Gensource
POTASH CORP

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2017

Introduction

The following interim Management Discussion & Analysis ("Interim MD&A") of Gensource Potash Corporation (the "Company" or "Gensource") for the three months ended March 31, 2017 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2016. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended December 31, 2016, and December 31, 2015, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three months ended March 31, 2017, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of May 30, 2017, unless otherwise indicated.

The following Interim MD&A, particularly under the heading "Liquidity and Capital Resources", contains forward-looking information that involves numerous risks and uncertainties. The forward-looking information is not historical fact, but rather is based on the Company's current plans, objectives, goals, strategies, estimates, assumptions and projections about the industry, business and future financial results. The Company's actual results could differ materially from those discussed in such forward-looking statements.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR) website at **www.sedar.com.**

Caution Regarding Forward-looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of Gensource's properties to contain potash deposits.	Financing will be available for future exploration and development of Gensource's properties; the actual results of Gensource's exploration and development activities will be favourable; operating, exploration and development costs will not exceed Gensource's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Gensource, and applicable political and economic conditions will be favourable to Gensource; the price of potash and applicable interest and exchange rates will be favourable to Gensource; no title disputes exist with respect to the Company's properties.	Potash price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Gensource's expectations; availability of financing for and actual results of Gensource's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending March 31, 2018.	The operating and exploration activities of the Company for the twelve-month period ending March 31, 2018, and the costs associated therewith, will be consistent with Gensource's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to Gensource.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.

The Company's ability to carry out anticipated exploration on its property interests.	The exploration activities of the Company for the twelve-month period ending March 31, 2018 and the costs associated therewith, will be consistent with Gensource's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to Gensource.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits.
Plans, costs, timing and capital for future exploration and development of Gensource's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations.	Financing will be available for Gensource's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Gensource; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions will be favourable to Gensource; the price of potash will be favourable to Gensource; no title disputes exist with respect to Gensource's properties.	Potash price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Gensource's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
Management's outlook regarding future trends.	Financing will be available for Gensource's exploration and operating activities; the price of potash will be favourable to Gensource.	Potash price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.
Sensitivity analysis of financial instruments.	The aggregate gross credit risk exposure related to cash at March 31, 2017, was \$847,230 (December 31, 2016 – \$1,957,093), and was entirely made up of cash held with financial institutions with an "AA High" credit rating or above and securities brokerage firms.	Changes in debt and equity markets; interest rate and exchange rate fluctuations.

Gensource will continue to focus its efforts on securing strategic partners for developing a successful potash production facility.	Strategic partners with the same goal as Gensource will agree to terms favourable to Gensource for the development of a potash production facility.	Management may not find strategic partners; terms may be unfavourable to Gensource.
Prices and price volatility for potash.	The price of potash will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of potash will be favourable.	Changes in debt and equity markets and the spot price of potash; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Gensource's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Gensource's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Gensource is based in Saskatoon, Saskatchewan, and is focused on potash development. Its registered head office is located at Peterson & Company, 390 Bay Street, Suite 806, Toronto, Ontario, M5H 2Y2.

Operational Highlights

Corporate

On January 20, 2017, the Company has completed a non-brokered private placement financing consisting of the sale of 27,272,728 units at $0.11 per unit for aggregate gross proceeds of $3,000,000.

On February 21, 2017, the Company granted 5,300,000 stock options (including 4,500,000 stock options to directors and officers of the Company) at an exercise price of $0.13.

On February 21, 2017, the Company granted 750,000 stock options at an exercise price of $0.17 and are exercisable for a period of 5 years.

During the three months ended March 31, 2017, 6,485,970 warrants were exercised for gross proceeds of $679,614.

During the three months ended March 31, 2017, 10,000 stock options were exercised for gross proceeds of $6,000.

