



CONDENSED INTERIM FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
JUNE 30, 2019
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim financial statements of Gensource Potash Corporation (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Gensource Potash Corporation
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at June 30, 2019	As at December 31, 2018
ASSETS		
Current assets		
Cash	\$ 190,263	\$ 975,158
Prepaid expenses and deposits	13,317	32,954
GST/HST and other receivables	51,440	104,261
Total current assets	255,020	1,112,373
Non-current assets		
Investments	3,248	2,771
Exploration and evaluation assets (notes 3 and 11)	14,582,425	13,949,904
Property, plant and equipment (note 4)	11,222	11,307
Right-of-use assets (note 5)	127,331	155,012
Total non-current assets	14,724,226	14,118,994
Total assets	\$ 14,979,246	\$ 15,231,367
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities	\$ 209,583	\$ 218,089
Flow-through premium obligation	263,030	267,660
Short-term portion of lease liability (note 6)	51,168	46,188
Total current liabilities	523,781	531,937
Non-current liabilities		
Lease liability (note 6)	86,507	113,506
Total liabilities	610,288	645,443
Shareholders' equity		
Share capital (note 7)	32,861,843	32,427,238
Contributed surplus	4,721,284	4,622,371
Deficit	(23,214,169)	(22,463,685)
Total shareholders' equity	14,368,958	14,585,924
Total shareholders' equity and liabilities	\$ 14,979,246	\$ 15,231,367

Nature of operations and going concern (note 1)
Subsequent events (note 12)

Approved by the Board of Directors:

"Michael Ferguson" (signed) Director
Michael Ferguson, Director

"Calvin Redlick" (signed) Director
Calvin Redlick, Director

Gensource Potash Corporation

Condensed Interim Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Expenses				
General and administrative (notes 10 and 11)	\$ 273,581	\$ 1,160,365	\$ 522,345	\$ 1,632,893
Share-based payments (note 8 and 11)	(19,968)	69,970	191,584	580,933
Depreciation (notes 4 and 5)	14,598	958	29,144	1,915
	268,211	1,231,293	743,073	2,215,741
Loss before under noted items	(268,211)	(1,231,293)	(743,073)	(2,215,741)
Interest income	1,104	657	3,932	1,350
Unrealized loss on FVTPL investments	(3,343)	(72)	478	(75)
Flow-through premium obligation discharged	4,630	20,874	4,630	20,925
Accretion expense (note 6)	(7,985)	-	(16,451)	-
Loss and comprehensive loss	\$ (273,805)	\$ (1,209,834)	\$ (750,484)	\$ (2,193,541)
Basic and diluted net loss per share (note 9)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	352,854,028	330,204,109	367,828,885	326,888,695

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

Gensource Potash Corporation
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Ended	
	June 30,	
	2019	2018
Operating activities		
Net loss	\$ (750,484)	\$ (2,193,541)
Adjustments for:		
Depreciation	29,144	1,915
Share-based payments	191,584	580,933
Accretion expense	16,451	-
Unrealized loss on FVTPL investments	(478)	75
Flow-through premium obligation discharged	(4,630)	(20,925)
	(518,413)	(1,631,543)
Changes in non-cash working capital	63,953	111,954
Net cash (used in) provided by operating activities	(454,460)	(1,519,589)
Investing activities		
Purchase of property, plant and equipment	(1,378)	-
Acquisition and expenditures on exploration and evaluation assets	(632,521)	(610,927)
Repayment of lease on right-to-use asset	(38,470)	-
Net cash used in investing activities	(672,369)	(610,927)
Financing activities		
Cash proceeds from issuance of shares	-	3,124,909
Cash proceeds from exercise of warrants	69,360	544,731
Cost of issuance	(1,601)	(217,438)
Cash proceeds from exercise of stock options	274,175	-
Net cash provided by financing activities	341,934	3,452,202
Net change in cash	(784,895)	1,321,686
Cash, beginning of period	975,158	464,905
Cash, end of period	\$ 190,263	\$ 1,786,591

