Gensource
POTASH CORP

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 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 nine months ended September 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 nine months ended September 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 November 28, 2018, unless otherwise indicated.

Summary of Key Activities:

- Achievement of the Environmental Assessment approval in August 2018,
- Control established over the desired surface land for the plant site by an option agreement with the existing landowner.

With the above in place, the Company had all the components required to push ahead with project financing activities. Those project finance activities have been the focus of the Company's work since late August 2018 and significant progress has been made:

  - A project capital structure has been created and reviewed with potential finance groups, and while not yet finalized, the structure appears workable to all parties and contains components of Equity, Stream (a stream financing structure provides a pre-payment, to be used for construction, against the delivery of future product to the streamer) and Senior Debt.
  - Initial term sheets have been received for the Equity and Stream components. These are non-binding term sheets that set the stage for detailed due diligence towards a financial close.
  - Several lenders (both traditional banks and alternative private lenders) have been engaged to participate in the Senior Debt component of the capital structure. These discussions are, as of this writing, in the final stages leading to term sheets.
  - The plan for the coming quarter is to complete the initial term sheet process and progress into the required due diligence efforts, with a goal to reach financial close as early in the new year as practicable.

- The Company mobilized a drilling program in the Vanguard Area (on the KL 245 lease) to expand upon and improve confidence in the existing resource and reserve in the area. The Company will use the results, to begin planning for the next project in the Vanguard Area. The drilling and core analysis should be complete before the end of 2018, and once complete, a revised NI 43-101 report will be issued, describing the results of the drill program.

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	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

	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.	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 September 30, 2019.	The operating and exploration activities of the Company for the twelve-month period ending September 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 nine-month period ending September 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 September 30, 2018, was $1,562,686 (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 Q1, 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 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.

On July 19, 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 to vest immediately

During the nine months ended September 30, 2018, 5,772,642 warrants were exercised for gross proceeds of $658,192.

Exploration & Evaluation

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

- Gensource kicked off drilling and coring of a new potash exploration well, in the Vanguard Area in Q3 of 2018. The purpose of this well is to define and upgrade the extent, grade, and classification of the potash resource in the Vanguard Area, paving the way for the next possible mining areas to support future projects. Drilling work will continue into Q4 and will conclude with the issuing of an NI43-101 report.

- As per previous announcements regarding the definitive off-take agreement with a senior North American agriculture industry leader, Gensource engaged a local engineering and cost consultant to assess the required changes to the Vanguard One module design and cost (original designed to produce a standard, white, final potash product) as per the Feasibility Study completed in May 2017. The definitive offtake agreement requires the module be designed to produce a granular, pink product to serve their desired market, along with having additional site storage capacity of 25,000 tons. As such, study was completed in Q3 to determine the impact of these changes on the original design and cost.
- To gain further confidence in the selective solution mining design parameters, and the horizontal cavern development, two separate consultants have been engaged to completed advanced analytical studies and modelling, helping the Gensource technical team confirm the performance of the current design. The outcome of these two studies will feed into the detailed engineering of the Vanguard One project and allow for opportunities to optimize and refine some the design parameters.
- In Q3, Gensource continued to negotiate the securement of the land package for the preferred location of the Vanguard One plant site, making positive progress which led to a subsequent news release.
- Gensource has been engaging key members of the Saskatchewan Government, taking meetings with several ministers and staff of the different departments to discuss Gensource and the upcoming Vanguard One project.
- 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

- In Q4 Gensource will continue with the exploration drilling, completing recovery of the potash core, followed by the geological logging, assays, and modelling; ultimately resulting in the production of a revised NI43-101 Technical Report.
- In Q4, Gensource will also progress the dissolution study and cavern modelling efforts, to further define and refine the optimal design parameters for the selective solution and horizontal mining process.
- Gensource has and will continue with preparations and planning for execution of the next phase of project development for Vanguard One, 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. Upon completion of the necessary project financing, the project will proceed into the detailed engineering, procurement, and construction phase.
- Gensource will continue to engage with the local communities and provincial government, to share information and plans on the company and the Vanguard One project, aiming to create awareness and alignment on the objectives and opportunities Gensource will bring to the province of Saskatchewan.

