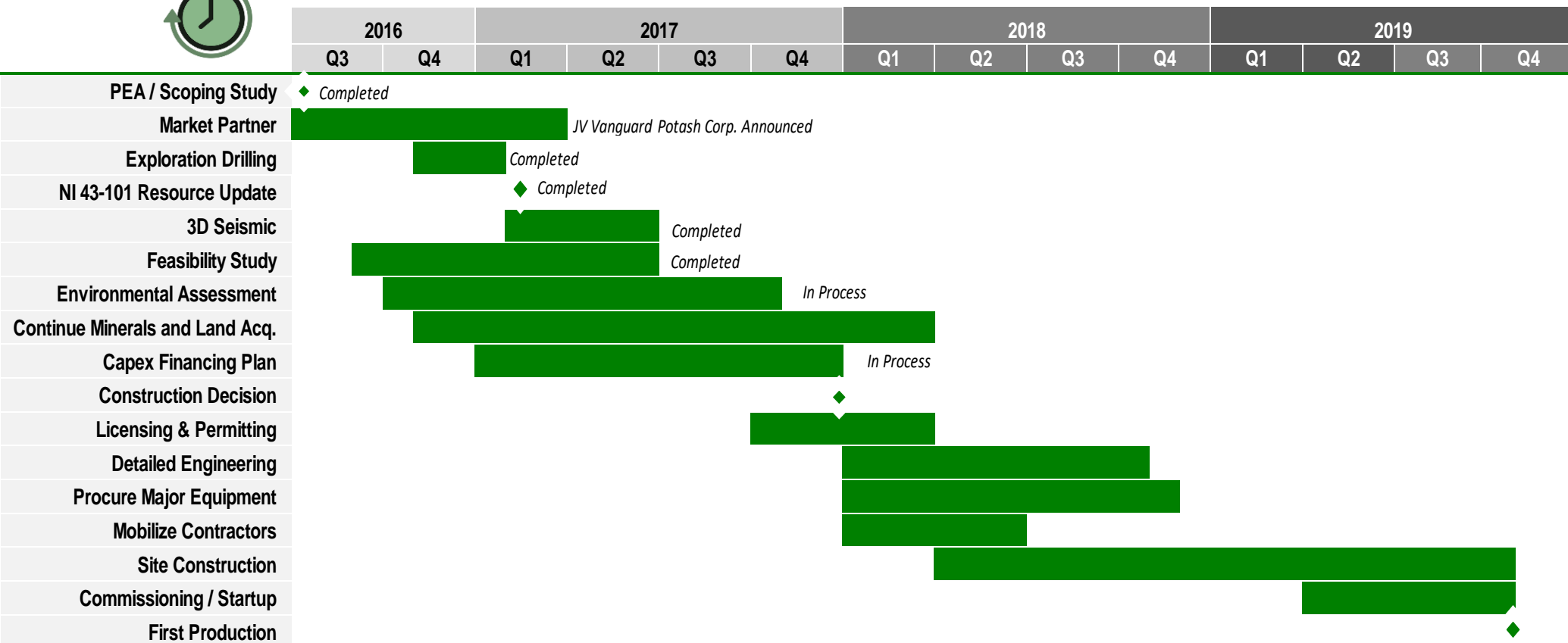
Gensource's small-scale concept facilitates a development timeline of approximately two years from construction to first production. The financial performance of the project is shown in table below, for a range of product prices and costs of capital.