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

Gensource Potash Corporation

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Issued shares	Share capital	Units to be issued	Contributed surplus	Deficit	Total
Balance, December 31, 2017	321,261,676	\$ 27,590,544	\$ 3,552	\$ 3,832,401	\$(19,315,087)	\$ 12,111,410
Issuance of units (note 7(b))	24,999,268	3,124,909	-	-	-	3,124,909
Issuance of units from exercise of warrants	4,749,438	548,283	(3,552)	-	-	544,731
Issuance cost - cash	-	(217,438)	-	-	-	(217,438)
Share-based payments (note 8)	-	-	-	580,933	-	580,933
Loss and comprehensive loss for the period	-	-	-	-	(2,193,541)	(2,193,541)
Balance, June 30, 2018	351,010,382	\$ 31,046,298	\$ -	\$ 4,413,334	\$(21,508,628)	\$ 13,951,004
Balance, December 31, 2018	365,757,342	\$ 32,427,238	\$ -	\$ 4,622,371	\$(22,463,685)	\$ 14,585,924
Issuance of units from exercise of warrants	1,067,076	69,360	-	-	-	69,360
Issuance cost - cash	-	(1,601)	-	-	-	(1,601)
Share-based payments (note 8)	-	-	-	191,584	-	191,584
Issuance of units from exercise of options	2,741,748	366,846	-	(92,671)	-	274,175
Loss and comprehensive loss for the period	-	-	-	-	(750,484)	(750,484)
Balance, June 30, 2019	369,566,166	\$ 32,861,843	\$ -	\$ 4,721,284	\$(23,214,169)	\$ 14,368,958

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

Gensource Potash Corporation

Notes to Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited)

1. Nature of operations and going concern

Gensource Potash Corporation (the "Company" or "Gensource") is based in Saskatoon, Saskatchewan and is focused on developing resource opportunities with a specific focus on potash development. As is common with many exploration companies, it raises financing for its exploration and development activities. Its registered head office is located at the care of Peterson McVicar LLP, 18 King Street, Suite 902, Toronto, Ontario, M5C 1C4.

These unaudited condensed interim financial statements were authorized and approved by the Board of Directors on August 29, 2019.

The unaudited condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at June 30, 2019, the Company had working capital of \$(268,761), negative cash flows and an accumulated deficit in the amount of \$23,214,169. The Company is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage of exploration.

The Company's ability to continue operations, as intended, is dependent on its ability to continue to raise adequate financing in order to sustain ongoing expenditures and to explore and evaluate resource properties. The Company has taken additional steps to preserve cash including deferrals to management compensation. However, there can be no assurance that the Company will be able to obtain sufficient financing to continue its operations or to recover its exploration and evaluation assets. Accordingly, there exists a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

These unaudited condensed interim financial statements do not reflect any adjustments or other changes that may be required should the Company be unable to continue as a going concern. Such adjustments and changes could be material.

2. Summary of significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim financial statements are based on IFRS's issued and outstanding as of August 29, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent audited annual financial statements as at and for the year ended December 31, 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2019 could result in restatement of these unaudited condensed interim financial statements.

Gensource Potash Corporation

Notes to Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited)

2. Summary of significant accounting policies (continued)

New accounting standard adopted

IFRIC 23 - Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the accounting for uncertainties in income taxes. The interpretation requires the entity to use the most likely amount or the expected value of the tax treatment if it concludes that it is not probable that a particular tax treatment will be accepted. It requires an entity is to assume that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

IFRIC 23 is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted. The requirements are applied by recognizing the cumulative effect of initially applying them in retained earnings, or in other appropriate components of equity, at the start of the reporting period in which an entity first applies them, without adjusting comparative information. Full retrospective application is permitted, if an entity can do so without using hindsight.

Recent accounting pronouncement

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2019. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”)

IAS 1 and IAS 8 were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted. The Company is currently assessing the impact on the unaudited condensed interim financial statements.

3. Exploration and evaluation assets

The Vanguard Project

The Vanguard Area is located in central Saskatchewan and comprises two mineral leases that have been acquired from Yancoal Canada Resources (“YCR”).

On May 18, 2018, the Company entered into a definitive, binding off-take agreement (“Agreement” or “Off-take”) with a senior North American agriculture industry leader (the “Off-taker”). The Agreement incorporates the essential elements which are:

- ◆ Purchase of 100% of the production from one “module” of 250,000 tonne/year capacity,
- ◆ A preliminary marketing plan that facilitates Gensource’s goal of creating a direct link between a potash producing facility in Saskatchewan and the end user,
- ◆ 10-year term with an option to renew for the life of the project,
- ◆ Right of first refusal for the Off-taker to purchase any additional product that may be produced at the project either through de-bottlenecking or expansion of the productive capacity of the facility,
- ◆ Right of first refusal to purchase the project should Gensource elect to sell any portion of it.

