



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

DECEMBER 31, 2019

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Gensource Potash Corporation (the "Company" or "Gensource") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2019. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2019 and December 31, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of March 27, 2020, unless otherwise indicated.

The following MD&A, particularly under the heading "Liquidity and Capital Resources", contains forward-looking information that involves numerous risks and uncertainties. The forward-looking information is not historical fact, but rather is based on the Company's current plans, objectives, goals, strategies, estimates, assumptions and projections about the industry, business and future financial results. The Company's actual results could differ materially from those discussed in such forward-looking statements.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

Summary of Key Activities

Gensource made significant advancements for the Tugaske Project ("Tugaske" or the "Project") during the year. Highlights include:

- A non-binding MOU for off-take and capital investment from Gensource's off-take partner, Helm AG of Germany. This has led to the negotiation of a definitive off-take agreement for the Tugaske project, which is expected to be completed within the next weeks.
- The closing of a royalty sale ("Royalty") on the Project. The Company sold two royalties aggregating to 2% of gross revenues on the Tugaske Project for a total consideration of \$US 6.0M. The two purchasers were the Project's off-taker and strategic third-party investor identified in Gensource's news release dated May 22, 2019. The Royalty sale was critical for several reasons:
 - It provides capital for Gensource to complete the up-coming senior debt finance due diligence process,
 - It provides working capital for Gensource through to financial close of the project finance package,
 - It is non-dilutive to existing Gensource shareholders, something that Gensource directors and management hold as important, and
 - It provides the opportunity for the Project's off-taker and strategic third-party investor to invest their capital in the project up-front, on an equal footing with Gensource shareholders. This is a tremendously important issue. Gensource now has the financial

commitment and support of its future equity partners in the development of the Project. It shows a strong belief and commitment on behalf of the off-taker and strategic third-party investor in the ultimate success of the project, because there is no royalty payment if there is no production.

- Closing of a strategic private placement. The private placement was completed on a part-and-parcel basis with the sale of the Royalty. The subscribers in the private placement were the strategic third-party investor and Gensource’s financial advisor, Roc Global of New York. Total proceeds raised in the private placement was \$CAD 1,459,999.97
- Formal mandating of KfW IPEX-Bank as the Lead Arranger for the required project debt. As previously disclosed, the senior project debt financing is expected to be approximately \$US 180M. KfW IPEX-Bank will support the project with a significant portion of that total held in-house and will work with banks that Gensource has introduced to the project as well as its own banking network to syndicate the remainder. The Project will seek export credit agency (“ECA”) coverage with the involvement of KfW IPEX-Bank and such coverage is expected to both decrease senior lenders’ risk exposure and decrease the Project’s borrowing costs.

With these major milestones now having been accomplished, the project moves ahead into the detailed due diligence process towards an expected financial close Q3 of 2020, subject to Covid-19 pandemic impacts.

Caution Regarding Forward-looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of Gensource’s properties to contain potash deposits.	Financing will be available for future exploration and development of Gensource’s properties; the actual results of Gensource’s exploration and development activities will be favourable; operating, exploration and development costs will not exceed Gensource’s expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms	Potash price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Gensource’s expectations; availability of financing for and actual results of Gensource’s exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and

Forward-looking statements	Assumptions	Risk factors
	acceptable to Gensource, and applicable political and economic conditions will be favourable to Gensource; the price of potash and applicable interest and exchange rates will be favourable to Gensource; no title disputes exist with respect to the Company's properties.	exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2020.	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2020, and the costs associated therewith, will be consistent with Gensource's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to Gensource.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.
The Company's ability to carry out anticipated exploration on its property interests.	The exploration activities of the Company for the twelve-month period ending December 31, 2020 and the costs associated therewith, will be consistent with Gensource's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to Gensource.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits.
Plans, costs, timing and capital for future exploration and development of Gensource's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations.	Financing will be available for Gensource's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Gensource; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions will	Potash price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Gensource's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.

