

Gensource Potash Releases Financial Statements and Management's Discussion and Analysis for the Period Ending June 30, 2022

SASKATOON, Saskatchewan and London, U.K., August 30, 2022 - Gensource Potash Corporation ("Gensource" or the "Company") (AIM/TSXV: GSP), a fertilizer development company focused on sustainable potash production, announces that it has released its Financial Statements and Management's Discussion and Analysis for the period ending June 30, 2022. The reports are available under the Company's profile on SEDAR (www.sedar.com) and on the Company's website (<https://gensourcepotash.ca/financials-and-presentations/>).

Gensource is hosting a shareholder update call on Wednesday August 31, 2022 at 4:00 PM Eastern time / 9:00 PM UK time, during which the Company will provide an update on the development of its potash project near Tugaske, SK (the "Tugaske Project"), discuss next steps, current fertilizer market industry dynamics and respond to shareholder questions. Participants can join the call by dialing: 1- 844-534-3191. If shareholders would like any specific items addressed during the call, they should email questions in advance to: info@gensource.ca.

Related party transaction

On May 31, 2022, the Company received a promissory note from Michael Ferguson, President and CEO of the Company, in the amount of C\$250,000 for project related and general working capital purposes. The promissory note bears interest at a rate of 0% per annum and matures on July 1, 2023. The Company is entitled to prepay the whole or any part of the indebtedness evidenced by this note at any time and from time to time without notice, bonus or penalty of any kind whatsoever.

Summary of Key Activities

The Company has continued to be laser focused on reaching a conclusion to the equity financing for the Tugaske Project ("Tugaske" or the "Project"). Gensource was active in the public markets through to early May 2022; however, the process was deferred to the fall due to the general collapse of the public markets worldwide which was driven largely by the war in Ukraine. The Company continues discussions with private equity capital providers – many of which have enhanced interest in the potash and general fertilizer space due to the current global fertilizer and agriculture situation. Helm, the Company's equity partner and Project off-taker, has steadfastly maintained its efforts to support the financing process and continues discussions with all equity investors. The Company will provide news to shareholders as it becomes available. In the meantime, The Bridge Engineering study currently underway will address inflationary pressures and will detail updated capex and opex estimates for the Tugaske Project. Although the first module at Tugaske, and the financing of it, is clearly the priority focus for management, initial planning continues with respect to adding the second module to the Tugaske Project as previously announced.

As of the date of the MD&A, the following significant events have occurred in 2022:

- The Company announced that its strategic investor and offtake partner, HELM AG and its subsidiary HELM Fertilizers, furthered its commitment to the Company's potash project located near Tugaske, Saskatchewan. 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**"). In addition, 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. (See news release dated June 21, 2022).

- The Company announced that on June 13, 2022, Michael Ferguson (CEO) exercised, for cash, 1,000,000 stock options at C\$0.13 per common share, Deborah Morsky (PDMR) exercised for cash, 1,000,000 Options at C\$0.13 per Common Share and Robert Theoret (PDMR) exercised, for cash, 807,000 Options at C\$0.13 per Common Share in return for the issue of 1,000,000, 1,000,000 and 807,000 new Common Shares to Michael Ferguson, Deborah Morsky and Robert Theoret, respectively. A non-PDMR exercised 500,000 Options in return for 500,000 Common Shares at a price of C\$0.13 on June 13, 2022. (See news release dated June 14, 2022)
- The Company announced that Stephen Dyer, Non-Executive Director, acquired 375,000 Common Shares on June 9th, 2022 at C\$0.27 per Common Share. (See news release dated June 13, 2022).
- The Company announced the results of its annual general and special meeting (“AGSM”) of shareholders held on May 27, 2022, the Q1 2022 financial results and the appointment of Stephen Dyer as Non-Executive Board Chair. (See news release dated May 31, 2022).
- The Company announced the first on-site activities, the completion of a geotechnical field program for its potash project located near Tugaske, Saskatchewan (the “Tugaske Project”). Completion of this fieldwork represents an important pre-development Project milestone in this increasingly relevant potash project that will support the agriculture sector. (See news release dated May 26, 2022).
- The Company announced that has reached a binding agreement to acquire 100% of the issued and outstanding shares of Innovare Technologies Ltd., a privately held developer of patented selective solution mining and brine processing technology for the recovery of potash and other soluble minerals. Gensource’s acquisition of Innovare’s shares will occur by way of a reorganization whereby Innovare’s existing shareholders will transfer the shares they hold in Innovare to Gensource in exchange for new common shares of Gensource. Following completion of the reorganization, which is still subject to a number of conditions precedent, Innovare will exist as a wholly owned subsidiary of Gensource and Innovare’s business will be integrated with and controlled by Gensource. (See news release dated April 13, 2022).
- The Company announced the continued appointment of thinkHERO Incorporated to provide external investor relations services to the Company. (See news release dated April 1, 2022).
- The Company announced the mutual release and settlement agreement dated February 11, 2022 with Frank Eberhardt, Carl F Peters GmbH & Co. and 11664735 Canada Ltd. with regards to the statement of claim filed by the Plaintiffs against the Defendants, as described in the Company’s news release dated June 17, 2021. (See news release dated February 14, 2022).

Outlook

For the immediate future, the Company intends to raise additional financing for the following purposes:

- complete the financing of the Tugaske Project,
- working capital purposes, and
- to begin to develop a second project.

