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Gensource Potash Announces Strategic Business Relationship with Nekaneet First Nation and Provides Tugaske Project Update

SASKATOON, Saskatchewan and London, U.K. – February 23, 2023 – Gensource Potash Corporation (“Gensource” or the “Company”) (AIM/TSXV: GSP), a fertilizer development company focused on sustainable potash production, is honoured to announce a new business relationship with and direct strategic investment by Nekaneet First Nation.

The relationship encompasses equity ownership in Gensource and therefore a direct interest in the development of the Gensource potash projects in Saskatchewan. The Company’s strategic relationship with Nekaneet First Nation was formalized through its participation in Gensource’s recently closed private placement (see news release dated January 31, 2023).

Gensource is proud to welcome Nekaneet as a business partner in its goal to implement environmentally-leading modular and scalable potash production systems. Being a partner in sustainable resource development means participating in making business decisions for the creation of wealth to the benefit of a growing Indigenous community and growing province.

“Part of truth and reconciliation means working together as a community and as leaders in local development opportunities. In this case, the opportunity is to participate together in the ownership and development of resource projects in Saskatchewan to the direct benefit of our communities. Against this backdrop, we are very pleased to have Nekaneet First Nation join us in our efforts to evolve the potash industry,” said Mike Ferguson, President & CEO of Gensource. “Our goal is to implement a Saskatchewan project that will bring multi-generational benefits to our shareholders and the local community. Gensource’s Tugaske potash project is located on Treaty 4, encompassing the lands of the Cree, Saulteaux, Dakota, Nakota and Lakota, and homeland to the Metis Nation, and lands included in the traditional territory of Nekaneet First Nation. We are all part of this Treaty and we must take our corporate responsibility seriously to create real change through reconciliation. Nekaneet First Nation is a leader in so many ways, and it is that leadership sensibility that aligns so well with Gensource and its goals.”

“Equity ownership in a strategic asset that will produce a commodity the world needs provides a direct connection and benefit to First Nations in Saskatchewan’s potash industry rather than the status-quo model of ancillary participation in resource projects,” said Alvin Francis, Chief of Nekaneet First Nation. “It creates real ownership, early in the development of the Company where growth can potentially bring multi-generational prosperity to growing communities like Nekaneet First Nation.”

Tugaske Update

A brief update on the development of the Company’s Tugaske potash project (the “Tugaske Project”) is provided below.

Emerging through the bridge engineering work, significant opportunities have been identified in a number of areas where the Company believes it can improve the overall financial and operational performance of the Project. Of these, two specific areas are being investigated where process and technology improvements have the potential to yield significant optimizations, simplifications and cost savings: underground cavern design and wellfield configuration, and; optimization of the crystallization process in the surface plant.

The Company’s work in these areas has presented opportunities for material cost reduction and simplification and these opportunities are being pursued aggressively.

Recall that the bridge engineering is based on the FEED study completed in late 2021 and disclosed in the Company's NI 43-101 Technical Report dated October 14, 2021. The bridge engineering was initiated to:

- Investigate the impacts of:
 - global cost escalation witnessed since very early in 2022, and
 - supply chain problems resulting in both cost escalation and time delays and delivery difficulties.
- Review redundancies, design factors and overall plant life design basis.
- Bring all of the above together into an updated construction plan including capital and operating cost estimates. The final deliverables will include an updated NI 43-101 Technical Report detailing the Tugaske Project.

Early indications suggest significant savings can be obtained in both capital expenditures and operating expenditures in addition to significant simplifications of the Tugaske Project and its systems. Plans for the coming months include completing engineering followed by actual test work of the potential changes to confirm process workability and equipment function. Further, the Company is looking into the feasibility of drilling the first cavern at the Tugaske Project as early as possible in the pre-construction phase, in order to confirm the cavern placement and layout and re-confirm the design parameters being employed in the design of the full cavern system. Exciting times ahead for the Tugaske Project.

About Nekaneet First Nation

Nekaneet First Nation has a long history in the Cypress Hills, located in southwest Saskatchewan. When Treaty 4 was signed on September 16, 1874 in Fort Qu'Appelle, Saskatchewan with First Nations across southern Saskatchewan, Nekaneet and approximately 100 followers decided to stay in their ancestral land in the Cypress Hills, where the First Nation calls home.

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.

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