CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Gensource Potash Corporation (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Gensource Potash Corporation
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at September 30, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash	**$ 722,947**	$ 337,831
Prepaid expenses and deposits	**14,764**	74,557
GST/HST and other receivables	**233,134**	300,327
Investments	**2,675**	8,216
Total current assets	**973,520**	720,931
Non-current assets		
Deferred financing costs (note 3)	**2,383,919**	2,377,748
Exploration and evaluation assets (notes 4 and 15)	**4,066,122**	3,890,413
Property, plant and equipment (notes 4 and 5)	**18,275,842**	17,880,148
Right-of-use assets (note 6)	**45,692**	80,423
Total non-current assets	**24,771,575**	24,228,732
Total assets	**$ 25,745,095**	$ 24,949,663
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities	**$ 4,094,930**	$ 4,089,744
Short-term portion of lease liability (note 7)	**59,037**	49,670
Flow-through liability (note 18)	**144,000**	144,000
Convertible debt (notes 9 and 15)	**2,145,545**	2,089,606
Promissory note from related party (note 8)	**237,075**	240,745
Helm credit facility (note 10)	**2,988,445**	-
Total current liabilities	**9,669,032**	6,613,765
Non-current liabilities		
Lease liability (note 7)	**-**	45,409
Helm credit facility (note 10)	**-**	2,836,024
Total liabilities	**9,669,032**	9,495,198
Shareholders' equity		
Share capital (note 11)	**45,091,515**	42,417,800
Units to be issued	**687,500**	690,500
Contributed surplus (note 12)	**7,434,020**	5,834,491
Equity portion of convertible debt	**72,526**	72,526
Deficit	**(37,209,498)**	(33,560,852)
Total shareholders' equity	**16,076,063**	15,454,465
Total shareholders' equity and liabilities	**$ 25,745,095**	$ 24,949,663

Nature of operations and going concern (note 1)
Commitments and Contingencies (notes 7 and 18)
Subsequent events (note 19)

Gensource Potash Corporation

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

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Expenses				
General and administrative (notes 14 and 15)	**$ 458,468**	$ 204,476	**$ 1,810,033**	$ 1,569,367
Share-based payments (note 12)	**27,563**	10,728	**1,599,529**	30,761
Depreciation (notes 5 and 6)	**12,424**	13,197	**37,730**	39,590
	498,455	228,401	**3,447,292**	1,639,718
Income (loss) before under noted items	**(498,455)**	(228,401)	**(3,447,292)**	(1,639,718)
Interest income	**1,606**	709	**5,015**	1,236
Unrealized gain (loss) on FVTPL investments	**668**	(5,158)	**(5,541)**	(4,394)
Accretion expense (notes 7, 8, 9 and 10)	**(81,364)**	(44,850)	**(240,426)**	(132,580)
Foreign exchange gain	**4,535**	112,118	**16,072**	179,124
Interest on credit facility	**(18,904)**	(15,651)	**(56,096)**	(38,322)
Gain on issuance of debt (notes 8 and 10)	**-**	-	**79,622**	-
Loss and comprehensive loss	**$ (591,914)**	$ (181,233)	**$ (3,648,646)**	$ (1,634,654)
Basic and diluted loss per share (note 13)	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted (note 13)	**444,884,576**	424,395,995	**440,405,130**	422,319,262

The notes to the financial statements are an integral part of these statements.

Gensource Potash Corporation
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating activities		
Net loss	**$ (3,648,646)**	$ (1,634,654)
Adjustments for:		
Depreciation	**37,730**	39,590
Share-based payments	**1,599,529**	30,761
Accretion expense	**240,427**	132,580
Unrealized loss on FVTPL investments	**5,541**	4,394
Interest on credit facility	**56,096**	38,322
Gain on issuance of debt	**(79,622)**	-
	(1,788,945)	(1,389,007)
Changes in non-cash working capital	**132,172**	2,859,839
Net cash (used) provided in operating activities	**(1,656,773)**	1,470,832
Investing activities		
Expenditure on development stage properties	**(398,694)**	(5,124,763)
Purchase of office equipment	**-**	(1,770)
Acquisition and expenditures on exploration and evaluation assets	**(175,709)**	(274,819)
Net cash (provided) for investing activities	**(574,403)**	(5,401,352)
Financing activities		
Cash proceeds from promissory note	**-**	250,000
Cash proceeds from Helm credit facility	**-**	2,000,000
Cash proceeds from issuance of shares	**2,022,787**	-
Cash proceeds from shares to be issued	**687,500**	-
Cost of issuance	**(39,572)**	-
Cash proceeds from exercise of stock options	**-**	536,910
Deferred financing costs	**(6,171)**	(310,639)
Repayment of lease on right-of-use asset	**(48,251)**	(48,294)
Net cash provided by financing activities	**2,616,293**	2,427,977
Net change in cash	**385,116**	(1,502,543)
Cash, beginning of period	**337,831**	1,712,079
Cash, end of period	**$ 722,947**	$ 209,536