Exploration & Evaluation

Updates on the Vanguard Project

- On January 4, 2017, Gensource completed the two-well exploration drilling program in its 100% owned Vanguard project area, on the KL245 lease. The program builds upon the two wells drilled on the property in 2012, and will enable Gensource to advance the determination of the resource extent, grade, and ultimately allow for updating and issuing of a updated NI 43-101 report. Highlights from the program were identified in a news release on January 9, 2017
- A well-attended Open House meeting was held in the Village of Tugaske, SK, on February 1, 2017. Over 100 people from Tugaske and the surrounding communities joined Gensource's team for a general information session and project update on the Vanguard One Project.
- On February 17, 2017, Gensource announced it had completed a NI43-101 Technical Report, based on the efforts of the two-well exploration program and the subsequent geological assay work. The Technical Report defined a resource in the Vanguard area of almost 145 million tonnes of final, salable potash product in the Indicated category and over 320 million tonnes of final, salable potash product in the Inferred category. More details were provided in the news release, and the entire NI43-101 Technical Report for the Updated Resource is available on Sedar.
- In February 2017, Gensource initiated a 3D seismic program led by RPS Energy Canada Ltd., which covered approximately 34 square kilometres (13 square miles) of the KL245 lease area. The 3D seismic area was selected to be as focused as possible to define the resource to the extent necessary while being large enough to provide many options in terms of the selection of the initial well field area. The field data acquisition was completed in March, with data interpretation and reporting to follow. Additional details were provided in a news release on March 16, 2017.
- In February 2017, Gensource initiated field work to complete a groundwater investigation, to explore and assess potential sources for ground water supply for the project. The investigation is being led by Golder Associates Ltd.
- As of March 31, 2017, the ongoing Vanguard One Project Feasibility Study ("Study") was over 75% complete and remained on track to be finished in Q2 2017.
- The environmental and regulatory work continued to progress with the expectation that Gensource will submit its Technical Project Proposal in Q2 2017.
- Gensource provided additional information to shareholders and the public, on the status of the project and the company, in a news release on March 31, 2017.
- On April 3, 2017, The Company executed a shareholder agreement ("Shareholder Agreement") with Essel Group ME Limited ("EGME") to create a joint venture company, Vanguard Potash Corp. ("JV" or "Vanguard"), pursuant to the memorandum of understanding between the two parties announced on November 29, 2016. Vanguard is a private corporation and is the entity that will develop, construct and operate a new potash facility. Further information on the JV is contained in a Gensource news release dated April 4, 2017 and a copy of the Shareholder Agreement is filed on SEDAR.

Current and Future Plans Related to the Vanguard Project

The following summarizes the Company's current confirmation and development programs at the Vanguard project areas, total estimated cost to complete the project development work, and total expenditures incurred to date.

Summary of Completed Activities (Three months Ended March 31, 2017)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Property acquisition and surface access fees Geological and project management Engineering Drilling Seismic	$298,365 $36,416 $1,617,488 $267,825 $796,118	Drilling, coring and assaying. Feasibility study and environmental and regulatory licensing work. Any expenditure is dependent upon reaching agreements with strategic partners and completing one more financing.	$4,000,000 [1] $200,000 [1]
Total (A+B)	**$ 3,016,212**		**$7,216,212**

[1] At the date of this MD&A, the Company has decided, in the immediate term, to focus its resources on the Vanguard project - and therefore the budgeted expenditures are targeted towards the second lease (KL 244) at Vanguardare included here.

<u>Updates on the Lazlo Project</u>

No significant engineering or geological work was completed for the Lazlo project area during the three months ended March 31, 2017. However, the Company continues to work with its contacts in both India and Brazil to create a market partner in each of those countries. It is the creation of a market partner that triggers the development of a project to suit that market.

<u>Current and Future Plans Related to the Lazlo Project</u>

The following summarizes the Company's current confirmation and development programs at the Lazlo project areas, total estimated cost to complete the project development work, and total expenditures incurred to date.

Summary of Completed Activities (Three Months Ended March 31, 2017)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Land acquisition and staking Geological and project management	$3,679 $9,000	At the date of this MD&A, it is more likely, in the immediate term, for the Company to pursue the Vanguard project and therefore the budgeted expenditures are not included here.	$nil
Subtotals	**$12,679**		**$nil**
Total (A+B)			**$12,679**

Technical Information

Mike Ferguson, P.Eng., a qualified person pursuant to NI 43-101, has reviewed and approved the technical disclosure in this MD&A.

Trends

Gensource anticipates that it will continue to experience net losses as a result of ongoing cash outflows from investing in its potash assets and operating costs until such time as revenue-generating activity is commenced. The Company's future financial performance is dependent on many external factors. Both the price of and the market for potash are volatile, difficult to predict, and subject to changes in domestic and international political, social, and economic environments. Circumstances and events such as economic conditions and volatility in the capital markets could materially affect the future financial performance of the Company. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

Financial Performance

Three months ended March 31, 2017 compared to three months ended March 31, 2016

During the three months ended March 31, 2017, the Company had a consolidated net loss of $404,211 (three months ended March 31, 2016 – $326,036).

