



GENSOURCE  
POTASH CORP.

# Potash With Purpose

Leading the way  
to sustainable food security.

TSXV:GSP  
October 2020



# Caution Regarding Forward-Looking Statements

This presentation does not constitute and offer to sell, or the solicitation for the offer to buy, the securities of Gensource.

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.


## Caution Regarding Forward-Looking Statements:

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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 Tugaske or the Project or other projects on terms which are economic or at all, 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 Tugaske or the 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 Tugaske or the 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’ activities; and other matters discussed in this presentation 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.

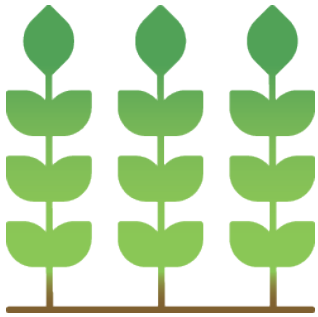


A man wearing a dark cap and a plaid shirt is standing in a cornfield, looking down at a smartphone. The scene is backlit by a bright sun, creating a warm, golden glow. The corn plants are in the foreground, and a metal structure, possibly part of a irrigation system, is visible in the background.

“ Innovations that are guided by smallholder farmers, adapted to local circumstances, and sustainable for the economy and environment will be necessary to ensure food security in the future. ”

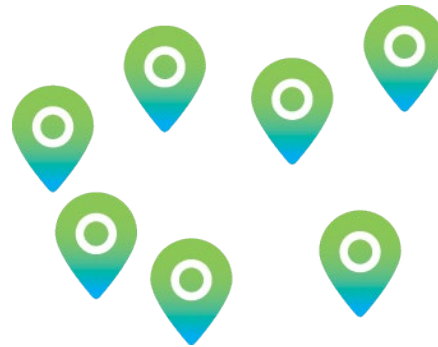
– Bill Gates

# Potash with purpose starts with Gensource



## OUR VISION

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



## OUR MISSION

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



## OUR VALUES

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

# The world needs potash. The planet needs Gensource



## 10 BILLION

Estimated 2050 world population making food security an ongoing challenge.

# KCl

## POTASH

Necessary component in fertilizer that helps farmers produce bigger and healthier crop yields.



## SUSTAINABLE

Unlike traditional potash companies, Gensource utilizes innovative, sustainable production methods.



A man and a woman are crouching in a vast, green agricultural field, examining a plant together. The field is filled with rows of young green plants, and the background shows a horizon under a bright, hazy sky. The man is wearing a cap and a plaid shirt, while the woman is wearing a red plaid shirt. The overall scene conveys a sense of sustainable agriculture and environmental care.

“ We believe that sustainability should be our new standard for investing. ”  
- BlackRock



## ESG? We call it business as usual.

Conventional potash mining methods are not capital efficient and take a toll on both the environment and local communities. There's also much room for improvement in the current product distribution methods. We believe that fair and sustainable practices, and transparent supply chains benefit everyone. That's why we do things a little differently. And ESG factors have always been part of our DNA.



## ESG is in our DNA



### ENVIRONMENTAL

Smaller physical footprint for less impact on air, water, and land with no salt tailings or brine ponds.



### SOCIAL

Collaboration with communities to create long-term employment with high safety standards.



### GOVERNANCE

Accurate and ethical in all business practices to create transparency for partners and shareholders.



# Helping support UN's Sustainable Development Goals



Our potash is used in fertilizer to help farmers produce bigger and healthier crop yields to achieve food security for a growing population.



Our innovative small-scale facilities are sustainable and welcomed by local communities as they offer long-term employment.



Vertically integrated business operations ensure sustainable consumption and production patterns with a transparent supply chain.



We're reducing our carbon footprint and greenhouse gas emissions with innovative, efficient, integrated energy systems and a significantly reduced environmental impact.



We partner with like-minded people who share our values for sustainability, inclusivity, collaboration and transparency.




“ This widespread availability and use of fertilizers was arguably the industrial revolution’s single most important innovation for feeding the growing population. Today, the fertilizer industry is still recognized as an indispensable component in meeting the world’s current and future food needs. ”

– Fertilizer Canada



Technical innovation allows Gensource to create a series of independent, scalable and environmentally sustainable potash production facilities in Saskatchewan and other jurisdictions in the world. Producing 250,000 – 300,000 t/year (1/10th the size of a traditional project), our projects:

- Use less surface land
- Extracts the potash mineral resource more efficiently
- Place a smaller demand on shared utilities
- Have less impact on local infrastructure
- Complement rural communities
- Provide long-term employment



Our modules are small.  
Our goals are big.

THE TUGASKE PROJECT  
THE FIRST OF ITS KIND – A SMALL AND  
EFFICIENT POTASH MANUFACTURING PLANT  
– WILL SET THE STAGE FOR FUTURE POTASH  
PRODUCTION.

## A closed loop method with little environmental impact

Our selective extraction method injects a hot salt (NaCl) brine into horizontal caverns in the ore body, which selectively dissolves potash (KCl) leaving salt in place. The KCl-rich brine is then processed (KCl 'drops out' through cooling crystallization) and the NaCl brine is reheated and re-circulated back to the cavern to repeat the process. This clean approach has less impact on air, water, and land.