Gensource Potash Corporation
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Issued shares	Share capital	Shares to be issued	Contributed surplus	Convertible debentures	Deficit	Total
Balance, December 31, 2021	**420,488,995**	**$ 40,993,968**	**$ -**	**$ 6,387,449**	**$ 72,526**	**$ (31,068,989)**	**$ 16,384,954**
Share-based payments (note 12)	-	-	-	30,761	-	-	30,761
Issuance of shares from exercise of options	3,907,000	1,126,402	-	(589,492)	-	-	536,910
Loss and comprehensive loss for the period	-	-	-	-	-	(1,634,654)	(1,634,654)
Balance, September 30, 2022	**424,395,995**	**$ 42,120,370**	**$ -**	**$ 5,828,718**	**$ 72,526**	**$ (32,703,643)**	**$ 15,317,971**
Balance, December 31, 2022	**426,795,995**	**$ 42,417,800**	**$ 690,500**	**$ 5,834,491**	**$ 72,526**	**$ (33,560,852)**	**$ 15,454,465**
Shares to be issued	-	-	687,500	-	-	-	687,500
Issuance of shares (note 11(b))	18,088,581	2,713,287	(690,500)	-	-	-	2,022,787
Issuance cost - cash	-	(39,572)	-	-	-	-	(39,572)
Share-based payments (note 12)	-	-	-	1,599,529	-	-	1,599,529
Loss and comprehensive loss for the period	-	-	-	-	-	(3,648,646)	(3,648,646)
Balance, September 30, 2023	**444,884,576**	**$ 45,091,515**	**$ 687,500**	**$ 7,434,020**	**$ 72,526**	**$ (37,209,498)**	**$ 16,076,063**

The notes to the financial statements are an integral part of these statements.

1. Nature of operations and going concern

Gensource Potash Corporation (the "Company" or “Gensource”) is based in Saskatoon, Saskatchewan and is focused on developing resource opportunities with a specific focus on potash development. Its registered head office is located at #1100-201-1st Avenue South, Saskatoon, SK., S7K 1J5.

Geopolitical turmoil around the world is being driven by nationalism, polarization and economic instability. Due to globalization, regional events are having global impacts. In particular, the Russia and Ukraine war has resulted in, and may continue to result in, supply chain disruptions and higher prices for energy and several commodities, compounding existing energy and food supply chain bottlenecks.

The unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company incurred a net loss for the nine months ended September 30, 2023 of $3,648,646 (nine months ended September 30, 2022 - net loss of $1,634,654) and had an accumulated deficit in the amount of $37,209,498 at September 30, 2023 (December 31, 2022 - $33,560,852). These conditions indicate a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The Company is in the exploration and development stage and is subject to the risks and challenges similar to other companies in a comparable stage of exploration and development. As is common with many exploration companies, it raises financing for its exploration and development activities. As at September 30, 2023, the Company had working capital deficiency of $8,695,512 (December 31, 2022 - working capital deficiency of $5,892,834).

The Company's ability to sustain ongoing development expenditures and operations, as intended, is dependent on its ability to continue to raise adequate financing in order to sustain ongoing expenditures and to explore and evaluate resource properties. The Company has taken additional steps to preserve cash. However, there can be no assurance that the Company will be able to obtain sufficient financing to continue its operations or to recover its exploration and evaluation assets. Accordingly, there exists a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not reflect any adjustments or other changes that may be required should the Company be unable to continue as a going concern. Such adjustments and changes could be material.

2. Summary of significant accounting policies

Statement of compliance
The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS's issued and outstanding as of November 29, 2023, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent audited annual financial statements as at and for the year ended December 31, 2022, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending December 31, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements.

2. Summary of significant accounting policies (continued)

Basis of preparation
These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of consolidation
The unaudited condensed interim consolidated financial statements include the accounts of the Company together with its subsidiary. All intercompany transactions and balances have been eliminated. The financial statements of Gensource and its subsidiary KClean Potash Corporation are from the date that control commences until the date that control ceases. A change in the ownership of its subsidiary, without a loss of control, is accounted for as an equity transaction.

New accounting standard adopted
Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded.

<u>IAS 1 – Presentation of Financial Statements (“IAS 1”)</u>
IAS 1 was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. Adoption of the amendment did not have a material impact on the Company’s unaudited condensed interim consolidated financial statements.

<u>Amendments to IAS 8 – accounting policies, changes in accounting estimates and errors</u>
The amendments to IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. Adoption of the amendment did not have a material impact on the Company’s unaudited condensed interim consolidated financial statements.

