Gensource
POTASH CORP

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE THREE AND SIX MONTHS ENDED

JUNE 30, 2018

Introduction

The following interim Management's Discussion & Analysis ("Interim MD&A" or "MD&A") of Gensource Potash Corporation (the "Company" or "Gensource") for the three and six months ended June 30, 2018 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2017. 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, 2017, and 2016, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2018, 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 August 24, 2018, unless otherwise indicated.

Summary of Key Activities:

As indicated under "Subsequent Events" near the end of this MD&A, the company is pleased to have received a determination of "not a development" from the Environmental Assessment and Stewardship Branch ("EASB") of Saskatchewan Environment.

Mike Ferguson, President & CEO of the Company said "...the achievement of being assessed as 'not a development' under Saskatchewan's Environmental Assessment legislation (the "Act") is a significant milestone… in several ways:

- Firstly, it indicates that the detailed environmental assessment work completed by Gensource as part of its Project Proposal submission to EASB was comprehensive and complete, it also confirms that, as the Company has indicated, the Vanguard One project is very different from a traditional potash mine – its mining and processing techniques result in a very small environmental footprint.
- Secondly, the determination allows the project to proceed to the detailed construction licensing and permitting phase, making the project shovel-ready, and
- Finally, it is significant in that Vanguard One is the first potash project ever to be assessed in this way. Previously, all potash Project Proposals resulted in the determination that the project was a 'development' as defined under the Act and a full environmental impact assessment ("EIA" or "EIS") was required – a situation that was justified because of the significant impact a tradition potash mine has on the environment and its usage of public resources."

Additionally, the financing effort to put Vanguard One into construction and commissioning are progressing steadily towards a satisfactory conclusion.

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	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.

	with respect to the Company's properties.	
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending June 30, 2019.	The operating and exploration activities of the Company for the twelve-month period ending June 30, 2019, 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 six-month period ending June 30, 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 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.	Prolonged low-price environment, other new production and their combined depressing effect on gaining strategic partner interest; 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 June 30, 2018, was $1,786,591 (December 31, 2017 – $464,905), 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 below. 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 & McVicar LLP, 390 Bay Street, Suite 806, Toronto, Ontario, M5H 2Y2.

Operational Highlights

Corporate

On February 2, 2018, the Company granted 4,000,000 stock options at an exercise price of $0.09 and are exercisable for a period of 5 years. The options vest immediately.

During the three months ended March 31, 2018, the Company entered into two non-binding memorandums of understanding ("MOU") with large and well-established players in the North American agriculture industry, both of which are based in the USA. The subject of the MOUs was off-take for the future potash product from a Gensource production facility (the term "off-take" is simply the commitment to purchase product), and both MOUs were similar in that they contemplated the purchase of the full production from one of Gensource's modules of 250,000 t/year production capacity for an extended period. With these MOUs now signed, Gensource is proceeding with the next steps, which are: 1) the negotiation of definitive off-take agreements based on the MOUs and, 2) Project financing based on the off-taker agreement(s).

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

On May 31, 2018, the Company completed a non-brokered private financing by issuing 24,999,268 common shares at a price of $0.125 per share for aggregate gross proceeds of $3,124,909. As part of the financing, certain officers (the "Insiders") purchased an aggregate of 4,356,000 common shares. The Company paid commissions to certain finders consisting of cash payments of $199,760 and the issuance of 1,598,080 agent's warrants, exercisable into Common Shares at $0.125 per agent's warrant for a period of 18 months

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 vest options 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.

During the six months ended June 30, 2018, 4,749,438 warrants were exercised for gross proceeds of $548,283.

Exploration & Evaluation

Updates on the Vanguard One Project (the "Project")

- During Q2 2018, Gensource completed additional modelling and analysis of the proposed groundwater source for the Project, based on the data collected from the field investigation and pump testing completed in Q1. This resulted in a submission of the findings in a report to the Environmental Assessment and Stewardship (EAS) Branch. The scope of this work was completed by Golder Associates Ltd., and the EAS Branch confirmed that they now have all the information they require from Gensource to complete their review and make an environmental determination on the Project. Gensource anticipates a decision from the Government in Q3.

- Gensource began initial planning for the next stage of exploration work to occur in the Vanguard Area, to support the long-term development of the property, and to facilitate multiple projects (or "modules") in the area. This includes advancing the definition and understanding of the size and quality of the resource. As such, Gensource has initiated early efforts to define further field activities, which are anticipated to begin in Q3 of 2018.
- Gensource continued to engage with the villages of Tugaske and Eyebrow, and the surrounding communities, sharing information on the Project and corporate updates, as well as sharing information on upcoming field work in the area