Price/Tonne US\$	Project IRR	NPV @			Operating Margin	Payback (Yrs)
		6.00%	8.00%	10.00%		
\$225	9.83%	\$ 135,019,994	\$ 49,178,315	(\$3,494,593)	78.20%	10.0
\$250	12.10%	\$ 220,792,606	\$ 112,507,467	\$ 45,070,745	79.88%	8.0
\$275	14.26%	\$ 305,333,691	\$ 174,755,710	\$ 92,696,697	81.34%	7.0
\$300	16.31%	\$ 388,540,731	\$ 235,822,250	\$ 139,282,488	82.42%	6.3
\$325	18.30%	\$ 471,047,175	\$ 296,232,842	\$ 185,262,292	83.45%	5.3
\$350	20.24%	\$ 553,536,139	\$ 356,569,799	\$ 231,132,156	83.45%	5.0
\$375	22.11%	\$ 635,518,277	\$ 416,435,959	\$ 276,567,150	85.00%	4.8
\$400	23.97%	\$ 717,756,211	\$ 476,482,843	\$ 322,125,403	85.78%	4.7
\$425	25.75%	\$ 799,288,171	\$ 535,897,782	\$ 367,117,241	86.36%	4.3
\$450	27.50%	\$ 880,785,576	\$ 595,272,298	\$ 412,064,642	86.89%	4.0
\$475	29.22%	\$ 962,232,078	\$ 654,587,267	\$ 456,946,581	87.35%	3.8
\$500	30.92%	\$ 1,043,678,579	\$ 713,902,236	\$ 501,828,519	87.77%	3.0

Source: Gensource Potash – Vanguard 1 Feasibility Study May 31, 2017

Development Timelines

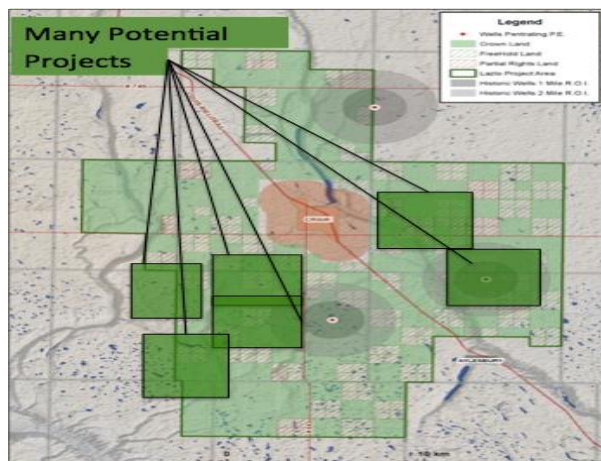
Proposed production horizon less than 3 years



Development Upside: Project 2

Overview

A second project area, known as the 'Lazlo Project', is also an ideal candidate for a **selective dissolution** operation. Located in the "Davidson Sub-Basin" region of the Prairie Evaporite underlying central Saskatchewan, the area covers a total of **123,000 acres**, with combined thicknesses of about 30m of high-grade, mineable ore. Three historic NI43-101 drill holes exist, which indicate excellent grades, thicknesses, and temperature.



Resource Area

The resource in the Lazlo area is **rich and widespread**, and is located along a well-served infrastructure corridor. Furthermore, the mining and processing has the potential to leave no salt tailings on the surface: an otherwise negative artefact of conventional mining.

An updated NI 43-101 report was completed in December 2014 and defines an "exploration target" complete with ranges of expected resource grades and tonnages

Lazlo Project: Potential Mineralization¹

	Area (acres)	Thickness (m)		Tonnage (Mt)		K ₂ O Grade (%)		K ₂ O Tonnage (Mt)	
		Min.	Max.	Min.	Max.	Cut off.	Max.	Min.	Max.
Patience Lake	4,322	9.50	18.20	346	662	15.0	22.35	51.84	147.99
Belle Plaine	4,322	8.90	10.12	324	368	15.0	19.93	48.57	73.38
Esterhazy	4,322	4.58	10.40	167	378	15.0	15.72	25.01	59.48

Management & Board

Management

Mike Ferguson, P. Eng. - President & CEO

Led the world-class team that developed Potash One's Legacy Project, the only Saskatchewan greenfield potash development in 40 yrs to proceed to construction. **Sold to K+S for \$434 million**

Rob Theoret, B.Comm., CIM - CFO

20 years capital market experience. Co-founder of NEXXT Potash (predecessor to Gensource Potash) and successfully financed several junior development companies

Deborah Morsky – VP Corp. Services

Deborah brings 25 plus years of family business leadership and experience as a professional in corporate governance and financial restructuring.