Recent accounting pronouncement
Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

<u>IFRS 16 - Leases (“IFRS 16”)</u>
IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained. The amendment are effective for annual periods beginning on January 1, 2024. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

(Expressed in Canadian Dollars)

3. Deferred financing costs

	As at September 30, 2023		As at December 31, 2022	
Base shelf prospectus	**$**	**447,230**	$	441,059
Capital raises		**510,573**		510,573
Asset acquisition		**295,278**		295,278
Senior Debt		**1,130,838**		1,130,838
Balance at end of period	**$**	**2,383,919**	$	2,377,748

4. Exploration and evaluation assets and development stage properties

The Lazlo Project (exploration and evaluation asset)
In January 2013, the Company began the process of acquiring freehold potash leases from private mineral titleholders in area surrounding the town of Craik in central Saskatchewan (the “Lazlo” potash prospect). The Company currently has signed 14 lease agreements covering 6,162.56 acres of freehold subsurface mineral rights in the vicinity of the town of Craik, Saskatchewan. Each of the freehold potash leases grants to the Company the exclusive rights to explore, prospect and remove subsurface minerals for a term of twenty-one years subject to the Crown Royalty rate on potash sold and a $1.00 per acre annual rental.

The Vanguard Area Project (exploration and evaluation asset)
The Vanguard Area is located in central Saskatchewan and comprises two mineral leases, KL244 and KL245, and Potash Permit, SMP200.

<u>2021</u>
The Company acquired an additional potash permit area, SMP200, through a Government of Saskatchewan public offering of subsurface Mineral Crown Dispositions S010. SMP200 which abuts existing Company leases, is approximately 7,180 hectares and represents a direct addition to mineral leases KL244 and KL245 in the Company’s Vanguard Area.

The Tugaske Project (development stage property) (note 5)

<u>2021</u>
The Company formed a Special Purpose Vehicle (“SPV”), which will finance, own, construct and operate the Tugaske Project. The SPV is called KClean Potash Corporation (“KClean”) and will be owned by Gensource and Helm and its North American subsidiary, HELM Fertilizer Corp. following final equity investments. As a part owner of the SPV and as Project offtaker, HELM had committed to invest $50 million into the 250 kt/a Tugaske potash production Project, contingent upon the remaining equity and debt financing for the SPV being successfully completed and HELM’s Board Approval. The investment commitment represents an increase over previously discussed amounts and will occur at financial close. With HELM’s increased cash equity commitment as well as other tangible contributions it is making to support the overall financing of the Project, it is anticipated HELM will ultimately own 33% of KClean and Gensource is anticipated to own the remaining 67% through its paid-in capital (i.e., the value of Tugaske Project assets assigned to KClean) and cash equity investments.

KClean entered into an unsecured loan agreement with Helm (the "Helm credit facility") for expenses in connection with the Tugaske Project development. The Helm credit facility bears interest at a rate of 2.5% per annum, payable in arrears on the maturity date, which will be August 31, 2024 (note 10).

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets and development stage properties (continued)

The Tugaske Project (development stage property) (note 5) (continued)

2021 (continued)
The Company received commitment letters from its two mandated joint lead debt arrangers, KfW IPEX-Bank and Societe Generale (together, the "Mandated Lead Arrangers"), to provide a senior secured debt facility for a total of up to $280 million. See note 18.

The Company announced that 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**"). HELM has also committed to guarantee a $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.

2023
Helm has confirmed that it has withdrawn its proposed 33% ownership offer in KClean. Helm remains supportive of the Tugaske Project pursuant to the binding off-take agreement dated May 7, 2021

Cost		**Lazlo** (1)		**Vanguard Area** (2)		**Total**
Balance, December 31, 2021	**$**	**848,348**	**$**	**2,832,555**	**$**	**3,680,903**
Additions:						
Property acquisition and surface access fees		6,277		192,748		199,025
Geological and project management		-		3,523		3,523
Environmental		-		6,962		6,962
Balance, December 31, 2022	**$**	**854,625**	**$**	**3,035,788**	**$**	**3,890,413**
Additions:						
Property acquisition and surface access fees		6,277		166,256		172,533
Environmental		-		3,176		3,176
Balance, September 30, 2023	**$**	**860,902**	**$**	**3,205,220**	**$**	**4,066,122**

1) Lazlo costs includes geological and freehold mineral lease costs.
2) Vanguard Area costs includes government mining leases and freehold mineral lease cost of the remaining Vanguard Area.