Current and Future Plans Related to the Vanguard One Project

- As previously discussed, Gensource is anticipating a determination from the EAS Branch in Q3 of 2018, as to whether or not the Project is classified as a development. Not being classified as a development will facilitate a much more efficient permitting and licensing process for the Project.
- Gensource's executive team continues to advance assembly of the necessary Project financing, required to progress the Project into the detailed engineering procurement, and the construction phase.
- Gensource continued with preparations and planning for execution of the next phase of project development, including contract preparations and negotiations for key integrated team members (i.e. the engineering consultant, construction contractor). Gensource continues to have discussions with prospective equipment vendors and service providers, especially for the long-lead or specialty requirements for the Project.
- With the announcement of two off-take MOU's, with North American customers, Gensource has begun an engineering study into the implications of producing a granular, pink product (as opposed to the baseline of a standard, white product), as well as the requirement for bulk loading, handling, and hauling capabilities (as opposed to the containerization strategy incorporated in the baseline module). Conceptual engineering of these changes is underway.
- In May 2018, Gensource presented at the Canadian Institute of Mining, Metallurgy, and Petroleum (CIM) national conference in Vancouver. Gensource's presentation was entitled: "Disrupting the Potash Industry: Gensource's Sustainable, Environmentally, and Socially Responsible Approach to Potash Mining"

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 (Six Months Ended June 30, 2018)	(A) Spent	Plans for the Project	(B) Planned Expenditures
		Drilling, coring and assaying.	$2,000,000 (1)
Property acquisition and surface access fees	$291,390	Feasibility study and environmental and regulatory licensing work.	$500,000 (1)
Geological and project management	$32,637	Costs with respect to negotiations to engage a market partner	$150,000
Engineering	$8,909	Carrying costs to maintain properties in good standing	$300,000
Drilling	$204,406		
Seismic	$nil	Any expenditure is dependent upon reaching agreements with strategic partners and completing one or more financings.	
Environmental	$67,978		
Total	**$605,310**		**$ 2,950,000**

(1) At the date of this MD&A, the Company has decided to focus its resources on the Vanguard Area, that being the combined area as defined by Government of Saskatchewan Mineral Leases KL 244 and KL 245.

Updates on the Lazlo Project

No significant engineering or geological work was completed for the Lazlo project area during the six months ended June 30, 2018. However, the Company continues to work with its contacts in India to attract a market partner, which would allow development of the Lazlo Area.

Current and Future Plans Related to the Lazlo Project

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

Summary of Completed Activities (Six Months Ended June 30, 2018)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Land acquisition and staking	$5,617	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 no budgeted expenditures are not included for the Lazlo Area.	$20,000
Geological and project management	$nil		
Subtotals	**$5,617**		**$20,000**

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 June 30, 2018 compared to three months ended June 30, 2017

During the three months ended June 30, 2018, the Company had a consolidated net loss of $1,209,834 with basic and diluted loss per share of $0.00. This compares with a net loss of $867,244 with basic and diluted loss per share of $0.00 for the three months ended June 30, 2017. The increase in the net loss of $729,869 was principally because:

- ❖ Consolidated expenses during the three months ended June 30, 2018 were $1,231,293 (three months ended June 30, 2017 - $867,925), an increase of $363,368 is primarily because of general and administrative costs of $729,869 which was offset by lower stock-based compensation of $366,155.

- ❖ During the three months ended June 30, 2018, the Company recorded interest income of $657 (three months ended June 30, 2017 – $681), unrealized loss on investments of $72 (three months ended June 30, 2017 – unrealized loss of $nil) as the company's portfolio decreased in value and a flow-through premium obligation discharged of $20,874 (three months ended June 30, 2017 - $nil).

- ❖ During the three months ended June 30, 2018, overall general and administrative expenses were $729,869 higher than the comparative period in 2017. The following is a breakdown of general and administrative expenses for the three months ended June 30, 2018 and 2017:

Three Months Ended June 30,	2018 $	2017 $	Change $
Wages, benefits and incentive compensation (1)	36,826	17,321	19,505
Sales and marketing (1)	262,076	111,240	150,836
Professional fees (2)	723,261	169,566	553,695
Office and general (1)	138,202	132,369	5,833
Total general and administrative expenses	1,160,365	430,496	729,869

(1) Costs were higher during the three months ended June 30, 2018 as a result an increase in office and general expenses activities as the Company increases the financing efforts.

(2) Professional fees increased as $557,000 in bonuses were paid to senior management for securing offtake agreement and increased effort in securing financing.

Consolidated assets

Consolidated assets were $14,177,341 at June 30, 2018 (December 31, 2017 - $12,319,964), an increase of approximately 15%. Exploration and evaluation assets increased by approximately 5% from December 31, 2017. The total amount of exploration and evaluation assets represents approximately 85% of total assets (December 31, 2017 – 93% of total assets). Receivables increased by approximately 33% from December 31, 2017. Further, the Company had a decrease in prepaid expenses and deposit of approximately 77% and a decrease in property, plant and equipment of approximately 13%. At June 30, 2018, the Company had cash of $1,786,591 (December 31, 2017 - $464,905), with an increase of $1,321,686.

Consolidated liabilities

At June 30, 2018, consolidated liabilities were $226,337 (December 31, 2017 - $208,554). The variation is primarily because of the increase in amounts payable and other liabilities.

