Gensource
POTASH CORP

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

DECEMBER 31, 2020

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Gensource Potash Corporation (the "Company" or "Gensource") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2020 This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2020 and December 31, 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of March 25 2021, unless otherwise indicated.

The following 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 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.**

Summary of Key Activities During the Year

Gensource continues to focus its efforts on the completion of the financing for the Tugaske Project ("Tugaske" or the "Project") while beginning work on the development of a new project, per the Company's clearly stated strategic business approach.

Tugaske, the first of the Company's small and environmentally sustainable potash production modules, is being implemented through a joint venture with Helm Fertilizer Corp., a subsidiary of Helm AG of Germany (together, "Helm"). The product from Tugaske will be purchased and marketed by Helm through its existing distribution network in the US market.

The efforts for Tugaske now are focused on the ECA (Export Credit Agency) approval process. The German ECA, Euler Hermes ("EH"), relies on independent due diligence analysis, in this case provided by Pricewaterhouse Coopers (PWC) in Germany, as part of its approval process. The Company and its partners are working diligently to complete the EH process successfully, which should then trigger senior lenders' commitment letters for the debt facility. The information required by the ECA includes all due diligence material already completed, as well as fully agreed detailed debt financing terms and a project capital structure agreed by all parties. In addition (because the ECA export credit coverage relies on the procurement of German country of origin equipment, material and services) detailed and completed procurement contracts for all equipment, material and services procured under the ECA program are required. To complete such procurement contracts, significant engineering and contract negotiation work is required. This work, in addition to completion of negotiations towards a finalized capital structure for the joint venture and negotiation of final detailed debt terms, is the current focus of the Company.

In parallel, Gensource continues to ensure that the project is advancing by ensuring that critical up-front engineering and procurement work is completed in a timely fashion. To that end, the Company has completed up-front engineering with its key process plant supplier, KKE, to confirm engineering and commercial details for the equipment package and be in a position to move to detailed engineering as efficiently as possible.

In addition, to create complete and up-to-date disclosure for its Tugaske Project, Gensource began organizational efforts late Q4 2020 to provide an updated NI 43-101 Technical Report for the Tugaske Project that will consolidate all technical and financial information generated throughout the project financing process. The updated NI 43-101 Technical Report was published on March 22, 2021.

Gensource has received indications of interest from new and independent parties interested in the business model being offered by the Company and is engaging with those parties to germinate a new project.

Summary of Key Activities Since Year End

On February 12, 2021, the Company completed a non-brokered private placement financing (the "Offering"). The Offering consisted of the non-brokered sale of 29,032,123 common shares at $0.18 per common share for gross proceeds of $5,225,782. In relation to the Offering, the Company paid commissions to certain licensed finders. The commissions paid to the finders consisted of cash payments of $251,490 and the issuance to the finders of 1,397,165 broker warrants exercisable into common shares at $0.18 per broker's warrant for a period of 36 months following the closing date.

On March 22, 2021, the Company announced the completion of an up-to-date NI 43-101 Technical Report summarizing the Tugaske Project

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 December 31, 2021.	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2021, 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 December 31, 2021 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.

Forward-looking statements	Assumptions	Risk factors
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 December 31, 2020, was $748,946 (December 31, 2019 – $7,490,488), 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.
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 Potash is a fertilizer development company based in Saskatoon, Saskatchewan and is on track to become the next fertilizer production company in that province. With a small scale and an environmentally leading approach to potash production, Gensource believes its technical and business model will be the future of the industry. Gensource operates under a business plan that has two key components: (1) vertical integration with the market to ensure that all production capacity built is directed, and pre-sold, to a specific market, eliminating market-side risk; and (2) technical innovation which will allow for a small and economic potash production facility, that demonstrates environmental leadership within the industry, producing no salt tailings, therefore eliminating decommissioning risk, and requiring no surface brine ponds, thereby removing the single largest negative environmental aspect of potash mining.

Its registered head office is located at Peterson McVicar, 18 King Street, Suite 902, Toronto, Ontario, M5C 1C4.

Operational Highlights

Corporate

On January 30, 2020, the Company announced that HELM AG is the offtaker for the Tugaske project.

February 11, 2020, the Company announced the engagement of thinkHERO Incorporated as a strategic branding and communications partner. thinkHERO has been retained to provide heightened brand awareness for Gensource to its various stakeholders. Initial services will include branding and marketing, website design and development, and digital and social presence. Beyond this initial work, thinkHERO will provide investor and media relations. The Company granted an aggregate of 300,000 stock options at an exercise price of $0.11 per share, exercisable for a period of 5 years. 75,000 options vested immediately; 75,000 on May 10, 2020; 75,000 on August 10, 2020; and 75,000 on November 10, 2020.

On March 23, 2020, the Company announced that Amy O'Shea had agreed to join the board of directors of the Company effective April 1, 2020.

On May 19, 2020, the Company announced that Société Générale was added to the senior bank consortium group.

On November 5, 2020, the Company announced it has negotiated the fundamental shareholding structure with the project off-taker and equity investor, Helm AG, and another financial investor for the Tugaske Project Special Purpose Vehicle ("SPV"). Under the shareholding structure, Gensource will own 49.98% of the SPV while HELM and the other investor will each own 25.01%. The Company's ownership interest comprises two components: a USD $30 million "paid-in capital" amount (representing the value of the project that will be vended into the SPV plus the project financing costs expended), and; a cash investment. In addition to being a shareholder of the SPV, HELM is also the offtake partner of the Tugaske Project and committed to purchasing 100% of the production.

On November 26, 2020, the Company announced that, in alignment with its partner and Tugaske Project off-taker, Helm AG, it made the decision to replace the "financial investor" as identified in the Tugaske Project SPV (Special Purpose Vehicle). Both Helm and Gensource are of the view that this is a positive step that augers well for the future business success of the SPV.