The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Subsequent Events

- Subsequent to June 30, 2022, the Company completed the Continuance of the Company out of the Province of Ontario under the provisions of the *Business Corporations Act* (Ontario) and into the Province of Saskatchewan under the provisions of *The Business Corporations Act* (Saskatchewan) (the “**Continuance**”). As a result of the Continuance, the Company has changed its registered office from 18 King St. E., Suite 902, Toronto, Ontario,

Canada M5C 1C4 to Suite 1100-201-1st Avenue South, Saskatoon, Saskatchewan, Canada S7K 1J5, effective immediately.

- Michael Ferguson, Executive-Director, acquired 40,000 Common Shares on July 22nd, 2022 at \$0.19 per Common Share; Alton Anderson, Executive -Director, acquired 40,000 Common Shares on July 22, 2022, at \$0.185 per Common Share and Michael Mueller, Non-Executive Director, acquired, in aggregate, 50,000 Common Shares on July 22nd, 2022, at a weighted average price of \$0.1868 per Common Share. (See news release dated July 25, 2022)
- Amy O'Shea, Non-Executive Director, acquired 10,000 Common Shares on July 25th, 2022 at C\$0.19 per Common Share. (See news release dated July 28, 2022)
- KClean Potash received, in aggregate, \$1,000,000 in draws against the unsecured HELM \$5,000,000 credit facility (August 10, 2022 and August 23, 2022).

Consolidated Statements of Financial Position (Expressed in Canadian Dollars)

	As at December 31, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash	\$ 493,438	\$ 748,946
Prepaid expenses and deposits	990,692	11,185
GST/HST and other receivables	439,520	37,189
Investments	12,037	6,305
Total current assets	1,935,687	803,625
Non-current assets		
Deferred financing costs	1,244,865	366,658
Exploration and evaluation assets	3,940,941	13,289,180
Property, plant and equipment	16,877,019	14,550
Right-of-use assets	104,191	44,289
Total non-current assets	22,167,016	13,714,677
Total assets	\$ 24,102,703	\$ 14,518,302
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities	\$ 4,208,725	\$ 480,848
Short-term portion of lease liability	45,372	49,777
Total current liabilities	4,254,097	530,625
Non-current liabilities		
Lease liability	71,209	6,851
	250,000	-
Convertible debt	2,011,250	-
Helm credit facility	2,027,671	-
Total liabilities	8,614,227	537,476
Shareholders' equity		
Share capital	42,120,370	34,707,530
Contributed surplus	5,817,990	5,464,065

Equity portion of convertible debt	72,526	-
Deficit	(32,522,410)	(26,190,769)
Total shareholders' equity	15,488,476	13,980,826
Total shareholders' equity and liabilities	\$ 24,102,703	\$ 14,518,302

Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Expenses				
General and administrative (notes 13 and 14)	\$ 639,610	\$ 964,468	\$ 1,364,891	\$ 1,356,961
Share-based payments (note 11)	20,033	154,137	20,033	526,500
Depreciation (notes 4 and 5)	13,196	14,256	26,393	29,165
Other exploration and evaluation	-	6,836	-	6,836
	672,839	1,139,697	1,411,317	1,919,462
Income (loss) before under noted items	(672,839)	(1,139,697)	(1,411,317)	(1,919,462)
Interest income	86	2,481	527	3,291
Unrealized (loss) gain on FVTPL investments	2,483	1,147	764	4,395
Gain on modification of lease liability (note 6)	-	5,211	-	5,211
Accretion expense (notes 6 and 8)	(44,192)	(4,342)	(87,730)	(7,334)
Foreign exchange gain	(1,414)	7,740	67,006	22,980
Interest on credit facility	(12,466)	-	(22,671)	-
Loss and comprehensive loss	\$ (728,342)	\$ (1,127,460)	\$ (1,453,421)	\$ (1,890,919)
Basic and diluted loss per share (note 12)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted (note 12)	421,706,786	414,311,797	421,263,686	406,899,968

Consolidated Statements of Cash Flows (Expressed in Canadian Dollars)

	Six Months Ended June 30,	
	2022	2021
Operating activities		
Net loss	\$ (1,453,421)	\$ (1,890,919)
Adjustments for:		
Depreciation	26,393	29,165
Share-based payments	20,033	526,500
Accretion expense	87,730	7,334
Unrealized gain on FVTPL investments	(764)	(4,395)
Interest on credit facility	22,671	(5,211)
	(1,297,358)	(1,337,526)
Changes in non-cash working capital	2,947,984	113,183
Net cash used in operating activities	1,650,626	(1,224,343)
Investing activities		
Expenditure on property in development stage	(4,052,428)	-
Purchase of property, plant and equipment	(1,770)	(1,810)
Acquisition and expenditures on exploration and evaluation assets	(260,038)	(1,610,915)
Net cash used in investing activities	(4,314,236)	(1,612,725)
Financing activities		
Cash proceeds from promissory note	250,000	-
Cash proceeds from Helm credit facility	1,000,000	-
Cash proceeds from issuance of shares	-	5,225,782
Cost of issuance	-	(289,393)
Cash proceeds from exercise of stock options	536,910	116,000
Deferred financing costs	(309,745)	(231,877)
Repayment of lease on right-of-use asset	(32,196)	(38,470)
Net cash provided by financing activities	1,444,969	4,782,042
Net change in cash	(1,218,641)	1,944,974
Cash, beginning of period	1,712,079	748,946
Cash, end of period	\$ 493,438	\$ 2,693,920

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

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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.

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 finance the Tugaska 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 Tugaska 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.