

Gensource Potash Announces Intention to Increase Capacity at its Tugaske Project

SASKATOON, Saskatchewan and London, U.K., June 21, 2022 – Gensource Potash Corporation (“**Gensource**” or the “**Company**”) (TSXV: GSP, AIM: GSP) announces today that its strategic investor and offtake partner, HELM AG and its subsidiary HELM Fertilizers (collectively, “**HELM**”), has furthered its commitment to the Company’s potash project located near Tugaske, Saskatchewan (the “**Tugaske Project**”). In the context of soaring fertilizer prices and constrained supply, particularly with respect to potash, the Company is pleased to have a partner that has the strategic vision to see the value proposition in Gensource’s business model. The specific points of additional support, subject to final documentation, are:

- HELM and Gensource plan to double the overall potash production capacity of the Tugaske Project, from 250,000 tonnes per year to 500,000 tonnes per year, under a second phase of the Tugaske Project (“**Phase 2**”) by adding a second module to the Tugaske Project. It is expected that Phase 2 will be implemented immediately following the completion of the first phase of the Tugaske Project (“**Phase 1**”). With increased global demand for potash in response to structural changes in the global agriculture and fertilizer markets, HELM sees significant opportunity for the sale of additional potash production through its existing market channels, including demand for organic potash. Phase 2 is expected to be significantly accretive to the overall returns of the Tugaske Project as it is expected to enjoy the benefits of infrastructure investment from Phase 1, operational synergies and provincial government incentives built into the potash production tax regime, which encourage investment. From the beginning of project design of the Tugaske Project, the on- and off-site infrastructure (water, gas, rail and road access, etc.) was designed by the Company to accommodate two modules, an approach taken to make the addition of a second module as efficient as possible.
- In addition to the above, HELM has committed to guarantee a CAD \$12,500,000 contingency account for the Tugaske Project, as is required by the bank syndicate of KfW IPEX-Bank and Société Générale in connection with the Company’s anticipated and previously announced debt financing. The two senior lending banks, KfW IPEX-Bank and Société Générale, remain fully supportive of the Project.

“These strategic commitments by HELM are a reflection of the strength and availability of Gensource’s modular technology to help meet immediate market needs and of the strong demand for potash” said Chief Executive Officer, Mike Ferguson. “The need for innovative solutions to bring new production to market is imperative, and with HELM’s continuing support, we are one step closer to bringing the Tugaske Project into production. Providing incremental supply to the market is part of the solution to the current market imbalances. We are delighted that HELM has increased its commitment to the project and look forward to next steps”.

Olivier Saulnier, Executive Vice President Crop Nutrition for HELM AG adds that “HELM is excited to take the next step in realizing the Tugaske project. We are proud to be a partner in a project that will be a world leader in sustainably producing potash. Our customers demand sustainable solutions and our commitment to marketing the output from module 2 shows our confidence in the demand for the product, the plan for developing the Tugaske project and our partnership with Gensource. “



Gensource, together with HELM, continue to advance the Tugaske Project towards full execution through the completion of project financing. Discussions with third-party strategic equity investors are yielding positive results towards proposed refinements to the final capital structure for the Project and for KClean Potash Corporation. As a reminder, KClean Potash Corporation is the joint venture company that will own and deliver the Tugaske Project.

Within the global context of inflation and supply chain disruptions, Gensource, HELM, KfW IPEX-Bank together with Société Générale and third-party equity investors are looking forwards to the completion of the currently underway bridge engineering (announced May 27, 2022). The bridge engineering phase is part of overall detailed project engineering and is a key deliverable for confirming capital costs and operational costs of the project.

The Tugaske Project is designed as an efficient and environmentally sustainable potash production facility and is expected to be a very near-term new supplier to the marketplace - a key advantage for the Tugaske Project in an industry dominated by mega projects that can take up to a decade to reach first production.

Gensource is excited to provide further update details in the near future.

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Further information on Gensource Potash Corporation can be found at www.gensourcepotash.ca
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About HELM

HELM is a Hamburg, Germany, based family-owned company established in 1900. HELM is one of the world's largest chemicals marketing companies and committed to providing solutions to its partners worldwide that support a successful transformation to a sustainable economy and society. The company secures access to the world's key markets through its specific regional knowledge and its multinational presence. As a multifunctional marketing organization HELM is active in the chemicals industry, in the crop protection industry, in pharmaceuticals and in the fertilizer industry.

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 modular 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 modular 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.

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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 Tugaske 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.