(Expressed in Canadian Dollars)

5. Property, plant and equipment

Cost

	Office equipment $	Leasehold improvements $	Development properties $	Total $
Balance, December 31, 2021	**227,741**	**95,853**	**12,807,860**	**13,131,454**
Additions	1,770	-	5,058,183	5,059,953
Balance, December 31, 2022	**229,511**	**95,853**	**17,866,043**	**18,191,407**
Additions	-	-	398,694	398,694
Balance, September 30, 2023	**229,511**	**95,853**	**18,264,737**	**18,590,101**

Accumulated depreciation

	Office equipment $	Leasehold improvements $	Development properties $	Total $
Balance, December 31, 2021	**210,156**	**95,853**	**-**	**306,009**
Depreciation for the year	5,250	-	-	5,250
Balance, December 31, 2022	**215,406**	**95,853**	**-**	**311,259**
Depreciation for the period	2,999	-	-	2,999
Balance, September 30, 2023	**218,405**	**95,853**	**-**	**314,258**

Carrying amount

	Office equipment $	Leasehold improvements $	Development properties $	Total $
At December 31, 2022	**14,105**	**-**	**17,866,043**	**17,880,148**
At September 30, 2023	**11,106**	**-**	**18,264,737**	**18,275,843**

(Expressed in Canadian Dollars)

6. Right-of-use assets

	Property	Equipment	Total
Balance, December 31, 2021	**$ 125,654**	**$ 2,306**	**$ 127,960**
Depreciation	(45,693)	(1,844)	(47,537)
Balance, December 31, 2022	**$ 79,961**	**$ 462**	**$ 80,423**
Depreciation	(34,269)	(462)	(34,731)
Balance, September 30, 2023	**$ 45,692**	**$ -**	**$ 45,692**

During the year ended December 31, 2021, the Company extended its current lease for 3 years from September 30, 2021 to September 30, 2024. Subsequently, the Right-of-use asset and lease liability was treated as a modification under IFRS 16 and a new Right-of-use asset and lease liability was recognized for the new remaining period. The weighted average incremental borrowing rate applied to the lease liability was 10%.

7. Lease liabilities

	Property	Equipment	Total
Balance, December 31, 2021	**$ 130,609**	**$ 4,652**	**$ 135,261**
Accretion expense	23,689	1,305	24,994
Lease payments	(60,387)	(4,789)	(65,176)
Balance, December 31, 2022	**$ 93,911**	**$ 1,168**	**$ 95,079**
Accretion expense	12,180	29	12,209
Lease payments	(47,054)	(1,197)	(48,251)
Balance, September 30, 2023	**$ 59,037**	**$ -**	**$ 59,037**

	Under 1 year	Between 1 - 2 years	Between 3 - 5 years	Over 5 years	Total
Property	$ 59,037	$ -	$ -	$ -	$ 59,037
Total	**$ 59,037**	**$ -**	**$ -**	**$ -**	**$ 59,037**

(Expressed in Canadian Dollars)

8. Promissory note from related party

On May 31, 2022, the Company received a promissory note from a related party in the amount of $250,000. The promissory note bear 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.

In April 2023, the Company extended the maturity date of the promissory note from July 1, 2023 to July 1, 2024.

	As at September 30, 2023	As at December 31, 2022
Balance at beginning of period	**$ 240,745**	$ -
Draw against credit facility	**-**	250,000
Gain on issuance of debt	**-**	(20,053)
Gain on modification	**(16,915)**	-
Accretion	**13,245**	10,798
Balance at end of period	**$ 237,075**	$ 240,745

9. Convertible debt

On October 19, 2021, the Company completed a non-brokered private placement offering of $2,000,000 principal amount of 5% convertible redeemable unsecured debentures of the Company (“Debentures”) at a price of $1,000 per Debenture. The Debentures bear interest at a rate of 5% per annum from the date of issue, payable in arrears on the maturity date of the Debentures, which will be June 30, 2023 (the “Maturity Date”). The principal amount of each Debenture is convertible, in whole or in part, for no additional consideration, into common shares of the Company (“Common Shares”) at the option of the holder at any time prior to the earlier of: (i) the close of business on the Maturity Date, and (ii) the business day immediately preceding the date specified by the Company for redemption of the Debentures, at a conversion price equal to $0.34 per Common Share. All directors and officers of the Company participated in the Offering, purchasing a total of $1,985,000 principal amount of the Debentures. The Company incurred transaction cash costs of $19,587.

The Company used the residual value method to allocate the principal amount of the convertible debentures between the liability and equity components. The Company valued the debt component of the debentures by calculating the present value of the principal and interest payments, discounted at a rate of 7.3%, being management’s best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the convertible debentures comprise the value of the conversion option, being the difference between the face value of the convertible debentures and the liability element calculated above. Based on this calculation, the initial recognition of the liability component was $1,907,887 net of transaction costs and the residual equity component was $72,526.