### AIR

Power is self generated at site using natural gas, not coal. By not using grid power, a Gensource module will avoid up to 24,500 tonnes/year CO<sub>2</sub>e of emissions.



### WATER

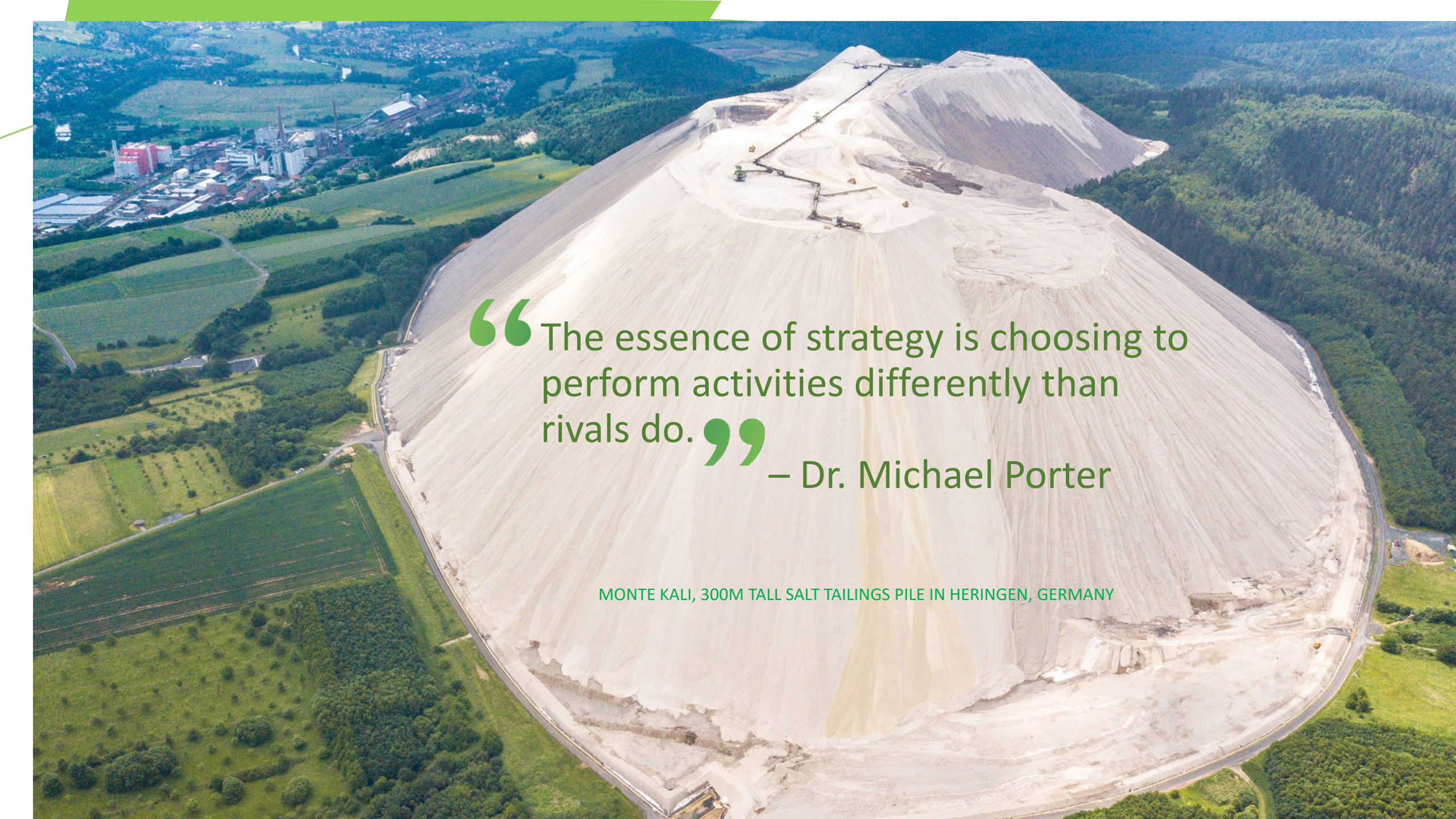
A Gensource module will use up to 75% less water per tonne of potash than conventional solution mining methods and the ability to use a brackish water source reduces fresh water usage even further.



### LAND

With no salt tailings, no brine ponds and its small size, a Gensource module is light on impact – to the point that regulators did not require a full EIA for the project.





“The essence of strategy is choosing to perform activities differently than rivals do.”  
– Dr. Michael Porter

MONTE KALI, 300M TALL SALT TAILINGS PILE IN HERINGEN, GERMANY

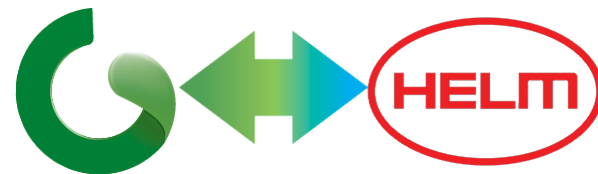


## Vertical integration? We call it common sense

We believe that vertical integration with the end-user, the agricultural producer, allows us to achieve optimal efficiency and value for all stakeholders.

