

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES

### **Potash Market / Company Update & 2021 Financials**

SASKATOON, Saskatchewan and London, U.K., March 28, 2022 – Gensource Potash Corporation (“Gensource” or the “Company”) (TSXV: GSP, AIM: GSP), a fertilizer development company focused on sustainable potash production, provides the following commentary as of today’s date:

“The Russian invasion of Ukraine is a human tragedy, immediately impacting the lives of millions of peaceful civilians,” said Chief Executive Officer, Mike Ferguson. “We believe the unfolding situation is likely to create grave concerns that extend far beyond the region, including, amongst other things, in respect of growing global food insecurity.”

#### **Brazil Seeking Strategic Fertilizer Solutions**

In an effort to reduce its dependency on potash originating from Russia and Belarus, Brazil’s Minister of Agriculture, Livestock and Supply, met last week with representatives of Canadian fertilizer companies, including Gensource, to discuss the current situation in the sector.

Brazil is an agricultural powerhouse, responsible for 8% of global fertilizer consumption and is the world’s fourth-largest fertilizer importer, behind China (24%), India (14.6%) and the U.S. (10.3%). Brazil has recently published its long-term strategic fertilizer plan (see <https://en.mercopress.com/2022/03/11/brazil-outlines-30-year-plan-to-cut-fertilizer-overseas-dependency>) and the Company believes it can be an important part of achieving the plan’s identified goals. Next steps between Gensource and the Brazilian delegation are being discussed.

#### **Wider Industry Situation**

Spot potash prices in Brazil have hit all-time highs of US \$1,065 per metric tonne while average retail potash prices in the US have climbed to over US \$925 per metric tonne. The current situation flows from several industry and global drivers, starting in mid-2021 with the flooding of two of Mosaic’s Saskatchewan mines, K1 and K2, removing some 5 million tonnes per year of capacity from the potash market. Later in 2021, the European Union and United States placed sanctions on Belarus, restricting its potash exports, which account for some 20% of world potash supply. Potash prices continue to soar today after economic sanctions were imposed against Russia because of its invasion of Ukraine earlier this year, restricting an additional 20% of the world’s potash supply.

With up to 40% of the world’s supply now restricted or in doubt, growers around the world are uncertain about their ability to obtain the necessary volumes of potash to support their crop production plans. Lack of balanced agricultural fertilization ultimately leads to reduced yields, putting pressure on global food supply. The general market belief has been that the potash industry is “well-supplied”, if not “over-supplied”, and that the supply chain was secure. However, recent events have proven that the potash industry is neither well-supplied nor is the supply chain sufficiently resilient. Gensource’s model has always been about creating new and independent supply chains with simplified direct delivery of the

product to identified markets. The Company believes this model will lead to a more diverse and more resilient supply chain for potash in the future.

### **Financing Update**

Company representatives are in London, UK this week as part of the financing effort for the Company's potash development project located near Tugaske, Saskatchewan (the "Tugaske Project"). As previously disclosed ([see press release dated September 23, 2021](#)), the Company secured binding conditional commitment letters for a \$280 million senior debt facility for the Tugaske Project from KfW IPEX-Bank and Societe Generale.

The debt facility is intended to fund up to 60% of the construction and ramp up of the Tugaske Project. The remaining 40% of the costs for the development of the Tugaske Project will be funded by equity investment. HELM AG, the project's off-taker, has committed to invest \$50 million in equity capital. The remaining \$105 million of equity required for the Tugaske Project will be required to be raised by Gensource in the capital markets.

### **Saskatchewan Opens Trade Office in London**

Coinciding with the Company's visit to London, the Province of Saskatchewan is opening a new International Trade office in London. We are delighted to have been invited to the opening reception and are eager to network with export and trade experts. The event will be a great opportunity for Gensource to meet with investors and potential partners.

### **2021 Annual Results**

Gensource also announces that it has released its audited financial statements and management's discussion and analysis for the year ended December 31, 2021. The reports will be available under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company's website (<https://gensourcepotash.ca/financials-and-presentations/>).

#### **For further information on Gensource, please contact:**

**Gensource Potash Corporation**

Mike Ferguson – President & CEO

+1-306-974-6414

**Strand Hanson Limited (Nominated & Financial Adviser)**

Ritchie Balmer / Rory Murphy / Charles Hammond

+44 (0) 20 7409 3494

**Peel Hunt LLP (Broker)**

Ross Allister / David McKeown / Georgia Langoulant

+44 (0) 20 7418 8900

**Camarco (Financial PR)**

Gordon Poole / Charlotte Hollinshead / Lily Pettifar

+44 (0) 20 3757 4997

For any press enquiries please contact us on [gensource@camarco.co.uk](mailto:gensource@camarco.co.uk)

Further information on Gensource Potash Corporation can be found at [www.gensourcepotash.ca](http://www.gensourcepotash.ca)  
Follow us on twitter [@GensourcePotash](https://twitter.com/GensourcePotash)

## About Gensource

Gensource 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 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 and negative environmental aspect of potash mining.

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**

### Caution Regarding Forward-Looking Statement

This news release may contain forward looking information and Gensource cautions readers that forward- looking information is based on certain assumptions and risk factors that could cause actual results to differ materially from the expectations of Gensource included in this news release. This news release includes certain “forward-looking statements”, which often, but not always, can be identified by the use of words such as “believes”, “anticipates”, “expects”, “estimates”, “may”, “could”, “would”, “will”, or “plan”. These statements are based on information currently available to Gensource and Gensource provides no assurance that actual results will meet management’s expectations.

Forward looking statements include estimates and statements with respect to Gensource’s future plans, objectives or goals, to the effect that Gensource or management expects a stated condition or result to occur, including any offering of securities by Gensource. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated in such statements for many reasons such as: failure to complete an offering of securities; failure to finance the Company’s Tugaske potash project or other projects on terms which are economic or at all; failure to settle a definitive joint venture agreement with a party and advance and finance the Tugaske Project; changes in general economic conditions and conditions in the financial markets; the ability to find and source off-take agreements; changes in demand and prices for potash; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with Gensource’s activities; an inability to predict and counteract the effects of COVID-19 on the business of Gensource, including but not limited to the effects of COVID-19 on the price of commodities, capital market conditions, restriction on labour and international travel and supply chains, failure to obtain required regulatory approvals; and other matters discussed in this news release and in filings made with securities regulators. This list is not exhaustive of the factors that may affect any of Gensource’s forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on Gensource’s forward-looking statements. Gensource does not undertake to update any forward-looking statement that may be made from time to time by Gensource or on its behalf, except in accordance with applicable securities laws.