In late Q4 2020, the Company started organizational work for the preparation of a NI 43-101 Technical Report for the Tugaske Project that will consolidate and disclose all pertinent technical and financial information that has been generated during the project financing process. The Technical Report was published on March 22, 2021.

Exploration & Evaluation

The Vanguard Area is located in central Saskatchewan and comprises two Government of Saskatchewan mineral leases, KL244 and KL245.

<u>Historical information on the development of the Vanguard Area:</u>

To date, Gensource has completed the following four (4) National Instrument (NI) 43-101 Technical Reports for the Vanguard Area, which are all available on SEDAR (www.sedar.com):

- an initial Resource NI 43-101 Report, dated April 22, 2016, which defined Inferred Mineral Resource and Exploration Targets on the property based on geological work completed: *Technical Report for the Acquisition of Potash Dispositions KP 363 & KP 483, Saskatchewan* (Fourie, 2016);
- a Preliminary Economic Assessment (PEA) NI 43-101 dated July 15, 2016. This work indicated a financially attractive and viable project and contained recommendations to proceed with further geological work, as well as a feasibility study: *Technical Report – Preliminary Economic Assessment for the Vanguard Project* (Fourie et al., 2016);
- an updated NI 43-101 Resource Report, issued on March 15, 2017, which defined a Mineral Resource in the Indicated and Inferred categories: *Technical Report for the Updated Resource on the Vanguard Potash Project, Saskatchewan* (Fourie, 2017); and
- an NI 43-101 Technical Report, issued on February 23, 2018, summarizing the Feasibility Study for the Vanguard One Project, complete with Reserve and Resource updates – confirming the technical and economic feasibility of the Project: *Technical Report Summarizing the Feasibility Study for the Vanguard One Potash Project, Saskatchewan* (Fourie et al., 2018)

Since acquiring the property from Yancoal in 2016, including converting the potash permits to potash leases, Gensource has successfully completed exploration drilling of four (4) wells in its 100% owned Vanguard Area, spanning from 2016 to 2019 - complete with core recovery, geological assays, and geophysical (wireline) data collection. A summary of these 4 wells, in chronological order, is provided in the table below. These wells furthered Gensource's definition of the Prairie Evaporite formation in the Vanguard Area and supported the completion of several NI 43-101 Technical Reports – serving as inputs into the Resource and Reserve.

Unique Well ID (UWI)	Abbreviation	Date Spudded	Date Rig Released
101/01-16-022-02W3/00	V-1-16	21-Nov-2016	12-Dec-2016
102/01-14-022-02W3/00	V-1-14	13-Dec-2016	03-Jan-2017
101/04-01-022-02W3/00	V-4-1	17-Oct-2018	01-Nov-2018
102/08-04-022-02W3/00	V-8-4	23-Nov-2019	13-Dec-2019

In February 2017, Gensource engaged RPS Energy Ltd, to complete a 3D seismic program in the Vanguard Area. The 3D seismic area focused on a portion of KL 245 only, which was selected to be as focused as possible to define the Resource & Reserve to the extent necessary, while being large enough to provide many options in terms of the selection of the potential mining area. Overall, the 3D seismic program covered an area of 34.37 square kilometres (13.27 square miles).

Gensource has also advanced the engineering and design efforts for its vertically integrated, small-scale, potash production facilities, referred to as "modules", in the Vanguard Area. The following efforts have allowed Gensource to advance specific Projects towards implementation:

- Gensource completed a detailed Feasibility Study for a module in the Vanguard Area, which was being referred to at the time as the "Vanguard One Project". The detailed Vanguard One Feasibility Report (Engcomp, 2017) was subsequently summarized and disclosed in the NI43-101 Technical Report (Fourie et al., 2018).
- As per a news release on May 21, 2019 Gensource announced it had entered into non-binding Memoranda of Understanding (MOU) to form a joint venture (JV) company to develop the Tugaske Project. In a subsequent news release dated January 30, 2020, Gensource officially announced HELM AG and its North American subsidiary, HELM Fertilizer Corp (together "HELM") as the Tugaske Project's Offtaker. The Tugaske Project module is a minor modification to the Vanguard One Project module, as specific design elements were adjusted to suit requirements of the intended potash market. Since the intent of the Tugaske Project (and its ownership partners) is to direct the pre-sold product from the Tugaske module to the North American potash market (predominantly in the Unites States), the Tugaske module has been updated to suit the demands of the North American potash customers. The details for the Tugaske Project are supported by the relevant information developed as part of the Vanguard One Project. A detailed Tugaske Project Feasibility Study Report (Gensource, 2020) was prepared in February 2020, to support project finance due diligence reviews.
- Concurrent to the project finance due diligence on the Tugaske Project, further Front-End Engineering & Design (FEED) efforts were completed by the project team to not only support due diligence reviews, but to also continue to prepare the Tugaske Project for full execution. The work was completed by Gensource and key members of its integrated team. The efforts during FEED were summarized into the Tugaske Project FEED Report (Gensource, 2020) which was issued to the due diligence reviewers, to supplement the information contained in the Tugaske Project Feasibility Report (Gensource, 2020).

<u>Current and Future Plans Related to the Vanguard One Project:</u>

- The Vanguard One Project still has an offtake agreement in place, and Gensource is continuing to seek debt and equity partners for that Project, before advancing the Project to the next stage of development.