In order to facilitate a greater quantity of affordable potash arriving on the farms where it's needed, we're working with creative, forward-looking and proactive agriculture decisionmakers. Doing so allows them to secure future crop inputs they know they will need.

Working directly and transparently with our partner, Helm, from the start of a project, ensures short payback, high IRR and a long, healthy project lifecycle. Helm Fertilizers will purchase 100% of the production from the Tugaske potash project and market directly to its customers using its own infrastructure.







“ The Saskatchewan Ministry of Environment ruled that Gensource Potash small scale module project development doesn't need an environmental assessment.

”  
– CBC News

# Unprecedented environmental approval

## 'NOT A DEVELOPMENT'

The Saskatchewan Ministry of Environment designated Tugaske project as 'not a development' because it doesn't trigger Environmental Impact Assessment due to its positive environmental attributes.

## HISTORY IN THE MAKING

1<sup>st</sup> potash project in Saskatchewan's history to receive this type of determination.

## IN THE NEWS

[Article: The Little Potash Mine That Could Clear A Key Environmental Hurdle \(CBC News\)](#)

[Article: Gensource Given Approval To Skip Environmental Assessment \(Swift Current Online\)](#)

[Article: Gensource Potash Achieves Environmental Assessment Milestone \(APEGS\)](#)



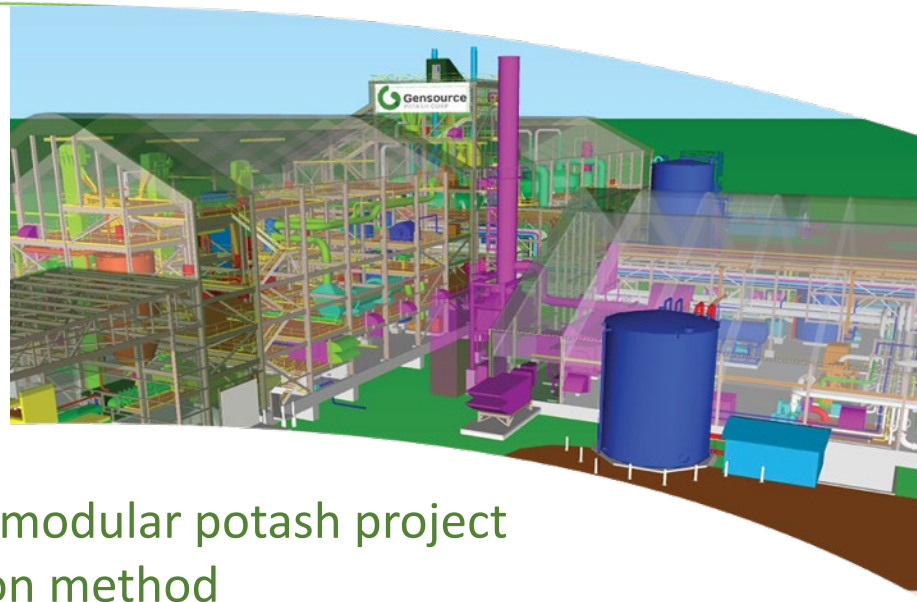


“ A smaller carbon footprint was always part of our bigger plan. ”

– Gensource



# Tugaske Project Overview



250,000 - 300,000 metric tonne per annum modular potash project using the proven selective solution extraction method

## Low capital, low operating costs

- Combining tested extraction methods with patented processing techniques results in lower overall costs

## Environmentally and socially responsible

- Leaves no tailings on surface (eliminating decommissioning risk)
- Requires no brine ponds (eliminating environmental concerns)
- Small physical footprint (eases public concern/social risk)

## Key government approvals are in place

- Saskatchewan Ministry of the Environment determined no Environmental Impact Assessment (EIA) was required due to the Project's negligible environmental impact

## Project's Bankable Feasibility Study completed in 2017 and NI 43-101 Resource updated in 2018

- Technical and economic robustness of the project confirmed
- 40-year mine life on Proven and Probable Reserves (10Mt)
- Abundant Resource (286 Mt) extends mine life indefinitely

## Critical infrastructure is in place

- Close proximity to both highway & rail access, natural gas, power, and water
- Ministry of Environment designated Tugaske project as 'not a development' because it doesn't trigger Environmental Impact Assessment due to its positive environmental attributes.