Forward-looking statements	Assumptions	Risk factors
	be favourable to Gensource; the price of potash will be favourable to Gensource; no title disputes exist with respect to Gensource’s properties.	
Management’s outlook regarding future trends.	Financing will be available for Gensource’s exploration and operating activities; the price of potash will be favourable to Gensource.	Potash price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.
Sensitivity analysis of financial instruments.	The aggregate gross credit risk exposure related to cash at December 31, 2019, was \$7,490,488 (December 31, 2018 – \$975,158), and was entirely made up of cash held with financial institutions with an “AA High” credit rating or above and securities brokerage firms.	Changes in debt and equity markets; interest rate and exchange rate fluctuations.
Prices and price volatility for potash.	The price of potash will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of potash will be favourable.	Changes in debt and equity markets and the spot price of potash; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Gensource’s ability to predict or control. Please also make reference to those risk factors referenced in the “Risk Factors” section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Gensource’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Gensource Potash 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 an 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 negative environmental aspect of potash mining.

Its registered head office is located at Peterson McVicar, 18 King Street, Suite 902, Toronto, Ontario, M5C 1C4.

Operational Highlights

Corporate

On January 31, 2019, the Company granted 1,500,000 stock options at an exercise price of \$0.105 and are exercisable for a period of 5 years. The options vest immediately.

During the year ended December 31, 2019, 4,561,748 options were exercised for gross proceeds of \$389,575 by directors and management.

During the year ended December 31, 2019, 1,283,076 warrants were exercised for gross proceeds of \$96,360

During 2019, the Company closed a royalty sale on the Tugaske Project to be developed within Gensource's Vanguard Area (comprising mineral leases KL244 and KL245). The Company sold two royalties totaling the 2% of gross revenues on the Tugaske Project for \$US6.0M (Cdn\$7,918,800). The two purchasers were the Project's off taker and a strategic third-party investor. The amounts were applied against the carrying value amount of the Project.

Exploration & Evaluation

The Vanguard Area is located in central Saskatchewan and comprises two Government of Saskatchewan mineral leases, KL244 and KL245.

The following are key highlights, repeated from previous years' MD&A's starting in 2018, in chronological order, to provide full background of the progress made by Gensource on its project developments.

- In 2018, Gensource continued to collaborate with ADROK Ltd, a cutting-edge technology company headquartered in the United Kingdom, to investigate the use of their patented technology for the mapping and delineation of the potash members within the Prairie Evaporite. ADROK's ADR imaging technology (Atomic Dielectric Resonance) was deployed in Gensource's Vanguard Area in 2017 as part of a proof of concept survey looking at potash deposits, with the aim to establish confidence that ADR can assist Gensource's exploration and resource evaluation efforts. Since collecting and analyzing the field data, Gensource, ADROK, and Terra Modelling Services (Gensource's independent geological consultant) have co-authored a white paper on this proof of concept and are in the process of having it published in relevant industry journals.
- In August 2018, the Company received a determination of "not a development" from the Saskatchewan Ministry of Environment, Environmental and Stewardship Branch. This determination allows the Vanguard One project to proceed to the detailed construction licensing/permitting process having achieved environmental approval.
- In conjunction with the Environmental Assessment process, Gensource completed an additional field pumping study, to further validate/confirm the groundwater source for the project, and the potential impacts to existing users, if any.

In fall 2018, Gensource initiated a one (1) well exploration program in its Vanguard Area, focusing the program to the KL245 lease. The goal of the exploration program was to:

- Confirm resource extents and grades in the area (adjacent to resource already drilled in the area), and
- Upgrade resource categorization from Inferred to Measured and Indicated

To support the placement of the exploration drill hole for the 2018 exploration drilling program, Gensource engaged a geophysical consultant. As part of their services, the consultant provided an interpretation of the seismic data previously acquired for the area (both 2D and 3D) and confirmed an acceptable location for drilling.

As a part of the 2018 exploration program, over 200 samples were selected from the 65+ meters of sylvinitic-bearing core extracted from the new well drilled by Gensource (4-1), representing all three members of the Prairie Evaporite formation. The samples were assayed in a testing facility in Saskatoon.

To support the exploration drilling completed in 2018, Gensource engaged an independent geological consultant. The consultant provided, geological management and oversight, wellsite geological services, core logging and descriptions, and resource estimation. The resulting effort culminated in an update to the estimated resources in the Vanguard Area. The updated resource was published in a Gensource news release dated January 3, 2019 (available on the company's website).