Current and Future Plans Related to the Tugaske Project:

- In Q4, the consortium of 3 German-based design and fabrication companies, K-UTEC AG Salt Technologies, Koeppern GmbH & Co KG, and Ebner GmbH & Co KG advanced engineering activities required to move forward to equipment fabrication and orders for their design-supply-commission scope of the process plant for the Tugaske Project.
- Gensource continued with the development of several key export contracts for the Project, as driven by the Euler-Hermes ECA process. The goal of the team is to have these contracts ready for execution, and orders placed, once the necessary pre-requisite financing milestones are complete.
- Efforts to support permitting and licensing requirements were advanced – mainly to enable the Project to move into cavern drilling early in the next stage of the Project. These efforts included securing long-term surface leases for well pads required for drilling, as well as easement agreements for the brine pipeline right-of-way – both required for the completion of the wellfield portion of the Project.
- Gensource continued to work with the core group of the integrated project team - Engcomp (Lead Engineering Consultant) and South East Construction (Construction General Contractor), to advance key work packages that allow an efficient ramp-up to full project execution, including construction, upon completion of the project financing efforts underway.

Current and Future Plans Related to the Vanguard Area

The Vanguard Area is large enough to support several of the Company's small-scale projects and it is the intent of the Company to pursue additional projects within the Vanguard Area. Gensource is always on the lookout for like-minded partners with whom to advance a project. The following summarizes the Company's current development plans in the Vanguard Area, total estimated cost to complete the project development work, and total expenditures incurred to date.

Summary of Completed Activities (Year ended December 31, 2020)	(A) Spent		Plans for the Project (Calendar Year 2021)	(B) Planned Expenditures
Property acquisition and surface access fees	$ 378,628		Engineering and construction preparations	$1,000,000
Geological and project management	$ 498,713		Deferred Finance Costs	$ 230,000
Engineering	$ 976,668		Technical Reports/Feasibility	$1,770,000
Drilling	$ 41,017			
Seismic	$ Nil		Carrying costs to maintain properties in good standing	$ 400,000
Environmental	$ 36,166			
Technical reports/Feasibility analysis	$2,280,350			
Total	**$4,211,542**			**$3,400,000**

Note to Table: The expenditures identified do not include the capital expenditures planned to execute the Tugaske Project. Such capital expenditures will depend on a successful financial close and, upon financial close of the financing package for the Tugaske Project, the capital expenditures made for the Project will be made by the SPV.

- Gensource will continue to advance the engineering, procurement, regulatory and permitting, and project management work that can be executed prior to financial close to ensure that: 1) the Tugaske Project is as ready as it can be to move into full execution, and 2) to ensure project information is as accurate and current as it can be, in order to reduce risk and fine tune the finance structure as efficiently as possible.
- On March 22, 2021, the Company announced the completion of an up-to-date NI 43-101 Technical Report summarizing the Tugaske Project, in order to ensure that current information regarding the technical and economic aspects of the Project are publicly available.

The following table shows estimated Expenditures for the Tugaske Project, targeted to move into full execution in 2021, taking approximately 2 years to complete construction and transition the Project to operations. This table is revised to reflect the revisions to the Project, as integrated during the FEED efforts in Q2 2021:

TUGASKE PROJECT - CAPITAL COST ESTIMATE SUMMARY

WBS Area	Area Description	Grand Total Cost ($CAD)	Grand Total Cost ($USD)	% of Total
100	Mining	$ 30,760,003	$ 22,785,188	9%
200	Wellfield	$ 17,084,230	$ 12,654,985	5%
300	Process Plant	$ 98,044,129	$ 72,625,281	28%
400	Product Storage and Loadout	$ 15,893,291	$ 11,772,808	4%
500	Site Infrastructure	$ 23,737,903	$ 17,583,632	7%
600	Offsites	$ 7,879,549	$ 5,836,703	2%
700	Non-Process Facilities	$ 30,947,811	$ 22,924,304	9%
	TOTAL DIRECT COST	**$ 224,346,916**	**$ 166,182,901**	**63%**
900	Project Indirects	$ 97,187,061	$ 71,990,416	27%
	TOTAL INDIRECT COSTS	**$ 97,187,061**	**$ 71,990,416**	**27%**
	TOTAL DIRECT + INDIRECT COSTS	**$ 321,533,977**	**$ 238,173,316**	**91%**
980	Contingency	$ 32,153,398	$ 23,817,332	9%
	TOTAL PROVISIONAL COSTS	**$ 32,153,398**	**$ 23,817,332**	**9%**
	GRAND TOTAL COST	**$ 353,687,375**	**$ 261,990,648**	**100%**

Details regarding the financing package for the Tugaske Project have been advanced with the Senior Lenders. The financing package includes costs for not only CAPEX, but also other financing costs including fees, closing costs, Export Credit Agency (ECA) premiums, interest during construction, cost overrun account, debt service reserve account, price protection account and other senior lender provisions. Incorporating these financing costs with the revised CAPEX and OPEX into the updated financial model (which, at the time this report is undergoing its final audit process), it has been found that performance of the Project remains robust, demonstrating attractive economics. While the final financial structure will not be finalized until such time as the senior debt facility agreement is signed, the following table below shows the baseline sources and uses for the Project that are the basis for the calculation of financial performance. These financial model input parameters are subject to change as the definitive senior debt facility agreement is completed. Detailed financial terms are currently under negotiation and therefore not available for disclosure at the time of this report.

Description	Amount ($US)	Percent of Total
Sources:		
Senior Debt	213,000,000	60.32%
Equity or Equity-like	140,138,517	39.78%
Total Sources:	**353,138,517**	**100%**
Uses:		
Capex	238,173,316	67.4%
Project Contingency	23,817,332	6.7%
Cost Overrun Account	30,000,000	8.5%
Banking and Closing Costs	25,660,079	7.3%
Project Value (non-cash)	30,000,000	8.5%
Interest during construction	5,487,790	1.6%
Total Uses:	**353,138,517**	100%

Current and Future Plans Related to the Lazlo Project:

No significant engineering or geological work was completed for the Lazlo project area during the year ended December 31, 2020, nor is any currently planned, pending completion of work on the Tugaske Project.

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 (Year ended December 31, 2020)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Land acquisition and staking Geological and project management	$7,363	At the date of this MD&A, it is more likely, in the immediate term, for the Company to pursue The Tugaske Area project and therefore the budgeted expenditures are not included here.	$10,000
Total	**$7,363**		**$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".