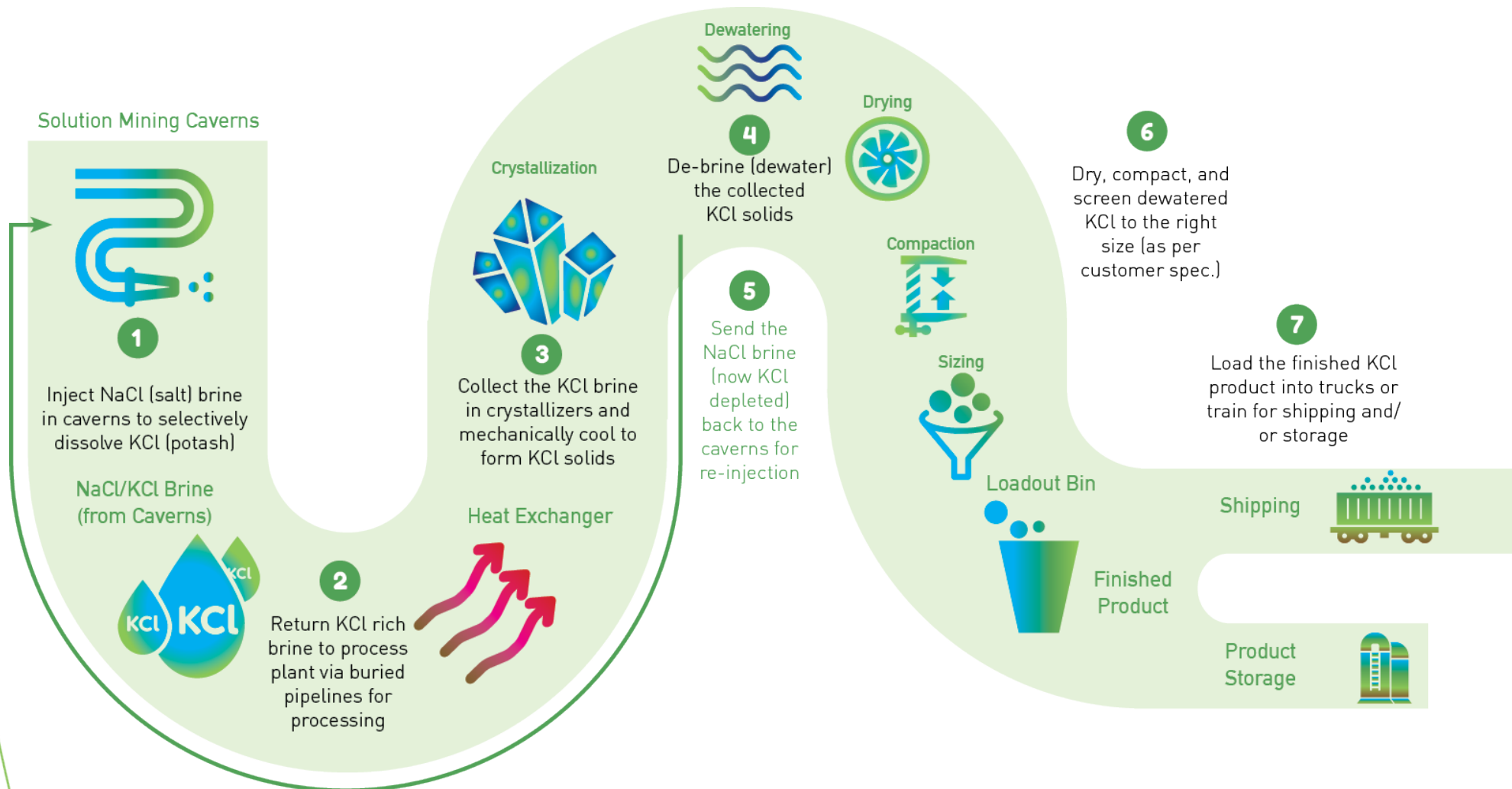


## Potash-Rich Location

- Located in Gensource's Vanguard Area in south-central Saskatchewan between Saskatoon and Regina
- Over 70,000 acres of Crown Mineral Lands available for mining (Saskatchewan Government Potash Leases KL244 and KL245)
- Massive potash deposit, readily available to support multiple modules of production with centuries worth of resource
- Cultivated, flat, agricultural land, with no environmental sensitivities
- Tugaske is the first project in Gensource's Vanguard area.



# A Clean, Efficient Extraction and Processing Method





# Partnering With Saskatchewan Potash Experts

## Engineering & Design: Engcomp Engineering & Computing Professionals Inc. (Engcomp)

- Engcomp is a 100% Saskatchewan-owned and operated engineering firm based in Saskatoon, Saskatchewan
- The company was formed in 2004 and caters to Canada’s heavy industrial market, providing engineering services to the potash, uranium, oil and gas, pulp and paper, chemical processing, and food processing industries
- Engcomp is ISO 9001\_2015 certified and driven to provide clients with innovative solutions to meet complex project needs, offering mining, mechanical, structural, electrical, and process engineering disciplines.