Paul Neufeld, P. Eng. - Project Manager

Experienced project manager in the mining and minerals industry with specific experience managing potash related projects in Saskatchewan.

Directors

Mike Ferguson, P. Eng. - President & CEO

Led the world-class team that developed Potash One's Legacy Project, the only Saskatchewan greenfield potash development in 40 yrs. to proceed to construction. Sold to K+S for \$434 million

Calvin Redlick - Director

30 years experience as a global senior investment banker with BNP Paribas, Sumitomo-Mitsui Bank, Mitsubishi UFJ Securities, and CIBC Wood Gundy Inc.

Paul Martin - Director

Chairman of Martin Charlton Communications, Saskatchewan's largest public relations firm specializing in communications strategy, media relations, government relations, and strategic advice.

Dwayne Dahl - Director

25 years of experience in the potash and fertilizer industry through senior positions at Canpotex Limited, including the last 16 years as CFO / Senior Vice President and Treasurer

Dr. Mark Stauffer - Director

Dr. Stauffer has been a leader in the fertilizer industry for over 40 years, culminating his career as President of the Potash & Phosphate Institute of Canada. Served as a Director of Migao Corporation and Allana Potash Corporation

Mike Ferguson, P.Eng.

President & CEO

mike@gensource.ca

306-974-6414

Gensource Potash Corp.

Suite 1100, 201 1st Ave. South

Saskatoon, Saskatchewan

S7K 1J5

Rob Theoret, B.Comm., CIM

CFO

rob@gensource.ca

306-974-6406

Capital Structure

Market Capitalization	\$27.0 Million
Recent Share Price	\$0.85
52 Week Range	\$0.06 - \$0.24
Basic Shares Outstanding	293 M
Options	27.4 M
Warrants	50.1 M
Broker Warrants	4.0 M
Cash Position	~ \$800k
Debt	\$0
Management, Directors & Business Associates	~ 30%

52-Week Stock Performance



Contact Us

Mike Ferguson, P. Eng.
President & CEO
mike@gensource.ca
306-974-6414

Rob Theoret, B.Comm., CIM
CFO
rob@gensource.ca
306-974-6406



Suite 1100, 201 1st Ave. South
Saskatoon, Saskatchewan
S7K 1J5



Website
www.gensource.ca

Appendix

Technical Strength



These individuals, together with Mike Ferguson, comprised the core Potash One team responsible for the project's success

Max Ramey, P.Eng. – Solution Mining

Solution mining lead for the Potash One - Legacy Project (as well as the Rio Tinto - Potasio Rio Colorado Project in Argentina). Solution mining lead for the design, pilot testing, commissioning, and operation of the American Soda nahcolite solution mining project in Colorado, USA. With 31 years of solution mining experience and a track record in operations, design, and commissioning of solution mining facilities, Max is a world-class expert in high demand throughout the solution mining industry.

John McEwan, P. Eng. - Processing

Developed the process design for the Legacy project, as well as the Potasio Rio Colorado Project in Argentina based on his over 40 years in the mining/ mineral processing industry. With solution processing expertise in many minerals under varied chemical conditions, John leads the effort to move processing techniques into the 21st century, providing an exceptionally efficient processing solution for Gensource's selective dissolution projects.

Sandy Debusschere - Drilling

Sandy is a well-known and sought-after drilling design and execution consultant in the province, with extensive experience in oil & gas and potash exploration and operational drilling. Sandy is responsible for the drilling design for Potash One's Legacy Project as well as for several other solution mining projects in Saskatchewan and worldwide. Sandy's expertise extends to horizontal drilling and solution mining-specific aspects of drilling and casing operations.