Current and Future Plans Related to the Vanguard Two Project

- The Company continues to work with several parties to establish a firm off-take agreement for product from Vanguard Two (i.e., the second small project in the Vanguard Area). This effort is progressing well with wide-spread interest in the business model and in the direct supply chain that will be created for the off-taker.

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 (Nine Months Ended September 30, 2018)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Property acquisition and surface access fees Geological and project management Engineering Drilling Seismic Environmental	$430,564 $ 94,360 $ 21,373 $213,502 $ nil $ 68,779	Drilling, coring and assaying. Feasibility study and environmental and regulatory licensing work. Costs with respect to completing a project finance package for the Vanguard One Project. Study work with respect to refining design parameters in preparation for beginning construction engineering Carrying costs to maintain properties in good standing Any expenditure is dependent upon reaching agreements with strategic partners and completing one or more financings.	$1,400,000 $ 100,000 $ 250,000 $ 150,000 $ nil
Total	**$828,578**		**$ 1,900,000**

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Updates on the Lazlo Project

No significant engineering or geological work was completed for the Lazlo project area during the nine months ended September 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 (Nine Months Ended September 30, 2018)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Land acquisition and staking Geological and project management	$6,698 $nil	Costs associated with maintaining existing lease agreements in good standing.	$10,000

		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 no budgeted expenditures are not included for the Lazlo Area.	
Subtotals	**$6,689**		**$10,000**

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

<u>Three months ended September 30, 2018 compared to three months ended September 30, 2017</u>

During the three months ended September 30, 2018, the Company had a consolidated net loss of $719,375 with basic and diluted loss per share of $0.00. This compares with a net loss of $765,443 with basic and diluted loss per share of $0.00 for the three months ended September 30, 2017. The decrease in the net loss of $46,068 was principally because:

- ❖ Consolidated expenses during the three months ended September 30, 2018 were $732,707 (three months ended September 30, 2017 - $776,759), a decrease of $44,052 is primarily because lower stock-based compensation of $43,871.

- ❖ During the three months ended September 30, 2018, the Company recorded interest income of $5,941 (three months ended September 30, 2017 – $534), unrealized loss on investments of $nil (three months ended September 30, 2017 – unrealized gain of $1,137) as the company's portfolio decreased in value and a flow-through premium obligation discharged of $7,391 (three months ended September 30, 2017 - $9,645).

- ❖ During the three months ended September 30, 2018, overall general and administrative expenses were $166 higher than the comparative period in 2017. The following is a breakdown of general and administrative expenses for the three months ended September 30, 2018 and 2017:

Three Months Ended September 30,	2018	2017	Change
	$	$	$
Wages, benefits and incentive compensation	11,117	2,162	8,955

Sales and marketing [1]	176,932	213,120	(36,188)
Professional fees [2]	169,172	120,163	49,009
Office and general	139,815	161,425	(21,610)
Total general and administrative expenses	497,036	496,870	166

(1) Costs were lower during the three months ended September 30, 2018 as a result a decrease in marketing and promotion activities as the Company progress into the required due diligence efforts.
(2) Professional fees increased in legal and advisory expenses as the Company progress into the required due diligence efforts.

Consolidated assets

Consolidated assets were $13,925,920 at September 30, 2018 (December 31, 2017 - $12,319,964), an increase of approximately 13%. Exploration and evaluation assets increased by approximately 7% from December 31, 2017. The total amount of exploration and evaluation assets represents approximately 93% of total assets (December 31, 2017 – 93% of total assets). Receivables decreased by approximately 85% from December 31, 2017. Further, the Company had a decrease in prepaid expenses and deposit of approximately 84% and a decrease in property, plant and equipment of approximately 19%. At September 30, 2018, the Company had cash of $1,562,686 (December 31, 2017 - $464,905), with an increase of $1,321,686.