In 2018, Gensource also advanced technical work on three separate studies, all related to better understanding the resource, geology, and intended mining method in the Vanguard Area. This included:

- Working with a geophysical services company based in Edinburgh, on a pilot geophysical investigation project; initiating a dissolution study performed by an analytical research facility, to complete lab-scale testing of the selective dissolution mining process; and
- Engaging a reservoir modelling consultant, using industry leading software to model the horizontal cavern mining process, to help assess the temperature and production profiles of the Gensource selective solution mining technique
- Gensource continues to engage with the villages of Tugaska and Eyebrow, and the surrounding RM's, attending RM council meetings, fundraisers, etc.
- Gensource is continuing to explore transportation and logistics options, assessing viable alternatives to cost effectively ship potash to end-user customers around the globe. This includes looking at shipping product both west and east from the project site.

In fall 2019, Gensource initiated a one (1) well exploration program in its Vanguard Area, focusing the program to the KL245 lease. The goal of the exploration program was to:

- Confirm resource extents and grades in the area, adjacent to resource already drilled in the area, and
- Upgrade resource categorization from Inferred to Measured and Indicated

Gensource contracted CWC Ironhand Drilling ("CWC") and their Rig #2, to complete the well. CWC was supported by many service providers at the site, including Artisan Consulting Services Ltd. who provided drill site supervision and coordination this well on behalf of Gensource. The work was completed in just under 4 weeks and over 5000 hours on-site, with zero injuries, zero reportable incidents, and no environmental issues. The well was drilled into the Precambrian Basement to a total depth of approximately 2200 metres (m) below ground surface, providing an opportunity to convert the well to a disposal well in the future as part of the Project. Core from this well was recovered from the Prairie Evaporite Formation (Saskatchewan's potash bearing formation), which was subsequently transported from the drilling site to SRC Laboratories in Saskatoon, where it was then logged by independent geologists from Terra Modelling Services Inc. and samples were sent for assaying. As part of this well, a drill stem test for formation water was conducted. The test result was positive for groundwater. Gensource will continue to

assess all data gathered from the area, to determine if a suitable brackish groundwater source exists to supplement the water demand of each module developed.

In 2019, Gensource also concluded technical studies that were initiated in 2018, related to better understanding the resource, geology, and intended mining method in the Vanguard Area. This included:

- a dissolution study, being performed by Hazen Research, to complete lab scale testing of the selective dissolution mining process; and
- a cavern model, being executed by AnBound Modelling Inc. using industry leading software, to model the horizontal cavern mining process and help assess the temperature and production profiles of the Gensource selective solution mining technique.

Finally, in 2019 Gensource also advanced the reclamation efforts of 3 previously completed exploration wells. These wells need to be reclaimed, monitored, and released, as per Government regulations.

Current and Future Plans Related to the Vanguard One Project, Tugaske Project & Vanguard Area

- The Vanguard One Project still has an offtake agreement in place, and Gensource is continuing to look for debt and equity partners for the Project, required to complete the pre-requisite financing to advance the Project to the next stage of development.
- Gensource has been moving the Tugaske Project forward in 2019, achieving several key milestones and announcing material events, which put the Tugaske Project as the most likely Project to be constructed first in the Vanguard Area. The Tugaske Project kicked off the debt financing and the due diligence process in 2019, and the next steps involve completion of this process. Upon successful completion of the financing, the Project will advance into the detailed engineering, long-lead procurement, and construction phase
- Concurrently, Gensource continues project planning efforts on the next stage of the Tugaske Project, to be in the best position to advance work upon confirmation of financing. This includes engaging with key consultants, vendors, and contractors, and development of the initial project management plans and project execution framework, necessary to advance the project in an efficient manner.
- Gensource will continue to assess and advance potential value-added studies, aiming to optimize the design and performance of a Gensource "module".

Current and Future Plans Related to the Vanguard Area

The following summarizes the Company's current development plans in the Vanguard Area, total estimated cost to complete the project development work, and total expenditures incurred to date.