In June 2023, the Company extended the maturity date of all convertible debentures from June 30, 2023 to June 30, 2024 (the “Debenture Amendments”). All other terms remain the same. The Company calculated the fair value of the conversion feature and re-allocated the convertible debenture.

(Expressed in Canadian Dollars)

9. Convertible debt (continued)

The following table summarizes the debt component of the debenture.

	Total
Balance, December 31, 2021	**$ 1,937,036**
Accretion expense	152,570
As at December 31, 2022	**2,089,606**
Gain on modification	(62,708)
Accretion expense	118,647
Balance, September 30, 2023	**$ 2,145,545**

10. Helm credit facility

On August 27, 2021, KClean entered into an unsecured loan agreement with Helm for development costs in connection with the Tugaske Project. The Helm credit facility bear interest at a rate of 2.5% per annum, payable in arrears on the maturity date, which will be August 31, 2024. For the years ended December 31, 2021 and December 31, 2022, KClean Potash received $1,000,000 and $2,000,000, respectively, draw against the unsecured $5,000,000 HELM credit facility.

The Company valued the debt on initial recognition by calculating the present value of the principal and interest payments, discounted at a rate of 7.3%

The Helm credit facility is summarized as follows:

	As at September 30, 2023	As at December 31, 2022
Balance at beginning of period	**$ 2,836,024**	$ 1,005,000
Draw against credit facility	**-**	2,000,000
Gain on issuance of debt	**-**	(323,643)
Accrued interest	**56,096**	57,226
Accretion	**96,325**	97,441
Balance at end of period	**$ 2,988,445**	$ 2,836,024

11. Share capital

a) Authorized share capital

The Company is authorized to issue an unlimited number of voting and participating common shares. The common shares have no par value and are fully paid.

b) Common shares

At September 30, 2023, the Company had 444,884,576 common shares (December 31, 2022 – 426,795,995) issued and outstanding.

11. Share capital (continued)

b) Common shares (continued)

i) On January 26, 2023, the Company closed the second and final tranche, the Company issued 11,969,998 Units for aggregate gross proceeds of $1,795,500. Each Unit consists of one common share in the capital stock of the Company (a "Common Share") and one Common Share purchase warrant of the Company (a "Warrant"). Each whole Warrant is exercisable for one Common Share (a "Warrant Share") at an exercise price of $0.30 per Warrant Share for a period of 24 months following the date of issuance. These warrants were assigned a value of $333,400 using the Black-Scholes valuation model.

The Company paid commission to a certain finder consisting of a cash payment of $6,300, and paid legal and other fees of $20,800 and issued 117,000 non-transferable warrants (the "Broker Warrants") of the Company to such finders, with each Broker Warrant exercisable, for a period of 24 months from the date hereof, into one Common Share (a "Broker Warrant Share") at an exercise price of $0.30 per Broker Warrant Share. These warrants were assigned a value of $3,300 using the Black-Scholes valuation model.

The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 3.62%;
- Expected life: 2 years;
- Expected volatility: 75% based on historical 2 year trends; and
- Weighted average share price: $0.135.

ii) On May 29, 2023, the Company closed a non-brokered financing and the Company issued 6,118,583 Units for aggregate gross proceeds of $917,787. Each Unit consists of one common share in the capital stock of the Company (a "Common Share") and one Common Share purchase warrant of the Company (a "Warrant"). Each whole Warrant is exercisable for one Common Share (a "Warrant Share") at an exercise price of $0.30 per Warrant Share for a period of 24 months following the date of issuance. These warrants were assigned a value of $146,800 using the Black-Scholes valuation model.

The Company paid legal and other fees of $11,422.

The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 3.96%;
- Expected life: 2 years;
- Expected volatility: 78% based on historical 2 year trends; and
- Weighted average share price: $0.12.

(Expressed in Canadian Dollars)

11. Share capital (continued)

c) Warrants

The Company has the following warrants outstanding as a result of equity issues for the periods presented.

	Number of warrants	Weighted average exercise price ($)
Balance, December 31, 2021, September 30, 2022, and December 31, 2022	**1,373,228**	**0.18**
Issued	18,205,581	0.30
Balance, September 30, 2023	**19,578,809**	**0.29**

Issue date	Expiry date	Exercise price	Number of warrants
February 12, 2021	February 12, 2024	$0.18	1,373,228
January 26, 2023	January 26, 2025	$0.30	12,086,998
May 29, 2023	May 29, 2025	$0.30	6,118,583

12. Stock options

Stock option transactions for the periods presented are as follows:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2021	**33,500,000**	**0.16**
Granted (1)	150,000	0.38
Expired/forfeited	(2,193,000)	(0.18)
Exercised	(3,907,000)	(0.14)
Balance, September 30, 2022	**27,550,000**	**0.16**
Balance, December 31, 2022	**27,550,000**	**0.16**
Granted (2)(3)(4)	18,400,000	0.13
Expired/forfeited	(7,500,000)	(0.12)
Balance, September 30, 2023	**38,450,000**	**0.15**

12. Stock options (continued)

The weighted average grant date fair value of options granted during the nine months ended September 30, 2023 was $0.13 (September 30, 2022 - $0.26).
The weighted average share price on exercise of stock options during the nine months ended September 30, 2023 was $nil (September 30, 2022 - $0.14).