Gensource Potash Corporation

Notes to Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2019 and 2018
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3. Exploration and evaluation assets (continued)

The Vanguard Project (continued)

In August 2018, the Company received a determination of “not a development” from the Saskatchewan Ministry of Environment, Environmental Assessment and Stewardship Branch. This allows the Vanguard project to proceed to the detailed construction licensing/permitting process having achieved environmental approval.

On May 2, 2019 the Company entered into non-binding Memoranda of Understanding (MOU) to form a joint venture company (“**JVCo**”) to develop the first Vanguard Area Project, “formerly known as Maverick” (the “**Project**”) within the Vanguard Area. The following agreements have been signed for the first Vanguard Area project:

- ◆ Offtake Agreement: A non-binding MOU for offtake has been completed with a large and well-respected international fertilizer manufacturing and distribution company. Offtake MOU terms include:
 - Obligation to purchase 100% of the production from one module of 250,000 metric tonnes per year,
 - Typical take or pay offtake provisions,
 - 10-year duration, with option to renew,
 - Product sale and title transfer at the mine site (FCA mine site), and
 - Market-based pricing formula.
- ◆ Offtaker Project Equity Investment: A non-binding MOU by the offtaker for direct equity investment into JVCo, alongside Gensource and one other third-party investor. The equity investment will be in the form of cash and equal to 25+% of JVCo ownership.
- ◆ Third Party Project Equity Investment: A non-binding MOU for the largest equity investment of about 33% from a third-party investor.

Cost	Lazlo	Vanguard	Total
Balance, December 31, 2017	\$ 1,112,673	\$ 10,334,702	\$ 11,447,375
Additions:			
Property acquisition and surface access fees	7,662	467,629	475,291
Geological and project management	-	206,464	206,464
Engineering	-	28,275	28,275
Drilling	-	1,707,118	1,707,118
Seismic	-	-	-
Environmental	-	85,381	85,381
Balance, December 31, 2018	\$ 1,120,335	\$ 12,829,569	\$ 13,949,904
Additions:			
Property acquisition and surface access fees	5,816	327,207	333,023
Geological and project management	-	278,514	278,514
Drilling	-	1,389	1,389
Environmental	-	19,595	19,595
Balance, June 30, 2019	\$ 1,126,151	\$ 13,456,274	\$ 14,582,425

Gensource Potash Corporation

Notes to Condensed Interim Financial Statements
 Three and Six Months Ended June 30, 2019 and 2018
 (Expressed in Canadian Dollars)
 (Unaudited)

4. Property, plant and equipment

Cost

	Furniture and equipment \$	Computer hardware \$	Computer software \$	Leasehold improvements \$	Total \$
Balance, December 31, 2018	106,692	90,836	12,350	95,853	305,731
Additions	-	1,378	-	-	1,378
Balance, June 30, 2019	106,692	92,214	12,350	95,853	307,109

Accumulated depreciation

	Furniture and equipment \$	Computer hardware \$	Computer software \$	Leasehold improvements \$	Total \$
Balance, December 31, 2017	99,588	82,802	12,350	95,853	290,593
Depreciation for the year	1,421	2,410	-	-	3,831
Balance, December 31, 2018	101,009	85,212	12,350	95,853	294,424
Depreciation for the period	568	895	-	-	1,463
Balance, June 30, 2019	101,577	86,107	12,350	95,853	295,887

Carrying amount

	Furniture and equipment \$	Computer hardware \$	Computer software \$	Leasehold improvements \$	Total \$
At December 31, 2018	5,683	5,624	-	-	11,307
At June 30, 2019	5,115	6,107	-	-	11,222

5. Rights-of-use assets

	Property	Equipment	Total
Balance, January 1, 2018	\$ 50,219	\$ 9,684	\$ 59,903
Additions	160,552	-	160,552
Depreciation	(63,599)	(1,844)	(65,443)
Balance, December 31, 2018	\$ 147,172	\$ 7,840	\$ 155,012
Depreciation	(26,758)	(923)	(27,681)
Balance, June 30, 2019	\$ 120,414	\$ 6,917	\$ 127,331

Gensource Potash Corporation

Notes to Condensed Interim Financial Statements
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 (Expressed in Canadian Dollars)
 (Unaudited)