Consolidated liabilities

At September 30, 2018, consolidated liabilities were $345,987 (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 September 30, 2018, shareholders' equity increased by $1,468,523, which is primarily due to the increase in share capital of $3,547,820. The increase is primarily offset by the increase in deficit of $2,912,916 during the nine months ended September 30, 2018.

As at September 30, 2018, the Company had 352,033,586 common shares issued and outstanding, 20,868,745 common share purchase warrants outstanding and 31,510,607 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 nine months ended September 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 (nine months ended September 30, 2017 – unrealized loss of $9). At September 30, 2018, the market value of the Company's investments was $9,745 (December 31, 2017– $9,820).

Cash Flow

For the nine months ended September 30, 2018, the Company increased its cash position by $1,097,781 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 $1,632,736 during the nine months ended September 30, 2018. This was as a result of net loss of $2,912,916 for the nine months ended September 30, 2018, adjusted for non-cash transactions including mainly share-based payments of $815,646, depreciation of $2,873 and flow-through premium obligation of ($28,316).

Cash used in investing activities during the nine months ended September 30, 2018 consisted of the acquisition and expenditure of exploration and evaluation assets of $835,276. The cost was mainly for property acquisition and surface access fees of $430,564, drilling of $213,502 and geological and project management of $93,360.

During the nine months ended September 30, 2018, the Company received $3,565,793 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 5,772,642 warrants were exercised for gross proceeds of $644,255. This was offset with cost of issuance of $217,308 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	**September 30, 2018**	December 31, 2017
Consolidated working capital ($)	**1,275,272**	639,077
Consolidated working capital ratio (%)	**649%**	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 September 30, 2018, compensation, salaries and benefits of $165,000 and $1,057,000, respectively (three and nine months ended September 30, 2017 - $180,000 and $540,000, 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 September 30, 2018 ($)	Three Months Ended September 30, 2017 ($)	Nine Months Ended September 30, 2018 ($)	Nine Months Ended September 30, 2017 ($)
FCON Consulting (1)(**)	75,000	90,000	500,000	270,000
Rob Theoret (2) (*)	45,000	45,000	297,000	135,000
101188810 Saskatchewan Ltd. (3)(*)	45,000	45,000	260,000	135,000
Total	**165,000**	**180,000**	**1,057,000**	**540,000**

(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 nine months ended September 30, 2018, share-based payments of $188,862 and $554,73636, respectively were rewarded to directors and officers of the Company (three and nine months ended September 30, 2017 - $131,211 and $450,128, respectively).

	Three Months Ended September 30, 2018 ($)	Three Months Ended September 30, 2017 ($)
Mark Stauffer	-	12,981
Dwayne Dahl	-	27,364
Michael Ferguson	-	25,962
T. Robert Theoret	-	25,962
Deborah Morsky	-	25,962
Paul Martin	-	12,980
Calvin Redlick	43,862	-
Mike Mueller	145,000	-
Total	**188,862**	**131,211**

	Nine Months Ended September 30, 2018 ($)	Nine Months Ended September 30, 2017 ($)
Mark Stauffer	49,023	43,388
Dwayne Dahl	49,023	82,757
Michael Ferguson	59,734	93,532
T. Robert Theoret	59,734	93,532

Deborah Morsky	59,734	93,532
Paul Martin	38,313	43,387
Calvin Redlick	94,175	-
Mike Mueller	145,000	
Total	**554,736**	**450,128**

c) To the knowledge of the directors and executive officers of the Company as of September 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 three and nine months ended September 30, 2018, 2,652,026 warrants expired unexercised.
2. Subsequent to the three and nine months ended September 30, 2018, 2,000,000 options expired unexercised.
3. Subsequent to the three and nine months ended September 30, 2018, the company mobilized a drilling program in the Vanguard Area (on the KL 245 lease) to expand upon and improve confidence in the existing resource and reserve in the area. The Company will use the results to begin planning for the next project in the Vanguard Area. The drilling and core analysis should be complete before the end of 2018, and once complete, a revised NI 43-101 report will be issued, describing the results of the drill program.