(1) On April 1, 2022, the Company granted an aggregate of 150,000 stock options to a consultant at an exercise price of $0.38 per share, exercisable for a period of 5 years. The options vested: 37,500 on July 1, 2022; 37,500 on October 1, 2022; 37,500 on January 1, 2023, and 37,500 on April 1, 2023. The estimated fair value of these options at the grant date was $39,000 using the Black-Scholes valuation model. During the three and nine months ended September 30, 2023, $26 and $2,466, respectively (three and nine months ended September 30, 2022 - $20,033) was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 3.10%;
- Expected life: 5.0 years;
- Expected volatility: 87% based on historical 5 year trends;
- Forfeiture rate: nil;
- Expected dividend yield: 0%; and
- Weighted average share price: $0.375.

(2) On February 3, 2023, the Company granted 1,000,000 options to a consultant at an exercise price of $0.14 for 5 years. The options vested: 333,333 on February 3, 2023, 333,333 on April 15, 2023 and 333,334 on June 6, 2023. The estimated fair value of these options at the grant date was $93,000 using the Black-Scholes valuation model. During the three and nine months ended September 30, 2023 $30,715 and $93,000, respectively (three and nine months ended September 30, 2022, $nil) was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 3.05%;
- Expected life: 5.0 years;
- Expected volatility: 81% based on historical 5 year trends;
- Forfeiture rate: nil;
- Expected dividend yield: 0%; and
- Weighted average share price: $0.14.

(3) On May 8, 2023, the Company granted 1,000,000 stock options to a director of the Company at an exercise price of $0.125 per share, exercisable for a period of 5 years. The options vested immediately. The estimated fair value of these options at the grant date was $70,500 using the Black-Scholes valuation model. During the three and nine months ended September 30, 2023 $70,500 (three and nine months ended September 30, 2022, $nil) was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 3.08%;
- Expected life: 5.0 years;
- Expected volatility: 81% based on historical 5 year trends;
- Forfeiture rate: nil;
- Expected dividend yield: 0%; and
- Weighted average share price: $0.11.

(Expressed in Canadian Dollars)

12. Stock options (continued)

(4) On June 2, 2023, the Company granted an aggregate of 15,400,000 stock options to directors, officers and a employee of the Company at an exercise price of $0.125 per share, exercisable for a period of 5 years. The options vested immediately. The estimated fair value of these options at the grant date was $1,406,000 using the Black-Scholes valuation model. During the three and nine months ended September 30, 2023 $1,406,000 (three and nine months ended September 30, 2022, $nil) was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 3.49%;
- Expected life: 5.0 years;
- Expected volatility: 80% based on historical 5 year trends;
- Forfeiture rate: nil;
- Expected dividend yield: 0%; and
- Weighted average share price: $0.135.

(5) On July 26, 2023, the Company granted an aggregate of 1,000,000 stock options to a consultant of the Company at an exercise price of $0.120 per share, exercisable for a period of 2 years. The options vested: monthly 100,000 units over the exercisable period of 2 years. The estimated fair value of these options at the grant date was $55,300 using the Black-Scholes valuation model. During the three and nine months ended September 30, 2023, $27,563 (three and nine months ended September 30, 2022, $nil) was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 4.65%;
- Expected life: 2.0 years;
- Expected volatility: 81.33% based on historical 2 year trends;
- Forfeiture rate: nil;
- Expected dividend yield: 0%; and
- Weighted average share price: $0.032.

The following table reflects the stock options issued and outstanding as of September 30, 2023:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
January 31, 2024	0.105	0.34	1,000,000	1,000,000	-
October 23, 2024	0.140	1.07	7,250,000	7,250,000	-
February 09, 2025	0.110	1.36	300,000	300,000	-
March 31, 2025	0.085	1.50	1,000,000	1,000,000	-
June 03, 2025	0.095	1.68	500,000	500,000	-
July 26, 2025	0.120	1.82	1,000,000	200,000	800,000
December 30, 2025	0.205	2.25	2,500,000	2,500,000	-
April 20, 2026	0.210	2.56	1,000,000	1,000,000	-
July 15, 2026	0.215	2.79	5,000,000	5,000,000	-
August 03, 2026	0.220	2.84	1,350,000	1,350,000	-
March 31, 2027	0.380	3.50	150,000	150,000	-
February 03, 2028	0.140	4.35	1,000,000	1,000,000	-
May 08, 2028	0.125	4.61	1,000,000	1,000,000	-
June 02, 2028	0.125	4.68	15,400,000	15,400,000	-
	0.15	**3.13**	**38,450,000**	**37,650,000**	**800,000**