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global potash prices;
- Demand for potash and the ability to explore and develop for potash;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Saskatchewan have not introduced measures that have directly impeded the operational activities of the Company. Although cash in the Company has materially declined, management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Results of Operations

Year Ended December 31, 2020, Compared to Year Ended December 31, 2019

During the year ended December 31, 2020, the Company had a net loss of $1,002,361 year ended December 31, 2019 – loss of $2,724,723, resulting in a decrease of $1,722,362.

Expenses during the year ended December 31, 2020 were $996,224 (year ended December 31, 2019 - $2,967,706), a decrease of $1,971,482, and is primarily due to Share-based payments was $132,900 during the year ended December 31, 2020, compare to $1,009,305 for the year ended December 31, 2019, due to less options issued and vested during the year ended December 31, 2020. General and administrative expenses decreased by $1,095,744 due to costs recorded as Technical Report and Feasibility Analysis, and lower office and general expense.

During the year ended December 31, 2020, the Company recorded interest income of $9,912, (year ended December 31, 2019 – $6,552), unrealized gain on investments of $4,012 (year ended December 31, 2019 – unrealized loss $478) and accretion expense of $20,061 (year ended December 31, 2019– $30,751).

During the year ended December 31, 2020, overall general and administrative expenses were $1,095,744 lower than the comparative period in 2019. The following is a breakdown of general and administrative expenses for the year ended December 31, 2020 and 2019:

Year Ended December 31,	**2020**	**2019**	**Change**
	$	**$**	**$**
Wages, benefits and incentive compensation (1)	126,072	31,501	(94,571)
Project Finance Costs (2)	Nil	751,560	751,560
Sales and marketing (3)	105,351	86,182	(19,169)
Professional fees (4)	294,929	378,462	83,533
Office and general (5)	277,656	652,047	374,391
Total general and administrative expenses	804,008	1,899,752	1,095,744

(1) Costs were higher due to increase in salaries expensed.
(2) Costs incurred including independent third-party reports on engineering, market, environmental and social, legal, insurance and financial modelling.
(3) Costs were higher due to increase in investor relations expenses.
(4) Costs were lower due to lower consulting fees.
(5) Costs were lower due to foreign exchange and direct costs allocated to Tugaske Project as part of the project cost.

Three Months Ended December 31, 2020, Compared to Three Months Ended December 31, 2019

During the three months ended December 31, 2020, the Company had a net loss of $1,367,355 (three months ended December 31, 2019 – a loss of $1,713,059), resulting in a decrease of $345,704.

Expenses during the three months ended December 31, 2020 were $1,363,175 (three months ended December 31, 2019 - $1,972,440), a decrease of $609,265, and is primarily due to decrease share-based payments of $808,662, due to options issued and vested during the three months ended December 31, 2019.

During the three months ended December 31, 2020, the Company recorded interest income of $290, (three months ended December 31, 2019 – $2,620), flow-through premium obligation discharged of $nil (three months ended December 31, 2019 – 263,030) and accretion expense of $3,896 (three months ended December 31, 2019– $6,829).

Assets

Assets were $14,518,302 at December 31, 2020 (December 31, 2019 - $16,814,733), a decrease of approximately 14%, mainly due to decrease in cash. Exploration and evaluation assets increased by approximately 47% from December 31, 2019. The total amount of exploration and evaluation assets represents approximately 92% of total assets (December 31, 2019 – 54% of total assets) due to an increase in expenditure (technical reports/feasibility analysis of $2,280,350, engineering of $976,668; property acquisition and surface access fees of $385,991; geological and project management of $498,713).

Receivables decreased by approximately 72% from December 31, 2019 due to a decrease in GST/HST receivable. Further, the Company had an increase in prepaid expenses and deposit of approximately 10% and an increase in property, plant and equipment of approximately 36%. At December 31, 2020, the Company had cash of $748,946 (December 31, 2019 - $7,490,488), a decrease of $6,741,542. The Company had Right-to-use assets of $44,289 (December 31, 2019 - $99,651) and deferred financing cost of $366,658 (December 31, 2019 - $nil).

Liabilities

At December 31, 2020, current liabilities were $530,625 (December 31, 2019 - $2,014,818). The variation is primarily due to a decrease in amounts payable and other liabilities.

At December 31, 2020, non-current liabilities were $6,851 (December 31, 2019 - $56,628) for the lease liability.

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

Shareholders' equity

At December 31, 2020, shareholders' equity decreased by $762,461 which is primarily due to the increase in deficit of $1,002,361 for the twelve months ended December 31, 2020.

As at December 31, 2020, the Company had 384,232,935 common shares issued and outstanding and 33,600,000 stock options outstanding, of which 28,600,000 were vested.

Investment portfolio

The Company's investments consist primarily of resource companies whose principal business is exploration and development. During the year ended December 31, 2020, 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 gain of $4,012 (year ended December 31, 2019 – unrealized loss of $478). At December 31, 2020, the market value of the Company's investments was $6,305 (December 31, 2019 – $2,293)

Cash Flow

For the year ended December 31, 2020, the Company decreased its cash position by $6,741,542 as a result of cash used in operating, and investing as follows:

Cash used in operations, including changes in non-cash working capital of $1,384,168, totaled $2,178,264 during the year ended December 31, 2020. This was as a result of net income of $1,002,361 for the year ended December 31, 2020, adjusted for non-cash transactions including mainly share-based payments of $132,900, depreciation $59,316 and accretion expense $20,061.

Cash used in investing activities during the year ended December 31, 2020 totaled $4,303,620, which mainly consisted of the acquisition and expenditure of exploration and evaluation assets of $4,218,905. The Company also repaid $76,939 of leases on right-to-use assets and purchase equipment of $7,776. The expenditure of exploration and evaluation assets cost and was mainly for technical reports/feasibility analysis of $2,280,350, engineering of $976,668; property acquisition and surface access fees of $385,991; geological and project management of $498,713.