Other Experience:

- Nutrien
- Mosaic
- K+S
- BHP
- Potash One
- Geocalci
- Kore Potash

## Construction: South East Construction (SECON)

- South East Construction is part of the SECON Group, which is a multi-discipline construction organization consisting of 4 operating companies, with offices in Saskatoon, Warman, Esterhazy and Winnipeg
- Started in 1986 in Esterhazy, Saskatchewan - the “Potash capital of the world”, SECON has grown to over 200 employees in the province
- Successfully completed approximately \$220 Million dollars in construction projects in the past 3 years
- SECON is also one of the portfolio companies of Mosaic Capital Corporation (not related to Mosaic Potash), an investment company (\$350m AUM) that acquires and grows a diversified portfolio of established mid-sized businesses across a range of industries and geographies

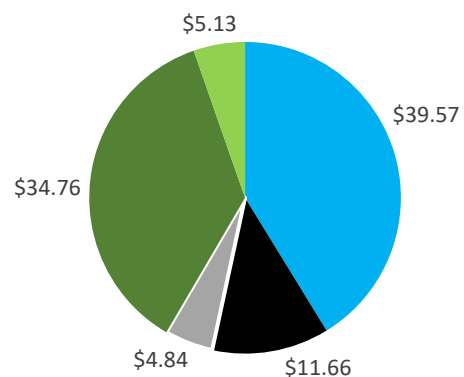


Other Experience:

- BHP
- Mosaic
- Nutrien
- K+S Saskatchewan

# OpEx, CapEx, Sources & Uses

All-In Operating Costs - \$US 95.97 /Tonne



■ OpEx ■ Sustaining CapEx ■ Sask Royalties ■ Sask Taxes ■ Other Royalties

\*Technical Report Summarizing the Feasibility Study for the Vanguard One Potash Project, Saskatchewan 2017

## DSCR Information\*

Senior Loan Target DSCR	1.9-2.0
Full Production Average DSCR	1.94
Est. Minimum DSCR	1.85
Est. Maximum DSCR	2.01
Average Life	5 Years

\*\* Base case management assumptions: Construction + 8.5 years tenure, OECD Export Credit Rules, \$180M US Senior Debt

Sources	'000 US\$	%
Project Equity	\$100,000	36%
Project Finance Debt	\$179,179	64%
***ECA Covered	\$93,868	
***Uncovered	\$85,311	
<b>Grand Total</b>	<b>\$279,179</b>	<b>100%</b>

Uses	'000 US\$	%
Mining	\$18,260	6%
Wellfield	\$13,311	5%
Process Plant	\$57,949	21%
Storage & Loadout	\$10,282	4%
Site Infrastructure	\$19,972	7%
Offsites	\$5,290	2%
Non-Process Facilities	\$22,731	8%
Project Indirects	\$60,598	22%
Contingency	\$25,689	9%
Closing Expenses	\$19,280	7%
Interest and Balances	\$15,818	6%
Paid-In Capital	\$10,000	4%
<b>Grand Total</b>	<b>\$279,179</b>	<b>100%</b>

\*\*\* Senior debt is proposed to be divided into two tranches: Tranche A – senior debt with Export Credit Insurance provided by Euler Hermes Aktiengesellschaft and Tranche B – which not covered under Export Credit Insurance



# Conventional Potash Mining Vs. The Gensource Way

## Conventional Underground Mining

- Involves sinking shafts, and using people, equipment, and materials underground to access and remove raw potash ore (sylvinite) and hoist it to surface for processing. Leaves salt tailings at surface.



## Solution Mining

- Involves pumping a fluid into the underground ore body, where it dissolves the halite and sylvite in the sylvinite ore body. The resulting brine is then pumped to surface to extract the potash.



## Selective Extraction Method

- Involves injecting a hot  $\text{NaCl}$  brine into horizontal caverns in the ore body, where it selectively dissolves potash leaving salt in place. The brine is processed to remove potash, then reheated to repeat the process in a clean, closed loop.

