



*Figure 1 - Tour of Ebner Fabrication Facility in Eiterfeld, Germany*

## **GENSOURCE ENGAGES WORLD-CLASS POTASH PROCESS DESIGN AND FABRICATION COMPANIES**

**SASKATOON, Saskatchewan – July 20, 2020 – Gensource Potash Corporation** (“Gensource” or the “Company”) (TSX-V: **GSP**), a fertilizer development company focused on sustainable potash production, announces another milestone for its Tugaske Project (“Project”) – the kick-off of engineering work for the major process equipment package. Gensource has engaged a consortium of world-class potash process design and equipment fabrication companies that will work together to provide a design-supply-commission package for the entire process plant at the Tugaske Project.

As per previous [news releases](#), Gensource has made significant advances in the development and financing of the Tugaske Project. KfW IPEX-Bank and Société Générale, joint lead arrangers for the project debt, are nearing completion of their due diligence process. The total senior debt financing for the project is expected to be supported by export insurance coverage with the German Export Credit Agency (“ECA”), Euler Hermes. To satisfy a significant portion of the German export requirement, Gensource has elected to work with a consortium of three German-based design and equipment fabrication companies: K-UTEC AG Salt Technologies (“K-Utec”), Koeppern GmbH & Co KG (“Koeppern”), and Ebner GmbH & Co KG (“Ebner”). Individually, these companies represent world-class capabilities in their specific areas of expertise, whether in the design of potash and salt processing plants or the design and fabrication of equipment. Together, the three companies, collectively referred to as “KKE”, have the capability to supply the entire main process plant in a single design-supply-commission package. The main areas of expertise pertinent to the Tugaske Project, are as follows:

- K-UTEC AG Salt Technologies – Physical-chemistry, overall process development and engineering including practical bench scale testing.
- Koeppern GmbH & Co KG – Drying, compaction, and screening process design and compaction equipment design and manufacture.
- Ebner GmbH & Co KG – Cooling crystallisation process design and crystallization equipment design and manufacture.

Based on the combined experience and capabilities of KKE, Gensource saw an opportunity to not only work with these top-tier companies and have this work qualify for ECA coverage, but also to simplify the number of project interfaces by packaging the entire process plant into a single design-supply-commission contract package (“process plant package”). Together, these companies provide a complete solution: from receiving the raw brine from the solution mining wellfield all the way through to a final potash product, meeting the off-taker’s specifications, ready for storage and shipping. Additionally, by packaging the entire process plant

into one export contract, Gensource de-risks the Project through obtaining a process guarantee from KKE for product quality and process plant throughput.

To advance the scope on this process plant package, Gensource has initiated the first phase of engineering with KKE, which will start the detailed process and equipment design, ultimately leading to the fabrication and ordering of key equipment for the process plant. Advancing the scope of this package supports a development timeline that targets production from the Tugaske Project in late 2022, supplying product to Tugaske's off-taker and future equity partner, Helm Fertilizers.

The efforts of the KKE group will be integrated into the Project by Gensource's key project delivery partners: Engcomp Engineering & Computing Professionals Inc. (Engcomp), the lead engineering and design consultant for the Project, and South East Construction L.P. (SEC), the general construction contractor for the Project. Together, Gensource, Engcomp, and SEC are acting as an integrated team, responsible for the overall execution and delivery of the Project. Engcomp and SEC are seasoned engineering and construction professionals in the Saskatchewan potash industry, and have been working with Gensource on the Tugaske Project since inception.

"Moving forward with KKE demonstrates Gensource's commitment to the Tugaske Project and re-affirms confidence in the successful outcome anticipated from the project financing process – leading to full execution of the Tugaske Project in the fastest and most efficient manner possible," said Mike Ferguson, President & CEO of Gensource. "The three companies of the KKE group have unrivalled global experience in the potash and salt industries and bring their tremendous know-how, experience and proven track record of success to our Project. Together with Gensource, Engcomp, and SEC, KKE rounds out the world-class potash team that we have established, which will no doubt deliver a world-class sustainable potash production facility in Saskatchewan via the Tugaske Project."

For more information on K-Utec, Koeppern, Ebner, Engcomp, and SEC, please visit the following websites:

<https://www.k-utec.de/en/home>;

<https://www.koeppern-international.com/>;

<https://ebner-co.de/en/home-2/>;

<https://engcomp.ca/>;

<http://www.secon.ca/>

### **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.

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