Existing Mines have Environmental Issues

Gensource is NOT a conventional Potash Mine



Gensource facility is 300 metres by 300 metres

Conventional = HUGE environmental footprint

- ❖ Massive salt tailings stored on surface for indefinite period
- ❖ Large fresh water consumption
- ❖ Large demand on utilities

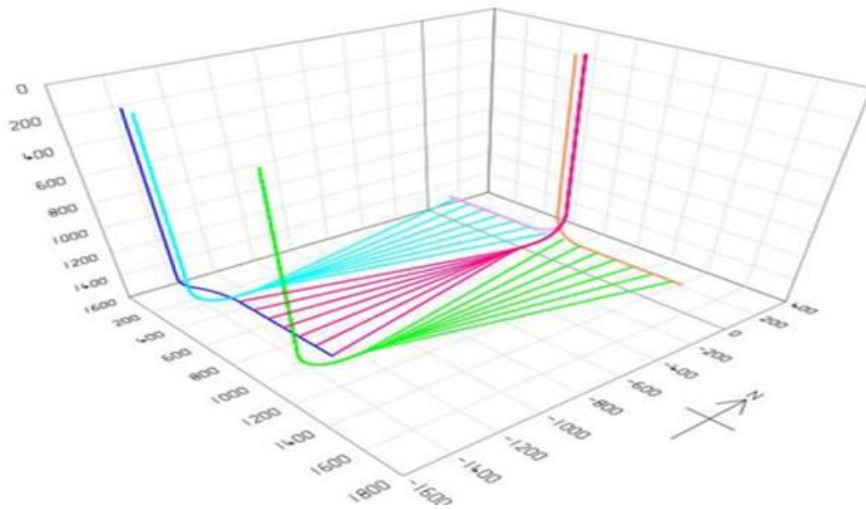
Gensource = small environmental footprint

- ❖ No salt tailings or brine ponds
- ❖ Brackish groundwater for mining & processing

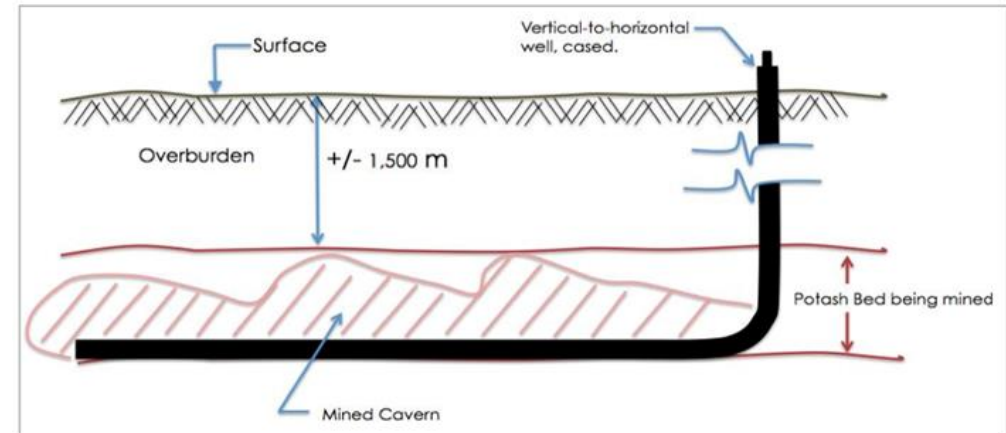
Selective Dissolution

Cost effective and efficient recovery method

Horizontal Well Pattern



Horizontal Cavern for Selective Dissolution



- ❖ Using **brackish formation water**, an extraction brine is **pumped through horizontal caverns** where **only KCl (potash) is dissolved**
- ❖ The saturated brine (**NaCl and KCl**) is **pumped to a crystallization process at surface**, removing the KCl and resulting in solid crystals of potassium nutrient (KCl)
- ❖ **Remaining brine is returned to the horizontal caverns**, the cycle is repeated

