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POTASH

Gensource, CPC sign in China

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THE STARPHOENIX

Gensource Potash held a signing ceremony in China Tuesday for the binding agreement with Canada Potash Corporation (CPC) that was previously announced in June.

"Our partner, CPC, is a Canadian company that has Chinese investors," said Gensource president Alan Cruickshank in an email to The StarPhoenix from Beijing. "... These are Chinese business people who have a strong business acumen and want to build great businesses with local Saskatchewan businesses. They are investors, they are builders, they want to help us develop markets for our potash for decades to come. This is good for us and great for Saskatchewan. We believe that potash development in Saskatchewan puts many more Saskatchewan boys and girls to work directly and indirectly."

The deal means Gensource and CPC have agreed to work exclusively through Gensource to advance the exploration, development, mining and marketing of potash from properties in Saskatch-

ewan — except for projects currently held by CPC — internationally, including China. CPC will hold 51 per cent of Gensource's issued and outstanding shares.

Based in Saskatoon, Gensource is focused on potash development and has projects located near Davidson and northeast of Regina.

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"China is a vital market player (and) going forward they want and need our potash," said Gensource CEO Mike Ferguson. "We have signed a binding agreement with our Chinese partners to develop potash projects in Saskatchewan. Our goal is to deliver Saskatchewan potash under long-term supply contracts to markets where we have solid long-term relationships," said Ferguson. "We have lots of work to do and a fairly long road to cover but the future is very ex-

citing, especially when you look at the demographics."

Cruickshank said CPC has many connections to help develop "the market, find the financing for a potash production facility and then develop our projects.

"We are not saying that we have this done, just that we are working on the parts that we need to be successful," he said. "If and when we do we will be making suitable announcements."

When the deal was first announced in June, Ferguson said Gensource's business model had three pillars — market access, financial capacity and execution expertise — that needed to be in place as early as possible.

"This proposed transaction will put all three of those pillars in place and that will clear the way for efficient and focused project development with the goal to put one or more projects into production in the coming years," he said.

Ferguson is a professional engineer with more than 25 years experience in potash and uranium mining projects in Saskatchewan. A University of Saskatchewan grad, he successfully led the Potash One project team responsible for the development of the

Legacy Project in southern Saskatchewan from initial exploration through scoping, prefeasibility and feasibility studies and an approved environmental impact statement, to the point where the project was acquired by K+S Group of Germany.

The signing was part of a larger trade delegation to China led by The Saskatoon Regional Economic Development Authority (SREDA) that includes Mayor Don Atchison.

"SREDA has excellent connections and we are looking to work with them to help us build a network that is necessary to develop our potash potential," Cruickshank said. "Resource development is a primary industry that drives many other industries and potash is one of the best."

SREDA CEO Tim LeClair said the deal helps to maintain growing trade partnerships with China.

"This partnership will ensure that we are continuing to push Saskatchewan and the Saskatoon Region internationally and grow our trade partnerships with China all while creating a place full of diverse employment opportunities," LeClair said.