(Expressed in Canadian Dollars)

13. Net (loss) per common share

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Numerator				
Net income (loss)	**$ (591,914)**	$ (181,233)	**$ (3,648,646)**	$ (1,634,654)
Denominator				
Weighted average number of common shares outstanding - basic and diluted	**444,884,576**	424,395,995	**440,405,130**	422,319,262
Basic net income (loss) per share	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.00)

Basic loss per share is computed by dividing net loss (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). In computing diluted loss per share, an adjustment is not made for the dilutive effect of the convertible debenture outstanding, outstanding warrants and outstanding stock options as they are anti-dilutive.

14. General and administrative

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Wages and incentive compensation (note 15)	**$ 61,763**	$ (136,234)	**$ 293,565**	$ 135,807
Marketing and promotion	**180,387**	171,128	**508,590**	254,181
Professional fees	**42,911**	40,491	**323,058**	297,805
AIM listing costs	**3,188**	119,057	**184,590**	478,829
Office and general	**170,219**	10,034	**500,230**	402,745
	$ 458,468	$ 204,476	**$ 1,810,033**	$ 1,569,367

15. Related party balances and transactions

Related parties include the Board of Directors, management, and enterprises that are controlled by these individuals.

The noted transactions below are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) The Company entered into the following transactions with related parties:

		Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Michael Ferguson	(i)(v)	**$ -**	$ 75,000	**$ 125,000**	$ 225,000
FCON Consulting	(i)(v)	**75,000**	-	**100,000**	-
Alton Anderson	(ii)(v)	**62,500**	62,500	**187,500**	187,500
Rob Theoret	(iii)(v)	**50,000**	50,004	**150,000**	150,000
101188810 Saskatchewan Ltd	(iv)(v)	**50,000**	50,000	**150,000**	150,000

(Expressed in Canadian Dollars)

15. Related party balances and transactions (continued)

(a) Transactions with related parties (continued):

i) Compensation to the Chief Executive Officer ("CEO"). FCON Consulting (controlled by CEO). For the nine months ended September 30, 2023 – 100% is included in development properties.

ii) Compensation to the Chief Financial Officer. For the nine months ended September 30, 2023 – 70% is included in development properties and 30% general and administrative expenses.

iii) Compensation to the VP Finance and Business Development. For the nine months ended September 30, 2023, 100% is included in development properties (nine months ended September 30, 2022 – 100% is included in development properties).

iv) Compensation to the VP, Corporate Services. 101188810 Saskatchewan Ltd. (controlled by VP, Corporate Services). For the nine months ended September 30, 2023, 97% is included in general and administrative expenses and 3% is included in development properties (nine months ended September 30, 2022 – 100% is included in general and administrative expenses).

v) Included in amounts payable and other liabilities was $372,996 (December 31, 2022 - $966) owed to related parties for deferred payment of consulting fees and expenses.

(b) Remuneration of directors and key management personnel, other than remuneration as disclosed above, of the Company was as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	**2022**	**2023**	**2022**
Stock-based compensation	(i) (ii)	**$ -**	$ -	**$ 1,430,851**	$ -

(i) On May 8, 2023, the Company granted 1,000,000 stock options to a director with an exercise price of $0.125 per share, with a maturity date of 5 years and these options vested immediately. The Company recorded an expense of $70,500.

(ii) On June 2, 2023, the Company granted 14,900,000 stock options to directors and officers with an exercise price of $0.125 per share, with a maturity date of 5 years and these options vested immediately. The Company recorded an expense of $1,360,351.

(iii) In October 2021, directors and officers of the Company purchased $1,985,000 of Convertible Debentures (note 9). During the three and nine months ended September 30, 2023, the Company expensed of $25,018 and $74,237, respectively in interest on the convertible debentures (nine months ended September 30, 2022 - $nil and $49,219, respectively).

Directors are entitled to director fees and stock options for their services.

15. Related party balances and transactions (continued)

c) To the knowledge of the directors and executive officers of the Company as of September 30, 2023, the common shares of the Company were widely held, which includes various 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.

16. Financial 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 unaudited condensed interim consolidated 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, other 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.

Accounts payable and accrued liabilities, convertible debentures, and the Helm credit facility are classified as other financial liabilities, which are also measured at amortized cost.

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 September 30, 2023. The Company's cash is deposited with a major Canadian chartered bank and is held in highly-liquid investments.