Proven Technique – Intrepid Potash

Cane Creek Mine (Moab, UT) - has historically experienced many production challenges but deployed selective dissolution methods to overcome the problems

Complex geology

- ❖ Significant faulting and folding associated with Cane Creek anticline
- ❖ Cannot be mined using conventional solution mining

Ability to maintain contact with bottom of ore seam with directional drilling

- ❖ undulating seam presents difficult directional drilling
- ❖ Drilling that occurs above the seam results in inability to solution mine the potash seam

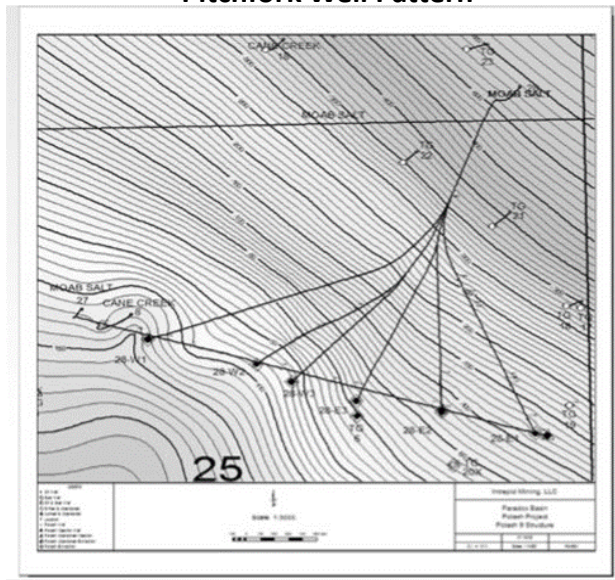
Design for productive horizontal cavern

- ❖ Cavern layout options
- ❖ Location of wells
 - Avoid drilling out of zone
 - Severe site topography limits accessible drilling locations

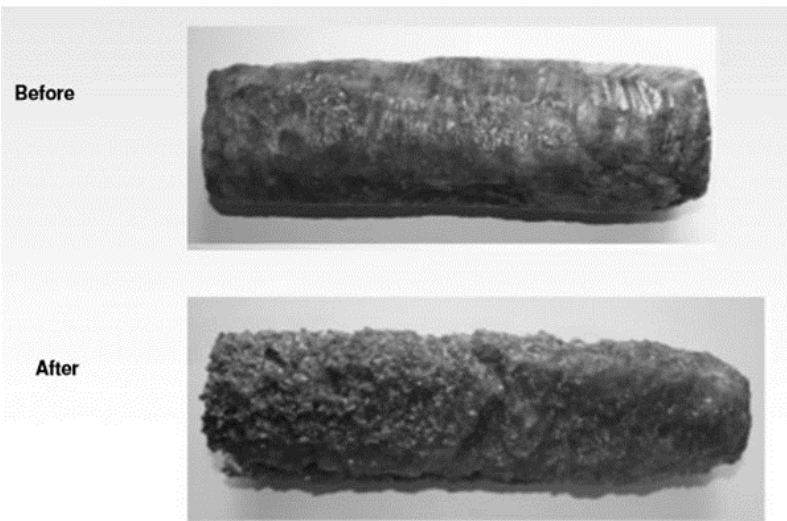
Proven Technique – Intrepid Potash

Selective dissolution successfully deployed at Cane Creek Mine (Moab, UT) starting in 2006

Pitchfork Well Pattern



Before and After Selecting Mining



- ❖ Inject saturated brine to selectively mine potash – saturated brine targets potash only, salt matrix remains intact
- ❖ Utilize brine heater to increase brine temperature to a level above formation temperature
- ❖ Must consider diffusion rate; dissolution rate; and brine saturation levels for KCL
- ❖ Production from 6 laterals **increased to over 100,000 tonnes/yr**