6. Lease liabilities

	Property	Equipment	Total
Balance, January 1, 2018	\$ 50,219	\$ 9,684	\$ 59,903
Additions	160,552	-	160,552
Interest expense	11,960	4,219	16,179
Lease payments	(72,151)	(4,789)	(76,940)
Balance, December 31, 2018	\$ 150,580	\$ 9,114	\$ 159,694
Interest expense	14,463	1,988	16,451
Lease payments	(36,075)	(2,395)	(38,470)
Balance, June 30, 2019	\$ 128,968	\$ 8,707	\$ 137,675

	As at June 30, 2019	As at December 31, 2018
Short-term lease expense	\$ 51,168	\$ 46,188

	Under 1 year	Between 1 - 2 years	Between 3 - 5 years	Over 5 years	Total
Property	\$ 50,072	\$ 78,896	\$ -	\$ -	\$ 128,968
Equipment	1,096	4,509	3,102	-	8,707
Total	\$ 51,168	\$ 83,405	\$ 3,102	\$ -	\$ 137,675

7. Share capital

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares. The common shares have no par value.

b) Common shares

At June 30, 2019, the Company had 369,566,166 common shares (December 31, 2018 – 365,757,342) issued and outstanding.

Gensource Potash Corporation

Notes to Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited)

7. Share capital (continued)

c) Warrants

The Company has the following warrants outstanding as a result of equity issues:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2017	51,507,555	0.14
Issued	1,837,007	0.13
Exercised	(4,719,338)	(0.12)
Expired	(8,966,999)	(0.12)
Balance, June 30, 2018	39,658,225	0.15
Balance, December 31, 2018	17,976,167	0.15
Exercised	(1,067,076)	(0.065)
Expired	(14,686,679)	(0.17)
Balance, June 30, 2019	2,222,412	\$0.10

Issue date	Expiry date	Exercise price	Number of warrants
May 31, 2018 ⁽¹⁾	June 30, 2019	\$0.125	1,598,080
December 4, 2018 ⁽²⁾	June 4, 2020	\$0.12	624,332
Weighted average exercise price		\$0.10	2,222,412

⁽¹⁾ Each broker warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.125 for a period of 18 months.

⁽²⁾ Each broker warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.12 for a period of 18 months.

Gensource Potash Corporation

Notes to Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited)

8. Stock options

Stock option transactions for the periods presented are as follows:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2017	26,410,607	0.11
Granted ⁽¹⁾⁽²⁾	5,000,000	0.10
Expired/forfeited	(900,000)	(0.14)
Balance, June 30, 2018	30,510,607	0.10
Balance, December 31, 2018	29,510,607	0.10
Granted ⁽³⁾	1,500,000	0.105
Expired/forfeited	(2,550,000)	(0.09)
Exercised	(2,741,748)	(0.10)
Balance, June 30, 2019	25,718,859	0.11

The weighted average grant date fair value of options granted during the six months ended June 30, 2019 was \$0.11 (June 30, 2018 - \$0.06).

⁽¹⁾ On February 2, 2018, the Company granted 4,000,000 options (including 3,500,000 stock options to directors and officers of the Company). The stock options have an exercise price of \$0.09 per share and are exercisable for a period of 5 years. The options vested immediately. The estimated fair value of these options at the grant date was \$306,500 using the Black-Scholes valuation model. During the three and six months ended June 30, 2019 \$nil (three and six months ended June 30, 2018, \$nil and \$306,500, respectively) was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 2.13%;
- Expected life: 5.0 years;
- Expected volatility: 127% based on historical trends;
- Forfeiture rate: nil;
- Expected dividend yield: 0%; and
- Weighted average share price: \$0.09.

⁽²⁾ On June 13, 2018, the Company granted 1,000,000 options to a director of the Company. The stock options have an exercise price of \$0.145 per share and are exercisable for a period of 5 years. The options will vest upon the final close of a financing agreement (Corporate or project financing) between Gensource Potash Corporation and any financial institution or parties introduced to Gensource Potash. The estimated fair value of these options at the grant date was \$150,000 using the Black-Scholes valuation model. During the three and six months ended June 30, 2019, \$(46,552) and \$nil, respectively (three and six months ended June 30, 2018, \$12,000 was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 2.14%;
- Expected life: 5.0 years;
- Expected volatility: 123% based on historical trends;
- Forfeiture rate: nil;
- Expected dividend yield: 0%; and
- Weighted average share price: \$0.15.