Cash used in financing activities during the year ended December 31, 2020 totaled 259,658, due to the deferred financing costs paid of 366,658, offset by the exercise of options of $107,000

Selected Annual Information

The following table sets out selected financial information for the Company as at December 31, 2020, 2019 and 2018 and for the years ended December 31, 2020, December 31, 2019 and December 31, 2018 and should be read in conjunction with the Company's audited financial statements attached hereto:

Description	Year Ended December 31, 2020 ($)	Year Ended December 31, 2019 ($)	Year Ended December 31, 2018 ($)
Net sales/total revenues	nil	nil	nil
Total net (loss) earnings [(1)(2)]	(1,002,361)	(2,724,723)	(3,148,598)
Net (loss) earnings per common share	(0.00)	(0.01)	(0.01)
Net (loss) earnings per common share on a diluted basis [(3)(4)]	(0.00)	(0.01)	(0.01)
	As at December 31, 2020 ($)	**As at December 31, 2019 ($)**	**As at December 31, 2018 ($)**
Total assets	14,518,302	16,814,733	15,231,367
Current liabilities	530,625	2,014,818	531,937
Non-current liabilities	6,851	56,628	113,506
Deficit	(26,190,769)	(25,188,408)	(22,463,685)

(1) Loss / earnings from continuing operations attributable to owners of the parent, in total.
(2) Loss / earnings attributable to owners of the parent, in total.
(3) Loss / earnings attributable to owners of the parent, on a per-share and diluted per-share basis; and declared per-share for each class of share; and
(4) Loss from continuing operations attributable to owners of the parent, on a per-share and diluted per share basis.

- The net loss for the year ended December 31, 2020, consisted primarily of (i) general and administrative of $804,008; (ii) share-based payments of $132,900; (iii) depreciation expense of $59,316; and (iv) accretion expense of $20,061.
- The net loss for the year ended December 31, 2019, consisted primarily of (i) general and administrative of $1,899,752; (ii) share-based payments of $1,009,305; (iii) depreciation expense of $58,649. This was offset by flow-through premium obligation discharge of $267,660 and interest received of $6,552.
- The net loss for the year ended December 31, 2018, consisted primarily of (i) general and administrative of $2,447,584; (ii) share-based payments of $789,970; (iii) depreciation expense of $69,274. This was offset by flow-through premium obligation discharge of $170,132 and interest received of $11,327.
- As the Company has no revenue, its ability to fund its operations is dependent upon securing financing. See "Trends" and "Risks factors".

Selected Quarterly Information

The following table summarizes Gensource's key financial information for the last eight quarters.

Three Months Ended	Total Revenue ($)	Profit or Loss Total ($)	Profit or Loss Basic and Diluted Loss Per Share [9] ($)	Total Assets ($)
2020-December 31	-	(1,367,532) [1]	(0.00)	14,518,302
2020-September 30	-	2,281,390 [2]	0.01	15,578,694
2020-June 30	-	(1,319,104) [3]	(0.00)	13,659,515
2020-March 31	-	(597,115) [4]	(0.00)	15,173,687
2019-December 31	-	(1,713,059) [5]	(0.00)	16,814,733
2019September 30	-	(261,180) [6]	(0.00)	14,931,612
2019-June 30	-	(273,805) [7]	(0.00)	14,979,246
2019-March 31	-	(476,679) [8]	(0.00)	15,062,090

Notes:

(1) Net loss of $1,367,532 principally to general and administrative expenses of $1,352,826; and depreciation of $14,802. All other expenses related to general working capital purposes

(2) Net income of $2,281,390 principally relates to reclassifications between general and administrative expenses and exploration and evaluation expense. All other expenses related to general working capital purposes.

(3) Net loss of $1,319,281 principally relates to general and administrative expenses of $1,189,172; share-based payments of $115,130; and depreciation of $14,802. All other expenses related to general working capital purposes.

(4) Net loss of $597,115 principally relates to general and administrative expenses of $570,432; share-based payments of $13,133. All other expenses related to general working capital purposes.

(5) Net loss of $1,713,059 principally to general and administrative expenses of $1,153,324; share-based payments of $804,209; depreciation of $14,907; accretion expense of $6,829 and offset in part by $263,030 of flow-through premium discharged during the period as the Company met the expenditure requirement; and interest received of $2,620. All other expenses related to general working capital purposes.

(6) Net loss of $261,180 principally to general and administrative expenses of $224,083; share-based payments of $13,512; depreciation of $14,598; and accretion expense of $7,471. All other expenses related to general working capital purposes.

(7) Net loss of $273,805 principally to general and administrative expenses of $273,581; depreciation of $14,598; accretion expense of $7,985; and offset in part by $4,630 of flow-through premium discharged during the period as the Company met the expenditure requirement; and share-based payments of $19,968 due cancellation of unvested options. All other expenses related to general working capital purposes.

(8) Net loss of $476,679 principally to general and administrative expenses of $248,764; share-based payments of $211,552; depreciation of $14,546; accretion expense of $8,466; and offset in part by interest received of $2,828. All other expenses related to general working capital purposes.

(9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amount.

Factors, such as global market conditions and the general economic environment that have caused variations in the results of the Company over the last eight quarters are discussed below in the "Liquidity and Capital Resources" section.

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 working capital position:

As at	**December 31, 2020**	December 31, 2019
Working capital ($)	**266,695**	5,616,968
Working capital ratio (%)	**1.5:1**	3.8:1

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.

The following table is a summary of quantitative data about what the Company manages as capital:

As at	**December 31, 2020($)**	December 31, 2019 ($)	Change ($)
Cash	**748,946**	7,490,488	(6,741,542)
Prepaids and deposits	**11,185**	10,134	1,051
Receivables	**37,189**	131,164	(93,975)
Investments	**6,305**	2,293	4,012

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations.