As at September 30, 2023, the aggregate gross credit risk exposure related to cash was $722,947 (December 31, 2022 – $337,831), and was entirely comprised of cash held with financial institutions with an "AA" credit rating or above and securities brokerage firms. As at September 30, 2023, the aggregate gross credit risk exposure related to receivables was $233,134 (December 31, 2022 – $300,327) 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. The Company manages liquidity risk through the management of its capital structure. As at September 30, 2023, the Company had a total of $722,947 in cash and $2,675 in investments to settle current liabilities of $9,669,032.

16. Financial risk management (continued)

Liquidity risk (continued)
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 its planned exploration activities for at least the next twelve months (see note 1). The Company anticipates completing additional financing to improve its liquidity.

The following table consists of accounts payable and accrued liabilities, lease payments, convertible debentures, the Helm credit facility, and sets out contractual maturities (representing undiscounted contractual cash flows) of the financial liabilities outstanding at September 30, 2023:

September 30,	2024	2025	2026	2027	Total
Accounts payable & accrued liabilities	$ 4,094,930	$ -	$ -	$ -	$ 4,094,930
Lease payments	65,877	-	-	-	65,877
Convertible debentures	2,255,906	-	-	-	2,255,906
Helm credit facility	3,187,328	-	-	-	3,187,328
Promissory note from related party	250,000	-	-	-	250,000
	$ 9,854,041	**$ -**	**$ -**	**$ -**	**$ 9,854,041**

The contractual maturities of commitments at year end are included in (note 18).

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 September 30, 2023, the Company held US$952 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 $60. 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.

(Expressed in Canadian Dollars)

16. Financial risk management (continued)

Fair value hierarchy

Cash and investments	Level 1	Level 2	Level 3	Total
September 30, 2023	$ 725,622	$ -	$ -	$ 725,622
December 31, 2022	$ 346,047	$ -	$ -	$ 346,047

17. 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.

At September 30, 2023, the Company's capital structure consists of the equity of the Company, convertible debenture, related party promissory note and Helm credit facility. The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends. There were no changes to capital management in the period.

18. Commitments and contingencies

i) While the Company has performed its own due diligence with respect to title of its properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects. If the Company defaults with respect to making payments or completing assessment work as required in order to keep its permits in good standing, the Company may lose its rights to the properties underlying such claims.

ii) The Company is party to management agreements which require that additional payments to be made upon the occurrence of change of control. As the triggering event has not taken place, the contingent payments have not been reflected in these unaudited condensed interim consolidated financial statements.

iii) *Senior debt facility*

The Company has received a binding commitment letter from its two Mandated Lead Arrangers, KfW IPEX Bank and Societe Generale, following successful risk approvals and credit approvals within each organization. The commitment letter is based on an agreed and binding term sheet for the Debt Facility and is divided into two tranches, Tranche A and Tranche B.

Tranche A facility – $140 million

- Term of 11.5 years;
- Interest base rate of 3-month Canadian dollar offered rate (“CDOR”) plus respective margin;
- Purpose is to fund key equipment and service provider contracts with German suppliers which are eligible for export credit cover;
- Export credit guarantee issued by Euler Hermes;
- Interest capitalized during construction;
- Fully amortizing loan facility, early repayment permitted without penalty, upon notice;
- Subject to standard bank fees.

18. Commitments and contingencies (continued)

iii) *Senior debt facility (continued)*

Tranche B facility – CAD $140 million

- Term of 10.5 years
- Interest base rate of 3-month CDOR plus respective margin;
- Purpose is to fund the remaining capital spend as identified in the detailed capital cost estimate;
- Interest capitalized during construction;
- Fully amortizing term loan facility, early repayment permitted without penalty, upon notice;
- Subject to standard bank fees.

As of this writing, the binding conditional commitment letter from KfW-Ipex Bank and Sociètè Gènèrale has formally expired. Both banks, however, have indicated their commitment to the project and stand ready to follow through with the debt financing, once the full equity solution is in place. The Company maintains communications with both banks on a consistent basis

iv) Flow-through commitment:

As of September 30, 2023, the Company must incur $480,000 in eligible exploration expenditures on or before December 31, 2023.

19. Subsequent events

i) Subsequent to September 30, 2023, the Company completed a non-brokered private placement offering of Units at a price of $0.15 per unit. At the closing, the Company issued 4,863,588 units for aggregate gross proceeds of $729,538.20. Each Unit consists of one common share in the capital stock of the Company (a “Common Share”) and one Common Share purchase warrant of the Company (a “Warrant”). Each whole warrant is exercisable for one Common Share (a “Warrant Share”) at an exercise price of $0.30 per Warrant Share for a period of 24 months following the date of issuance. Prior to the period end, $687,500 of the amount raised in this private placement was received.