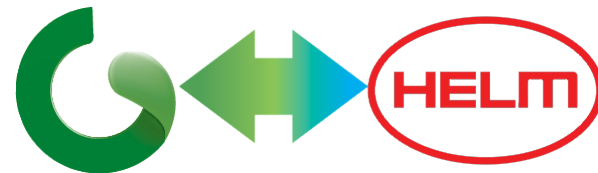


## Off-Take Agreement

**100%** of planned production  
is already sold

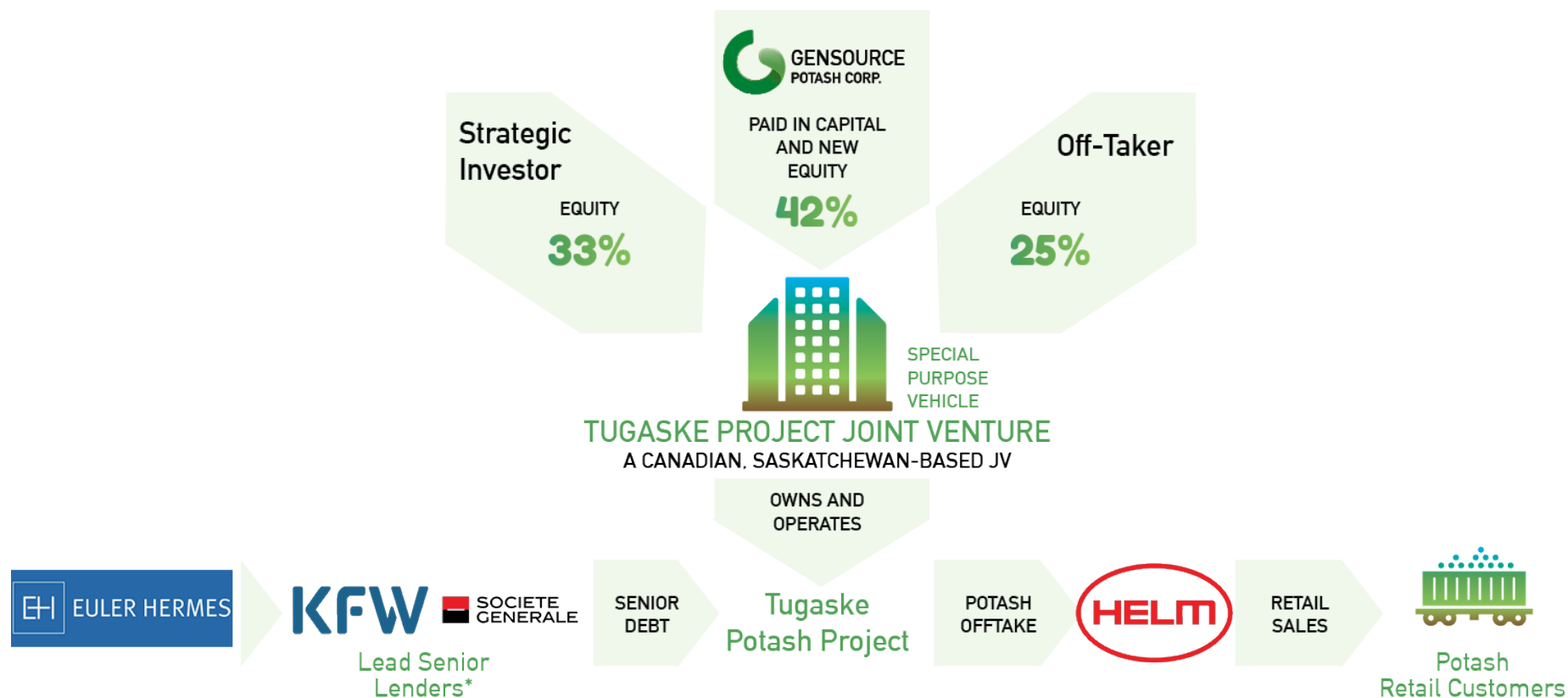
### Key Points:

- Take or pay provisions
- Initial 10-year term
- Term exceeds financing tenor
- Option to renew
- Right of first refusal for the offtaker to purchase any additional tonnes produced at the project
- Right of first refusal to purchase the project should Gensource elect to sell any portion of it
- Realized prices and costs will be transparent to both parties, with provision for audit





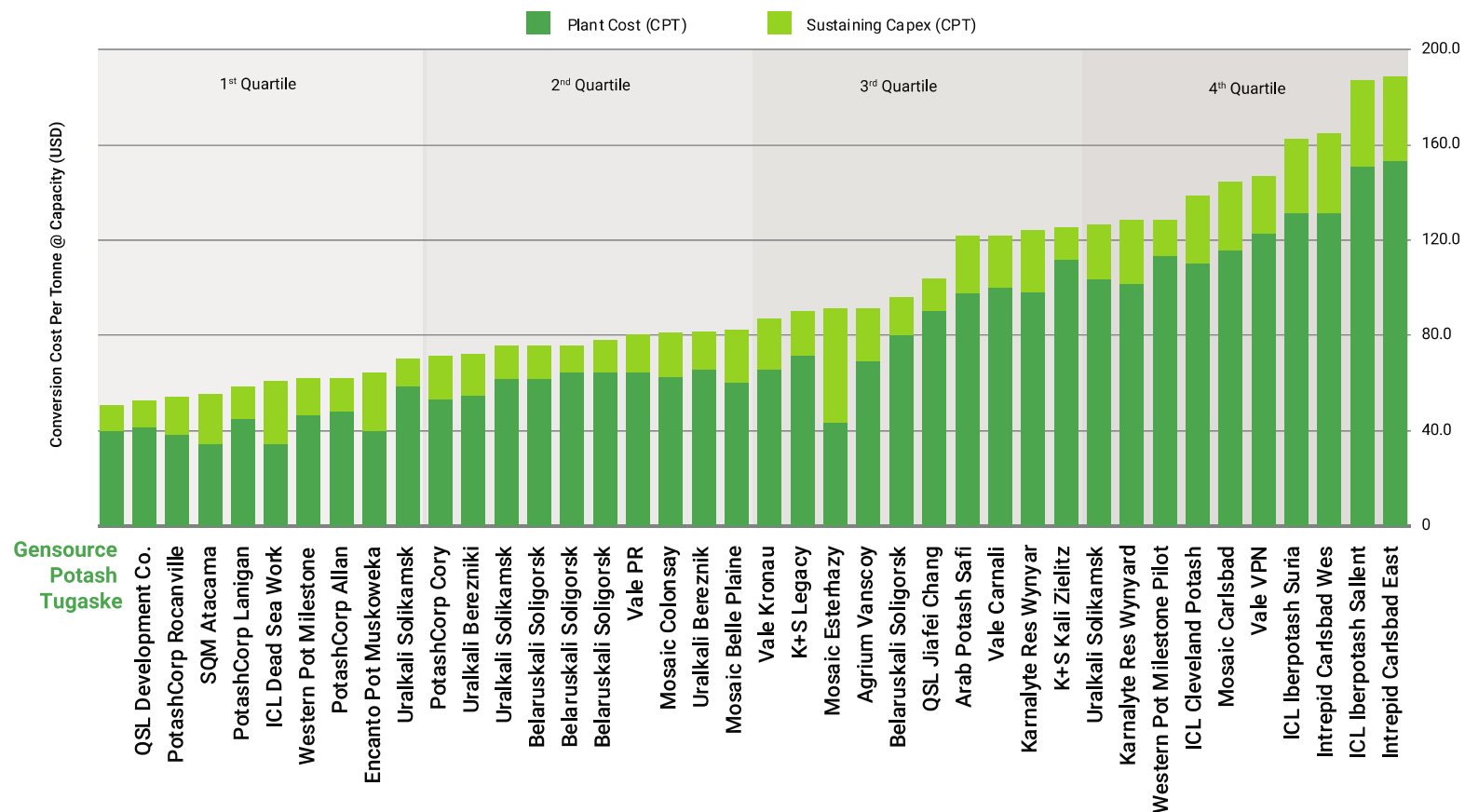
# Joint Venture Organizational Structure