The Company relies on equity financings to maintain adequate liquidity to support its ongoing working capital commitments.

The final 2020 budget will be allocated as follows (see "Caution Regarding Forward-looking Statements"):

Expenditures	**Funds Required**
General & administrative budget (1)	$2,300,000
Project Development (2)	$1,000,000
Deferred Finance Costs and Technical Reports/Feasibility (3)	$2,000,000
Carrying costs to maintain properties in good standing	$400,000
Miscellaneous	$100,000
Total Expenditures	**$5,800,000**

(1) Salaries and Benefits - $330,000; Contract Services - $850,000; Legal and Audit Services - $220,000; Transfer Agent & Regulatory Fees - $90,000; and Office and Operating Costs - $750,000.
(2) Engineering and construction preparations.
(3) Banking fees, third-party due diligence costs, legal fees for the definitive loan agreement, etc.

Given that Gensource is still in the exploration phase and the Company has not earned any revenue since its inception other than the sale from select portfolio investments, and while the Company intends to spend the funds available to it as stated, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

The Company should have sufficient funds to meet its 2020 budget (see Subsequent Event) although its future plans and budgets may be subject to a cash injection. The Company will be required to raise additional funding in order to continue operations at the current level for the twelve-month period ending December 31, 2020. In the long term, business plans, further exploration of Gensource's potash assets and investing in the development of additional projects will continue to require investment.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

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 year ended December 31, 2020, compensation of $360,000, respectively, (year ended December 31, 2019 - $660,000) were paid to related companies controlled by the director and / or officers of the Company. They were included in general and administrative expenses and exploration and evaluation assets.

	Year Ended December 31, 2020 ($)	**Year Ended December 31, 2019 ($)**
FCON Consulting (1)	Nil	300,000
Rob Theoret (2)	180,000	180,000
101188810 Saskatchewan Ltd. (3)	180,000	180,000
Total	**360,000**	**660,000**

(1) Controlled by Chief Executive Officer – For the year ended December 31, 2019, 83% is included in exploration and evaluation and 17% general and administrative expenses.

(2) Compensation to the Chief Financial Officer. For the year ended December 31, 2020, 56% is included in exploration and evaluation and 44% in general and administrative expenses (year ended December 31, 2019 – 58% and 42%, respectively).

(3) Controlled by VP, Corporate Services. For the year ended December 31, 2020, 25% is included in exploration and evaluation and 75% in general and administrative expenses (year ended December 31, 2019 – 100% in general and administrative expenses)

Remuneration of directors and key management personnel, other than consulting fees, of the Company was as follows:

	Salaries and director fees		Share based payments		Total	
	Year Ended December 31, 2020		Year Ended December 31,2020		Year ended December 31, 2020	
	2020 ($)	2019 ($)	2020 ($)	2019 ($)	2020 ($)	2019 ($)
Michael Ferguson, Director and Officer (*)	300,000	Nil	Nil	281,772	300,000	281,772
Paul Martin, Director	Nil	Nil	Nil	124,260	Nil	124,260
Calvin Redlick, Director	Nil	Nil	Nil	20,812	Nil	20,812
Mike Mueller, Director	Nil	Nil	Nil	152,438	Nil	152,438
Amy O'Shea, Director	Nil	Nil	67,800	Nil	67,800	Nil
T. Robert Theoret, Officer	Nil	Nil	Nil	197,240	Nil	197,240
Deborah Morsky, Officer	Nil	Nil	Nil	140,886	Nil	140,886
Total	**300,000**	**Nil**	**67,800**	**917,408**	**367,800**	**917,408**

(*) For the year ended December 31, 2019, 78% is included in exploration and evaluation and 22% general and administrative expenses.

b) To the knowledge of the directors and executive officers of the Company as of December 31, 2020, 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.

New Accounting Standards adopted

IFRS 3, Business Combinations ("IFRS 3")

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's unaudited condensed interim financial statements.

IAS 1, Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's unaudited condensed interim financial statements.

Recent Accounting Pronouncements

There are no other relevant IFRS's or IFRS interpretations that are not yet effective that would be expected to have a material impact on the Company.

Critical judgments and accounting estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates. The key sources of judgment and estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of such expenditure is unlikely, the amount capitalized is written off in the statements of operations and comprehensive loss in the period the new information becomes available.

Income taxes and amounts carried forward

Significant judgment is required in determining the provision for income taxes. Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Discount rate on initial recognition

All the components of the lease liability are required to be discounted to reflect the present value of the payments. The discount rate to use is the rate implicit in the lease, unless this cannot readily be determined, in which case the lessee's incremental borrowing rate is used instead. The definition of the lessee's incremental borrowing rate states that the rate should represent what the lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Significant judgment is required to estimate an incremental borrowing rate in the context of a right-of-use asset.

Capital Management

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the development and exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

At December 31, 2020, the Company's capital structure consists of the equity of the Company. The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

As at	**December 31, 2020($)**	December 31, 2019 ($)	Change ($)
Cash	**748,946**	7,490,488	(6,741,542)
Prepaids and deposits	**11,185**	10,134	1,051
Receivables	**37,189**	131,164	(93,975)
Investments	**6,305**	2,293	4,012

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations. Gensource relies on cash flow generated from operations, ongoing cost cutting measures and additional financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. As a result of economic conditions and market uncertainty, Gensource may: streamline operational costs; preserve cash to the extent possible; and adjust its strategy with respect to the disposition of securities to create additional liquidity for opportunities that may become available and to fund working capital. The Company will require a cash injection from either debt, funds from a new partner or from a private placement.