Consolidated expenses during the three months ended March 31, 2017 were $712,621 (three months ended March 31, 2016 - $331,870), an increase of $380,751 is primarily because of share-based payments of $301,786 incurred as a result of stock options granted during the three months ended March 31, 2017.

During the three months ended March 31, 2017, the Company recorded interest income of $2,927 (three months ended March 31, 2016 – $737), unrealized loss on investments of $1,146 (three months ended March 31, 2016 – unrealized gain of $1,626) as the Company's portfolio decreased in value and a flow-through premium obligation discharged of $306,629 (three months ended March 31, 2016 - $3,471).

During the three months ended March 31, 2017, overall general and administrative expenses were $193,021 higher than the comparative period in 2016. The following is a breakdown of general and administrative expenses for the three months ended March 31, 2017 and 2016:

Three Months Ended March 31,	2017 $	2016 $	Change $
Wages, benefits and incentive compensation (1)	35,567	2,672	32,895
Sales and marketing (2)	93,069	43,801	49,268
Professional fees (2)	152,903	84,664	68,239
Office and general (1)	127,991	85,372	42,619
Total general and administrative expenses	409,530	216,509	193,021

(1) Costs were higher during the three months ended March 31, 2017 as a result of the Company's increased corporate activities to support the Vanguard project.

Consolidated assets

Consolidated assets were $11,281,736 at March 31, 2017 (December 31, 2016 - $9,152,695), an increase of approximately 23%. Exploration and evaluation assets increased by approximately 44% from December 31, 2016. The total amount of exploration and evaluation assets represents approximately 88% of total assets (December 31, 2016 – 75% of total assets). Receivables increased by approximately 67% from December 31, 2016. Further, the Company had an increase in prepaid expenses and deposit of approximately 109% and a decrease in property, plant and equipment of approximately 6%. At March 31, 2017, the Company had cash of $847,230 (December 31, 2016 - $1,957,093), with a decrease of $1,109,863.

Consolidated liabilities

At March 31, 2017, consolidated liabilities were $1,283,217 (December 31, 2016 - $2,576,128). The variation is primarily because of the decrease in amounts payable and other liabilities.

The Company will continue to attempt to secure additional financing to facilitate the execution of its business plan.

Shareholders' equity

At March 31, 2017, shareholders' equity increased by $3,421,952, which is primarily due to private placements raising $3,000,000 in share capital. The increase is primarily offset by the net loss of $404,211 for the three months ended March 31, 2017.

As at March 31, 2017, the Company had 281,467,647 common shares issued and outstanding, 63,326,375 common share purchase warrants outstanding and 22,460,607 stock options outstanding, of which 10,160,607 were vested.

Investment portfolio

The Company's investments consist primarily of resource companies whose principal business is exploration and development. During the three months ended March 31, 2017, there was no change in ownership of these investments but due to the fluctuation of the fair value of these investments, the Company reported an unrealized loss of $1,146 (three months ended March 31, 2016 – unrealized gain of $1,626). At March 31, 2017, the market value of the Company's investments was $8,052 (December 31, 2016 – $9,199).

Cash Flow

For the three months ended March 31, 2017, the Company decreased its cash position by $1,109,863 as a result of cash used and provided in operating, investing and financing activities as follows:

Cash used in operations, including changes in non-cash working capital of $1,198,747, totaled $1,605,350 during the three months ended March 31, 2017. This was as a result of net loss of $404,211 for the three months ended March 31, 2017, adjusted for non-cash transactions including mainly share-based payments of $301,786 and flow-through premium obligation discharged of $306,629.

Cash used in investing activities during the three months ended March 31, 2017 consisted of the acquisition and expenditure of exploration and evaluation assets of $3,028,891.

During the three months ended March 31, 2017, the Company received $3,524,378 in cash proceeds from its financing activities.

Liquidity and Capital Resources

The activities of the Company, principally the development of resource opportunities, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

The following table summarizes the Company's consolidated working capital position:

As at	March 31, 2017	December 31, 2016
Consolidated working capital (deficiency) ($)	**38,473**	(357,040)
Consolidated working capital ratio (%)	**103%**	86%

The Company includes cash, receivables and investments in its capital management considerations. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders by maximizing investment returns through its potash assets and investment portfolio. The Company manages capital in proportion to risk and manages the investment portfolio and capital structure based on economic conditions and prevailing commodity pricing and trends.

Transactions with Related Parties

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-related entities on an arm's length basis.

Related parties include management, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties:

a) During the three months ended March 31, 2017, compensation, salaries and benefits of $180,000, (three months ended March 31, 2016 - $90,000) 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.