\*KfW IPEX-Bank is an affiliate of KfW Bank Group. In its responsibility of international project and export finance within the larger KfW Bank Group it is in charge for over EUR 66 billion in assets, completed EUR 17.7 billion in new financings in 2018 and is AA+/Aa2 rated. Société Générale is a French multinational investment bank and financial services company headquartered in Paris, France.

Euler Hermes is a credit insurance company that offers a wide range of bonding, guarantees and collections services for the management of business-to-business trade receivables. A subsidiary of Allianz SE, Euler Hermes is rated AA by Standard & Poor's.

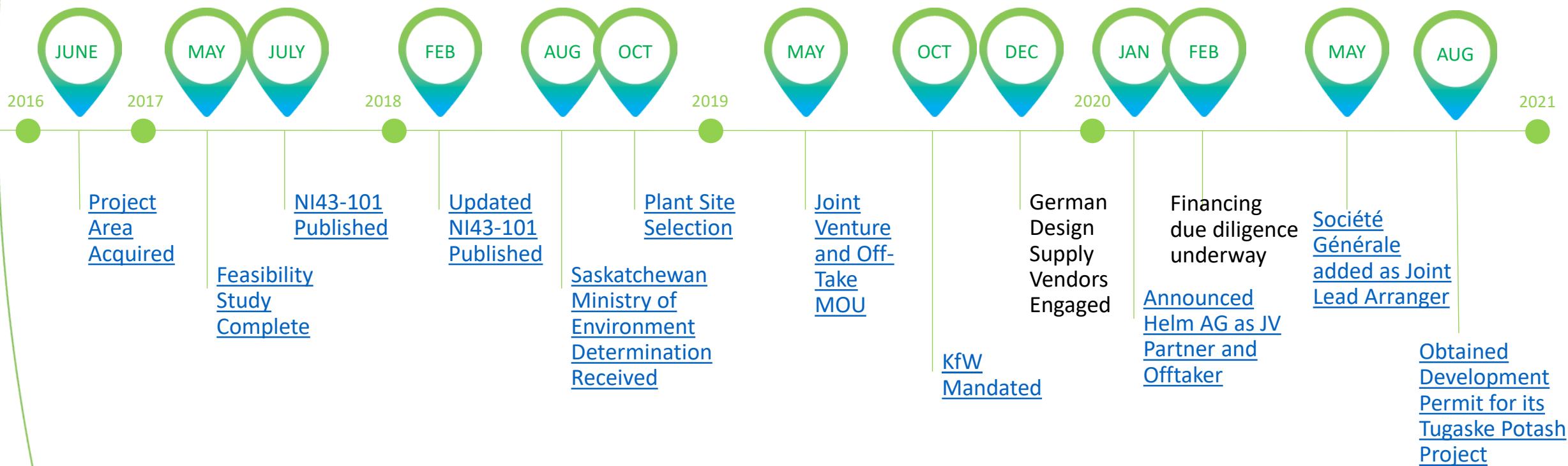
# Gensource shows the capacity to become one of the lowest cost producers in the industry



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



# Tugaske Project Milestones



# Management Team

The core team in Gensource is the same team that led Potash One Inc. from 2007 to develop the Legacy Project in Saskatchewan. Potash One was subsequently acquired by K+S AG in 2011, who revised the project technical details and constructed it. Now operating as the Bethune Mine, the facility is ramping up towards its 2.86 Mt/a capacity.