Gensource Potash Corporation

Notes to Condensed Interim Financial Statements Three and Six Months Ended June 30, 2019 and 2018 (Expressed in Canadian Dollars) (Unaudited)

8. Stock options (continued)

⁽³⁾ On January 31, 2019, the Company granted 1,500,000 options to directors of the Company. The stock options have an exercise price of \$0.105 per share and are exercisable for a period of 5 years. The options vested immediately. The estimated fair value of these options at the grant date was \$165,000 using the Black-Scholes valuation model. During the three and six months ended June 30, 2019, \$165,000 was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 1.78%;
- Expected life: 5.0 years;
- Expected volatility: 112% based on historical trends;
- Forfeiture rate: nil;
- Expected dividend yield: 0%; and
- Weighted average share price: \$0.11.

The following table reflects the stock options issued and outstanding as of June 30, 2019:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
October 24, 2019	0.06	0.32	1,200,000	1,200,000	-
April 16, 2020	0.07	0.80	1,868,859	1,868,859	-
April 19, 2021	0.07	1.81	500,000	500,000	-
June 6, 2021	0.06	1.94	3,200,000	3,200,000	-
June 6, 2021	0.08	1.94	500,000	-	500,000
September 18, 2021	0.06	2.22	1,000,000	1,000,000	-
December 6, 2021	0.10	2.44	500,000	500,000	-
February 20, 2022	0.13	2.65	4,300,000	4,300,000	-
February 20, 2022	0.17	2.65	150,000	150,000	-
April 23, 2022	0.18	2.82	3,000,000	1,500,000	1,500,000
May 9, 2022	0.18	2.86	500,000	500,000	-
May 9, 2022	0.14	2.86	1,500,000	500,000	1,000,000
November 13, 2022	0.08	3.38	1,000,000	1,000,000	-
February 1, 2023	0.09	3.59	3,000,000	3,000,000	-
June 13, 2023	0.145	3.96	1,000,000	-	1,000,000
July 18, 2023	0.145	4.05	1,000,000	1,000,000	-
January 31, 2024	0.105	4.59	1,500,000	1,500,000	-
	0.11	2.66	25,718,859	21,718,859	4,000,000

9. Net loss per common share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2019 was based on the loss attributable to common shareholders of \$273,805 and \$750,484, respectively, (three and six months ended June 30, 2018 – \$1,209,834 and \$2,193,541, respectively) and the weighted average number of common shares outstanding of 352,854,028 and 367,828,885, respectively, (three and six months ended June 30, 2018 – 330,204,109 and 326,888,695, respectively). All outstanding options and warrants were excluded from the calculation of diluted loss per share because their effect was anti-dilutive.

Gensource Potash Corporation

Notes to Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited)

10. General and administrative

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Wages, benefits and incentive compensation	\$ 7,535	\$ 36,826	\$ 18,482	\$ 44,990
Sales and marketing	59,887	262,076	86,505	390,637
Professional fees (note 11)	147,959	723,261	222,292	856,975
Office and general	58,200	138,202	195,066	340,291
	\$ 273,581	\$ 1,160,365	\$ 522,345	\$ 1,632,893

11. Related party balances and transactions

a) During the three and six months ended June 30, 2019, compensation, salaries and benefits of \$165,000 and \$330,000, respectively, (three and six months ended June 30, 2018 - \$712,000 and \$892,000, respectively) were paid to a director and officers of the Company or related companies controlled by the director and officers of the Company. They were included in general and administrative expenses and exploration and evaluation assets .

b) During the three and six months ended June 30, 2019, share-based payments of \$(46,552) and \$165,000, respectively were rewarded to directors and officers of the Company (three and six months ended June 30, 2018 - \$12,000 and \$365,874, respectively).

c) To the knowledge of the directors and executive officers of the Company as of June 30, 2019, the common shares of the Company were widely held, which includes various small holdings which were owned by directors and officers of Gensource. These holdings can change at any time at the discretion of the owner.

The related party transactions were recorded at the exchange amount, which is the amount agreed to by the related parties.

12. Subsequent events

- Debt financing milestones
 - Letter of interest received from KfW IPEX-Bank of Germany
 - Letter of Interest received from EDC (Export Development Canada)
 - Proposals received from other global project finance banks.
 - Currently defining the details of the formal senior debt mandate letter.
- Equity group has been formed for the initial project, consisting of the following:
 - Gensource. Planned ownership of 42%
 - Off-taker for the project. Planned ownership of 25%
 - Third-party investor. Planned ownership of 33%.