



GENSOURCE ANNOUNCES ADDITION OF SOCIETE GENERALE AS JOINT MANDATED LEAD ARRANGER FOR SENIOR DEBT FINANCING OF THE TUGASKE PROJECT

SASKATOON, Saskatchewan – May 19, 2020

Gensource Potash Corporation (“Gensource” or the “Company”) (TSX-V: GSP), a Saskatoon-based fertilizer development company focused on sustainable potash production, announces today that it, together with mandated lead arranger and coordinating bank KfW IPEX-Bank GmbH (“KfW IPEX-Bank”), welcomes Societe Generale to the bank consortium. Societe Generale has been appointed as joint lead arranger alongside KfW IPEX-Bank for the senior debt facility (“Debt Facility” or “Facility”) for the Tugaske Project (“Tugaske” or “Project”) finance package. Gensource is very pleased to formally add Societe Generale to the Facility team. Societe Generale is a French multinational investment bank and financial services company headquartered in Paris, France. KfW-IPEX Bank was mandated as lead arranger and coordinator in October 2019 (see Gensource [news release](#) dated 18 Oct 2019) to structure the Debt Facility and manage the syndication. KfW IPEX-Bank is a leading specialist financier of international structured project and export finance, headquartered in Frankfurt, Germany. It is an affiliate of German bank KfW Bankengruppe.

Mike Ferguson, President & CEO of Gensource, commented “We are extremely pleased that Societe Generale wanted to be part of the Tugaske opportunity and we are thrilled to add them as a joint mandated lead arranger with KfW IPEX-Bank. These two lenders are major players in the greenfield project finance in mining and agriculture sectors and have demonstrated success in financing fertilizer projects all over the world. If Aesop is correct when he said that “A man is known by the company he keeps”, then Gensource is very proud to be in the company of two such strong and well-respected international financial institutions as KfW IPEX-Bank and Societe Generale. The addition of Societe Generale as joint lead arranger is another significant step towards completing the financing that will move Tugaske to construction this year.”

Lenaig Trenaux, Regional Head of Metals and Mining, Americas of Societe Generale added “As a leading bank with a global footprint in the mining industry and a presence in Canada we are very pleased to have the opportunity to take a lead role in the financing of this innovative fertilizer mining project alongside KfW IPEX-Bank.”

“We are pleased to have found with Societe Generale a partner bank that will take part in the ongoing work on this important and sustainable fertilizer mining project which will not only benefit the Canadian economy but also support our German suppliers, important clients of KfW IPEX-Bank, in these turbulent times.” said Michael Nosbüsch, Global Head of Metals and Mining at KfW IPEX-Bank.

Agreements have been executed by the parties, indicating that:



- KfW IPEX-Bank and Societe Generale will act as Joint Mandated Lead Arrangers to arrange the Debt Facility for the Tugaske Project.
- A total Debt Facility of approximately USD 180 million is agreed. Each of the Mandated Lead Arrangers will support the project with a significant take and hold commitment.
- KfW IPEX-Bank and Societe Generale will complete due diligence work together, including the in-depth review of technical, environmental, social, market and financial aspects of the project.
- A significant portion of the Facility is to have Export Credit Agency (ECA) coverage to reduce both lender risks and the Project's interest costs; structuring of the ECA component will be managed by KfW IPEX-Bank.
- In its roles as deal coordinator and bookrunner KfW IPEX-Bank will continue its work to form a supportive and reliable lender consortium for the Debt Facility.

A key aspect of the agreement indicates that a significant portion of the overall debt facility is to be provided by these two institutions. Gensource sees this as a tremendous vote of confidence in the Tugaske Project.

Final definitive terms for the Debt Facility will be developed and agreed following the due diligence process. Subsequently, Gensource and the Mandated Lead Arrangers will prepare and execute a definitive facility and security documentation at financial close. The ultimate financing of the Project is conditional upon the successful completion of the detailed due diligence process.

"Climate change and food security issues make it urgently necessary to forge tighter links between economic and ecological matters in the interests of sustainable development. We feel fortunate to have KfW IPEX-Bank and Societe Generale as like-minded partners who share the same vision and commitment toward promoting ecologically sound, socially just, and economically robust projects," added Mike Ferguson. "We envision the Tugaske project as an innovation in potash production that can help safeguard both the livelihoods and quality of life for coming generations."

About Gensource

Gensource Potash is a fertilizer development company based in Saskatoon, Saskatchewan and is on track to become the next fertilizer production company in that province. With a small scale and environmentally leading approach to potash production, Gensource believes its technical and business model will be the future of the industry. Gensource operates under a business plan that has two key components: (1) vertical integration with the market to ensure that all production capacity built is directed, and pre-sold, to a specific market, eliminating market-side risk; and (2) technical innovation which will allow for a small *and* economic potash production facility, that demonstrates environmental leadership within the industry, producing no salt tailings, therefore eliminating decommissioning risk,



and requiring no surface brine ponds, thereby removing the single largest and negative environmental aspect of potash mining.

Gensource Potash Corporation:
Mike Ferguson, President and CEO
Telephone: (306) 974-6414
Email: mike@gensource.ca

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Caution Regarding Forward-Looking Statements

This news release may contain forward looking information and Gensource cautions readers that forward- looking information is based on certain assumptions and risk factors that could cause actual results to differ materially from the expectations of Gensource included in this news release. This news release includes certain "forward-looking statements", which often, but not always, can be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". These statements are based on information currently available to Gensource and Gensource provides no assurance that actual results will meet management's expectations. Forward-looking statements include estimates and statements with respect to Gensource's future plans, objectives or goals, to the effect that Gensource or management expects a stated condition or result to occur, including the ability to finance the Tugaska Project or other projects, the establishment of vertical integration partnerships and the sourcing of end use potash purchasers. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to Gensource's financial condition and prospects, the ability to finance the Tugaska Project or other projects on terms which are economic or at all, the ability to establish viable vertical integration partnerships and the sourcing of end use potash purchasers could differ materially from those currently anticipated in such statements for many reasons such as: failure to finance the Tugaska Project or other projects on terms which are economic or at all; failure to settle a definitive joint venture agreement with a party and advance and finance the project; changes in general economic conditions and conditions in the financial markets; the ability to find and source off-take agreements; changes in demand and prices for potash; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with Gensource's activities; and other matters discussed in this news release and in filings made with securities regulators. This list is not exhaustive of the factors that may affect any of Gensource's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Gensource's forward-looking statements. Gensource does not undertake to update any forward-looking statement that may be made from time to time by Gensource or on its behalf, except in accordance with applicable securities laws.