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

Shareholders' equity

At June 30, 2018, shareholders' equity increased by $1,839,594, which is primarily due to the increase in share capital of $3,455,754. The increase is primarily offset by the increase in deficit of $2,193,541 during the six months ended June 30, 2018.

As at June 30, 2018, the Company had 351,010,382 common shares issued and outstanding, 30,510,607 common share purchase warrants outstanding and 30,510,607 stock options outstanding, of which 26,510,607 were vested.

Investment portfolio

The Company's investments consist primarily of resource companies whose principal business is exploration and development. During the six months ended June 30, 2018, 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 $75 (six months ended June 30, 2017 – unrealized loss of $1,146). At June 30, 2018, the market value of the Company's investments was $9,745 (December 31, 2017– $9,820).

Cash Flow

For the six months ended June 30, 2018, the Company increased its cash position by $1,321,686 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 $111,954, totaled $1,519,589 during the six months ended June 30, 2018. This was as a result of net loss of $2,193,541 for the six months ended June 30, 2018, adjusted for non-cash transactions including mainly share-based payments of $580,933, depreciation of $1,915 and flow-through premium obligation of ($20,925).

Cash used in investing activities during the six months ended June 30, 2018 consisted of the acquisition and expenditure of exploration and evaluation assets of $610,927. The cost was mainly for property acquisition and surface access fees of $297,007 and drilling of $204,406.

During the six months ended June 30, 2018, the Company received $3,452,202 in cash proceeds from financing activities as the Company issued 24,999,268 common shares at a price of $0.125 per share for gross proceeds of $3,124,909 and 4,749,438 warrants were exercised for gross proceeds of $544,731.

This was offset with cost of issuance of $217,438 which includes cash payment to certain finders consisting in commissions of $199,760.

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	**June 30, 2018**	December 31, 2017
Consolidated working capital ($)	**1,869,734**	639,077
Consolidated working capital ratio (%)	**926%**	406%

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. The Company manages capital in proportion to risk and manages the capital structure based on economic conditions and business objectives.

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 and months ended June 30, 2018, compensation, salaries and benefits of $712,000 and $892,000, respectively (three and six months ended June 30, 2017 - $180,000 and $360,000, 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.

	Three Months Ended June 30, 2018 ($)	**Three Months Ended June 30, 2017 ($)**	**Six Months Ended June 30, 2018 ($)**	**Six Months Ended June 30, 2017 ($)**
FCON Consulting (1)(**)	335,000	90,000	425,000	180,000
Rob Theoret (2) (*)	207,000	45,000	252,000	90,000
101188810 Saskatchewan Ltd. (3)(*)	170,000	45,000	215,000	90,000
Total	**712,000**	**180,000**	**892,000**	**360,000**

(1) Controlled by Chief Executive Officer.

(2) Compensation to the Chief Financial Officer.

(3) VP, Corporate Services.

(*) Included in general and administrative expenses.

(**) 37.5% is included in exploration and evaluation assets and 62.5% is included in general and administrative expenses for 2017.

b) During the three and six months ended June 30, 2018, share-based payments of $12,000 and $365,874, respectively were rewarded to directors and officers of the Company (three and six months ended June 30, 2017 - $139,570 and $318,917, respectively).

	Three Months Ended June 30, 2018 ($)	**Three Months Ended June 30, 2017 ($)**
Mark Stauffer	-	10,685
Dwayne Dahl	-	27,165
Michael Ferguson	-	30,345
T. Robert Theoret	-	30,345
Deborah Morsky	-	30,345
Paul Martin	-	10,685
Calvin Redlick	12,000	-
Total	**12,000**	**139,570**

	Six Months Ended June 30, 2018 ($)	**Six Months Ended June 30, 2017 ($)**
Mark Stauffer	49,023	30,407
Dwayne Dahl	49,023	55,393
Michael Ferguson	59,734	67,750
T. Robert Theoret	59,734	67,750
Deborah Morsky	59,734	67,750
Paul Martin	38,313	30,407
Calvin Redlick	50,313	-
Total	**365,874**	**318,917**

c) To the knowledge of the directors and executive officers of the Company as of June 30, 2018, 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.

As part of the May 31, 2018 financing, certain officers purchased an aggregate of 4,356,000 common shares.

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, complete the current negotiations with various market partners, and complete 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, 2017, available on SEDAR at www.sedar.com.

Subsequent Events

1. Subsequent to the six months ended June 30, 2018, the Company received a determination of "not a development" from the Saskatchewan Ministry of Environment, Environmental Assessment and Stewardship Branch. This is a significant milestone that now allows the Vanguard One project to proceed to the detailed construction licensing/permitting process. Having achieved environmental approval, Vanguard One is now "shovel ready".

2. Subsequent to the six months ended June 30, 2018, the Company granted 1,000,000 stock options to a director of the Company. The Options have vest immediately and have an exercise price of $0.145 and are exercisable for a period of 5 years.

3. Subsequent to the six months ended June 30, 2018, the following warrants were exercised:
    a. 222,222 warrants at a price $0.09, expiry date September 19, 2018; and
    b. 40,000 warrants at a price $0.11, expiry date September 19, 2018.