Financial Instruments and Risk Management

The Company's financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's statement of financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through identifying risk appropriately, aligning risk with overall business strategy, diversifying risk, pricing appropriately for risk, mitigation through preventive controls, and transferring risk to third parties.

The long-term investment objective and strategy for the direct investment holdings remain unchanged. The short-term corporate objective and strategy may be modified to reflect global economic, financial and general market conditions, which will inevitably have an impact on the overall risk assessment of the Company. Such modifications may include, among others, streamlining operational costs, preserving cash to the extent possible, and adjusting the strategy for the disposition of securities to reflect market conditions. The Company has invested primarily in the equity securities of Canadian resource issuers. Investors are exposed to the risks and rewards of the Canadian resource sector.

The carrying value of cash, receivables, amounts payable and other liabilities approximates fair value due to the relatively short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

The Company's exposure to potential loss from financial instruments relates primarily to its investment activities, and in particular, credit risk, liquidity risk, currency risk, and market risk including credit quality and equity market fluctuation risk as described below.

Credit risk
Credit risk is the risk of financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations; the Company's maximum exposure to credit loss is the book value of its financial instruments. The Company is not exposed to any significant credit risk as at December 31, 2020. The Company's cash is deposited with a major Canadian chartered bank and is held in highly-liquid investments.

As at December 31, 2020, the aggregate gross credit risk exposure related to cash was $748,946 (2019 – $7,490,488) and was entirely comprised of cash held with financial institutions with an "AA" credit rating or above and securities brokerage firms. As at December 31, 2020, the aggregate gross credit risk exposure related to receivables was $37,189 (2019 – $131,164) and was primarily comprised of commodity taxes receivables and other receivables.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. All of the Company's financial liabilities are due within one year. The Company manages liquidity risk through the management of its capital structure. As at December 31, 2020, the Company had a total of $748,946 in cash and $6,305 in investments to settle liabilities of $537,476.

The Company believes that its cash position and investments in marketable securities will not provide adequate liquidity to meet all of the Company's financial obligations and continue exploration activities for at least the next twelve months. The Company anticipates completing additional financing to improve its liquidity.

Currency risk
Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company believes it is not significantly exposed to foreign exchange risk at this time as its business activities are denominated in Canadian currency. The Company has exposure to foreign currency risk on its US currency held in the bank. As at December 31, 2020, the Company held US$203,169 of monetary assets. A 5% fluctuation in the value of the Canadian dollar would result in an increase or decrease to profit or loss of approximately $3,000. The Company mitigates the risk of foreign currency fluctuations by converting US currency to Canadian dollars when required to fund expenditures. The Company does not currently hedge its foreign exchange risk.

Market risk
Market risk is the risk of loss arising from adverse changes in financial market rates and prices, such as interest rates, the trading price of equity and other securities, and foreign currency exchange rates. Market risk is directly influenced by the volatility and liquidity in the markets in which the underlying assets are traded. Market price fluctuations and fluctuations in the value of equity securities affect the level and timing of recognition in earnings and comprehensive earnings of gains and losses on securities held. General economic conditions, political conditions and many other factors can also adversely affect the stock markets and consequently, the value of the equity securities held.

Fair values

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Fair value hierarchy and liquidity risk disclosure

Cash and investments	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
As at December 31, 2020	755,251	nil	nil	755,251
As at December 31, 2019	7,492,781	nil	nil	7,492,81

Share Capital

The Company is authorized to issue an unlimited number of common shares. At December 31, 2020 and 2019, the Company has the following shares, warrants and options issued and outstanding:

	December 31, 2020	**December 31, 2019**
Common shares outstanding	384,232,935	382,832,935
Warrants	Nil	624,332
Options	33,600,000	31,648,859
Fully diluted	**417,832,935**	**415,106,126**

At the date of this MD&A, the Company has the following shares, warrants and options issued and outstanding:

Common shares outstanding	413,265,058
Options	33,600,000
Fully diluted	**446,865,058**

Risk Factors

Gensource's financial condition, results of operations and business are subject to certain risks which may negatively affect the Company. Certain of these risks are described below. Additional risks not currently known to the Company, or that the Company currently believes to be immaterial, may also affect and have a negative impact on the business.

Commodity Price Fluctuations
The Company does not have any potash mining operations. The profitability of any such operations in which the Company has, or may have an interest, will be significantly affected by changes in the market prices of potash. Prices for potash fluctuate and have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, central bank transactions, world supply of potash, foreign currency exchange rates, international investments, monetary systems and political developments. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values.

Operating Hazards and Risks
Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions can occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damages. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. Any compensation for such liabilities may have a material, adverse effect on the Company's financial position.

Exploration and Development
Development of the Company's properties will only follow upon obtaining continuing satisfactory exploration results and being able to obtain sufficient financing to continue the development and eventual commercial production of potash. Mineral exploration and development are speculative in nature and involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any additional discoveries of reserves of potash or that the current reserves or resources will be developed to production or be commercially viable. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish resources and reserves through drilling and development and for mining and processing facilities and infrastructure. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, the global marketing conditions for minerals, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection.

Calculation of Reserves and Resources and Potash Recoveries
There is a degree of uncertainty attributable to the calculation of reserves and resources and the corresponding grades to be mined and recovered. Until reserves or resources are actually mined and processed, the quantities of mineralization and grades must be considered as estimates only.

Reclamation
There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks, due to changes in the nature of the waste rock or tailings and/or revisions to government regulations. Therefore, additional funds, or reclamation bonds or other forms of financial assurance may be required over the tenure of the project to cover potential risks. These additional costs may have a material adverse impact on the financial condition and results of the Company.

Government Regulation
Operations, development and exploration on the Company's properties are affected to varying degrees by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, restrictions on production, price controls, tax increases, maintenance of claims, tenure, limitations on assignability or corporate ownership of mineral properties, and expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations.