**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., MBA, PMP**  
Project Manager

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



# Technical Experts

## Ensuring Project Success Through Specialized Knowledge & Solutions

### Oliver Mehl – Strategic Consultant

Oliver has over 38 years as a marketing and upstream executive in the fertilizer business. He built and managed a company from being a minor player into a top 5 global leader of the fertilizer sector. In addition, Oliver was the divisional head of a major fertilizer distributor and producer for 29 years. He also worked on fertilizer project development and the design of marketing concepts for senior financing approvals.

### Kevin Ryan, P.Eng – Solution Mining

Served as Corporate Director of Technical Services for Intrepid Potash Corporation. During his 11 years with Intrepid, was responsible for planning and permitting the New Mexico HB solution mine and solar evaporation project and was a technical team lead for solution mine cavern development in Moab, Utah. He also evaluated design, performance and improvement options for Intrepid’s solution mine operations to optimize production. Intrepid was the first potash company to successfully utilize horizontal drilling techniques to develop solution mining caverns resulting in economic recovery of potash coupled with the environmentally beneficial elimination of waste salt tailings and associated surface storage. As a former Research Committee member of the Solution Mining Research Institute, combines his technical knowledge with a practical operational approach to effectively guide development of solution mining projects.

### 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.

# Investment Summary



New, independent, sustainable choice for potash supply. Tugaske is the first module.



Environmentally & socially responsible production with no tailings and or surface brine ponds and a small-scale facility that fits seamlessly into rural Saskatchewan communities.



Strong, steady market and a predictable long-term revenue stream with the US Market representing a high net-back supply opportunity. A 10-year renewable take-or-pay off-take agreement secured with Helm AG who controls a substantial logistics supply chain in the US.



Strong JV equity partners in place with 55 - 60% of the required equity identified from the off-taker, Helm AG who Gensource recently executed a royalty agreement on the Project with.



Lean and Integrated Project Delivery (IPD) provides reduced construction risk, better performance outcomes and successful achievement of key project objectives (i.e. safety, cost, schedule, etc.)



A “shovel ready” project with key milestones complete and alignment with proven development partners to implement a timeline that expedites construction, start-up and fullscale production upon successful financing.



Financing progressing with world-class senior lenders, KfW IPEX-Bank & Société Générale, acting as lead arrangers for the senior debt financing of the project.



Strong & experienced team with longstanding credibility, expertise, and success in the potash industry.



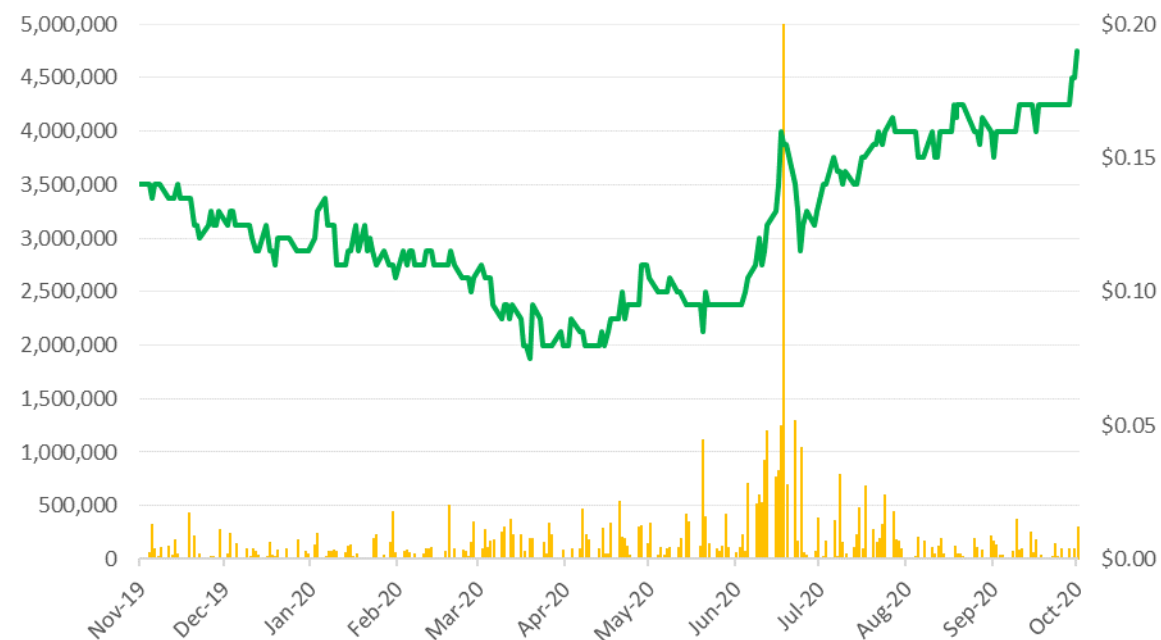
## Market Capitalization (\$CAD)

Market Capitalization **\$76.6 M**  
 Recent Share Price **\$0.20**  
 52-Week Range **\$0.23-\$0.07**  
 Average Volume **390,047**

Shares Outstanding **383 M**  
 Options **32 M**  
 Warrants **0**  
 Broker Warrants **620 K**

Cash **~\$3.5 M**  
 Debt **\$0**  
 Management, Directors  
 & Business Associates **~27%**

52-Week Price History



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