	Three Months Ended March 31, 2017 ($)	Three Months Ended March 31, 2016 ($)
FCON Consulting (1)(**)	90,000	45,000
Rob Theoret (2) (*)	45,000	22,500
101188810 Saskatchewan Ltd. (3)(*)	45,000	22,500
Total	**180,000**	**90,000**

(1) Controlled by Chief Executive Officer.

(2) Compensation to the Chief Financial Officer.

(3) VP, Corporate Services.

(*) Included in general and administrative expenses.

(**) 50% is included in exploration and evaluation assets and 50% is included in general and administrative expenses.

b) During the three months ended March 31, 2017, share-based payments of $179,347 were rewarded to directors and officers of the Company (three months ended March 31, 2016 - $nil).

	Three Months Ended March 31, 2017 ($)	Three Months Ended March 31, 2016 ($)
Mark Stauffer	19,722	-
Dwayne Dahl	28,228	-
Michael Ferguson	37,225	-
T. Robert Theoret	37,225	-
Deborah Morsky	37,225	-
Paul Martin	19,722	-
Total	**179,347**	**-**

b) To the knowledge of the directors and executive officers of the Company as of March 31, 2017, 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.

Outlook

For the immediate future, the Company intends to raise additional financing to continue with day-to-day operation, confirmation drilling and other resource confirmation activities as well as engineering and environmental studies as part of project development. The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Disclosure Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company uses the Venture Issuer Basic Certificate filed by the Company, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's MD&A for the fiscal year ended December 31, 2016, available on SEDAR at www.sedar.com.

Subsequent Events

1. Subsequent to March 31, 2017, 29,813 warrants were exercised at an exercise price of $0.12.

2. On April 24, 2017, the Company granted 3,000,000 stock options at an exercise price of $0.18.
3. On April 28, 2017, the Company engaged Industrial Alliance Securities Inc. ("IA") as sole agent in connection with a proposed best efforts marketed private placement for gross proceeds of up to $6,000,000 (the "Offering"). The Offering will consist of the sale of up to 11,111,111 common shares in the capital stock of the Company (the "Common Shares") at a price of $0.18 per Common Share, for gross proceeds of up to $2,000,000, and up to 20,000,000 Common Shares issued on a flow-through basis (the "Flow-Through Shares") for gross proceeds of up to $4,000,000 at a price of $0.20 per Flow-Through Share.

4. On April 3, 2017, The Company executed a shareholder agreement ("Shareholder Agreement") with Essel Group ME Limited ("EGME") to create a joint venture company, Vanguard Potash Corp. ("JV" or "Vanguard"), pursuant to the memorandum of understanding between the two parties announced on November 29, 2016.

   Vanguard is a private corporation incorporated under the laws of Saskatchewan and headquartered in Saskatoon, SK. Vanguard's sole purpose is:

   (i) to finance, develop, engineer, construct and operate a mine and processing plant to produce potash from the Vanguard asset near Eyebrow and Tugaske in Saskatchewan; and

   (ii) to market and sell the potash product.

   The key terms of the Shareholder Agreement are as follows:

   (a) EGME will contribute capital to Vanguard in two tranches:

(i) First tranche of $US 5M will be used to fund the feasibility study and will be provided following compliance with the required Canadian banking regulations and processes;

(ii) Second tranche of $US 200M, which represents the full estimated capital to construct and commissioning of the first facility of the Vanguard project;
(b) Gensource will assign a 49% interest in the KL 245 lease (the "Lease") to Vanguard;

(c) Gensource will assign the Mining Rights Agreement to Vanguard, allowing it to benefit from 100% of mining on the
Lease;

(d) Gensource will assign the Technical Services and Technology Agreement to Vanguard, bringing Gensource's expertise and unique approach to potash mining and processing to the JV;

(e) Vanguard will become 49% owned by EGME and 51% owned by Gensource upon receipt of the first tranche of financing ($US 5M). Once construction financing is committed and delivered (estimated at $US 200M), Vanguard will become 70% owned by EGME and 30% by Gensource;

(f) Following the completion of Phase One of the Vanguard 1 Project (to produce 250,000 tonnes of potash per annum), both parties shall make all commercially reasonable efforts to undertake and complete one or more expansion phase necessary to increase production of potash to a minimum of 1M tonnes/per annum, the final production target; and

(g) The board of Vanguard will initially comprise of three nominees of EGME and two nominees of Gensource. A jointly appointed management team will lead the development of the new potash facility. Gensource will maintain control of Vanguard until construction financing has been committed.