The activities of the Company require licenses and permits from various governmental authorities. While the Company currently has been granted the requisite licenses and permits to enable it to carry on its existing business and operations, there can be no assurance that the Company will be able to obtain all the necessary licenses and permits which may be required to carry out exploration, development and mining operations for its projects or to sell its projects or the Company itself.

Indigenous Peoples
Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of Indigenous peoples. The Company operates in some areas presently or previously inhabited or used by Indigenous peoples. Many of these materials impose obligations on government to respect the rights of Indigenous people. Some mandate that government consult with Indigenous people regarding government actions which may affect Indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to Indigenous people continue to evolve and be defined. The Company's current and future operations are subject to a risk that one or more groups of Indigenous people may oppose continued operation, further development, or new development of the Company's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities. Opposition by Indigenous people to the Company's operations may require modification of or preclude operation or development of the Company's projects or may require the Company to enter into agreements with Indigenous people with respect to the Company's projects.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the Company's properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties.

Title to Assets

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys of the leases or claims in which it holds direct or indirect interests. The precise area and location of such leases or claims may be in doubt. The Company's leases or claims may be subject to prior unregistered agreements or transfers or native or indigenous land claims and title may be affected by unidentified or unknown defects.

Uncertainty of Funding

The Company's current operations do not generate any positive cash flow and it is not anticipated that any positive cash flows will be generated in the near future. The Company has limited financial resources, and the mineral claims in which the Company has an interest, or an option to acquire an interest, require significant financial expenditures to be made by the Company. There can be no assurance that adequate funding will be available to the Company to maintain these interests or as applicable, to exercise its option to acquire those interests once those options have been exercised.

Further exploration work and development of the properties in which the Company has an interest or option to acquire depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing, or equity financing or other means. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its interests in mineral properties or reduce or terminate its operations.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Potential Conflicts of Interest

Certain directors and officers of the Company also serve as directors and officers of other public and private companies, such as Gensource. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving these other companies will be made in accordance with applicable laws and the duties and obligations to deal fairly and in good faith with the Company and these other companies. In addition, such directors must declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

The Company has not entered into non-competition and non-disclosure agreements with management and has no current plans to do so. The Company may hire consultants and other geologists and technical expertise but there is no guarantee that the Company will be able to retain personnel with sufficient technical expertise to carry out future development of its properties.

Share Prices of Investments
Gensource's investments in securities of public companies are subject to volatility in the share prices of the companies. There can be no assurance that an active trading market for any of the shares is sustainable. The trading prices of the shares could be subject to wide fluctuations in response to various factors beyond the control of Gensource, including: quarterly variations in the investee companies' results of operations; changes in earnings, if any; estimates or commentaries provided by research analysts; conditions in the emerging resource exploration mining sector; and general market or economic conditions. In recent years, equity markets have experienced extreme price and trading volume fluctuations. These fluctuations have had a substantial effect on market prices, sometimes unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of the Company's investments, which would have a significant negative impact on the Company's operating results.

Concentration of Investments
Gensource's investments are concentrated in the emerging resource mineral mining sector. The Company expects to focus on a smaller number of larger sized transactions and therefore performance may be disproportionately subject to adverse developments in the resource sector. There are currently no restrictions on the proportion or the amount of Gensource's funds that may be allocated to any particular investment. Accordingly, the Company's investment activities may be highly concentrated in a limited number of investments, or a particular segment within the mineral resource sector. The consequence of this type of concentration is that the Company's financial results may be substantially adversely affected by the unfavourable performance of any one of the limited number of investments or the particular segment within the mineral mining sector.

Thinly Traded Securities
Gensource has in the past invested in common shares of publicly traded companies and holds common share purchase warrants in public companies that are characterized by thin, and sometimes uneven, trading volumes and are potentially subject to highly volatile price movements. One of the factors used when determining the valuation of warrants held in the Company's investment portfolio is price volatility; therefore, the theoretical valuation of warrants for thinly traded companies may be understated or overstated as a result.

Private Company Investments and Illiquid Securities
Gensource, from time to time, holds investments in private companies. As there may not be an active market for such securities, Gensource's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments may be restricted. Investments in private companies may offer relatively high potential returns but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for private company investments that may be held by Gensource or that Gensource will otherwise be able to realize a return on such investments. Gensource also invests in illiquid securities of public companies. The Company is exposed to the risk of increased losses or smaller gains as a result of the time between when the decision is made to sell such an investment and the monetization of such investment.

Public Health Crises – COVID-19
Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods

and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Public Health crises and pandemics such as COVID-19 could limit or prohibit the conduct of exploration activities and could have a negative impact on the ability to obtain funding.

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 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 financial statements; and (ii) the 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.

Outlook

Gensource continues to advance the Tugaske Project by ensuring that critical up-front engineering and procurement work is completed in a timely fashion. To that end, the Company has completed initial engineering with its key process plant supplier, KKE, to confirm engineering and commercial details for the equipment package and be in a position to move to detailed engineering as efficiently as possible.

Additionally, Gensource has received indications of interest from new and independent parties interested in the business model being offered by the Company and is engaging with those parties to initial a new project.

For the immediate future, the Company intends to raise additional financing to continue with day-to-day operation, as well as advance detailed engineering and equipment procurement for Tugaske. The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Subsequent Events

1) On February 12, 2021, the Company announced that it had completed its non-brokered private placement financing (the "Offering"). The Offering consisted of the non-brokered sale of 29,032,123 common shares at $0.18 per common share for gross proceeds of $5,225,782. In relation to the Offering, the Company paid commissions to certain licensed finders. The commissions paid to the finders consisted of cash payments of $251,490 and the issuance to the finders of 1,397,165 broker warrants exercisable into common shares at $0.18 per broker's warrant for a period of 36 months following the closing date.

2) On March 22, 2021, the Company announced the completion of an up-to-date NI 43-101 Technical Report summarizing the Tugaske Project.