Summary of Completed Activities (Year Ended December 31, 2019)	(A) Spent		Plans for the Project (Calendar Year 2020)	(B) Planned Expenditures
Property acquisition and surface access fees	\$ 343,642		Engineering and construction preparations	\$1,000,000
Geological and project management	\$ 834,141		Project Financing costs	\$3,000,000
Engineering	\$ 235,372			
Drilling	\$1,888,288		Carrying costs to maintain properties in good standing	400,000
Seismic	\$ 4,208			
Environmental	\$ 19,595			
Total	\$3,325,246			\$4,400,000

The following table shows estimated Expenditures for the Tugaske Project beginning mid-2020 and extending through the end of 2022:

TUGASKE PROJECT - CAPITAL COST ESTIMATE SUMMARY

AREA	Area Description	Grand Total Cost	% of Total	USD
100	Mining	\$ 23,737,691	8%	\$ 18,259,762
200	Wellfield	\$ 17,303,806	6%	\$ 13,310,620
300	Process Plant	\$ 75,334,270	25%	\$ 57,949,439
400	Product Storage and Loadout	\$ 13,366,062	4%	\$ 10,281,586
500	Site Infrastructure	\$ 25,963,062	9%	\$ 19,971,586
600	Offsites	\$ 6,877,011	2%	\$ 5,290,008
700	Non-Process Facilities	\$ 29,550,001	10%	\$ 22,730,770
	TOTAL DIRECT COST	\$ 192,131,903	63%	\$ 147,793,772
900	Project Indirects	\$ 78,777,600	26%	\$ 60,598,154
	TOTAL INDIRECT COSTS	\$ 78,777,600	26%	\$ 60,598,154
	DIRECT + INDIRECT COSTS	\$ 270,909,503	89%	\$ 208,391,925
980	Contingency	\$ 33,395,979	11%	\$ 25,689,215
	GRAND TOTAL COST	\$ 304,305,482	100%	\$ 234,081,140

The Lazlo Project

No significant engineering or geological work was completed for the Lazlo project area during the twelve months ended December 31, 2019. However, the Company continues to work with its additional potential off-takers to create a market plan with will trigger the development of a project in the Lazlo Area to suit the identified market.

Current and Future Plans Related to the Lazlo Project

The following summarizes the Company's current confirmation and development programs at the Lazlo project areas, total estimated cost to complete the project development work, and total expenditures incurred to date.

Summary of Completed Activities (Year Ended December 31, 2019)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Land acquisition and staking	\$8,021	At the date of this MD&A, it is more likely, in the immediate term, for the Company to pursue the Vanguard project and therefore the budgeted expenditures are not included here.	\$25,000
Geological and project management	(\$294,096)		
Total	(\$286,075)		\$25,000

Technical Information

Mike Ferguson, P.Eng., a qualified person pursuant to NI 43-101, has reviewed and approved the technical disclosure in this MD&A.

Trends

Gensource anticipates that it will continue to experience net losses as a result of ongoing cash outflows from investing in its potash assets and operating costs until such time as revenue-generating activity is commenced. The Company's future financial performance is dependent on many external factors. Both the price of and the market for potash are volatile, difficult to predict, and subject to changes in domestic and international political, social, and economic environments. Circumstances and events such as economic conditions and volatility in the capital markets could materially affect the future financial performance of the Company. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

Results of Operations

Year Ended December 31, 2019, Compared to Year Ended December 31, 2018

During the year ended December 31, 2019, the Company had a net loss of \$2,724,723, (year ended December 31, 2018 – net loss of \$3,148,598), resulting in a decrease of \$423,875.

Expenses during the year ended December 31, 2019, were \$2,967,706 (year ended December 31, 2018 - \$3,306,828), a decrease of \$339,122. The decrease was primarily due to general and administrative expenses during the year ended December 31, 2019, as professional fees were \$378,462 (year ended December 31, 2018 – \$1,252,770), however, sales and marketing and general and admin cost was higher.

However, for the year ended December 31, 2019, share-based payments during the year ended December 31, 2019, was \$1,009,305 (year ended December 31, 2018 – \$789,970) representing the fair value of options vesting during the period. During the year ended December 31, 2019, interest income was \$6,552 (year ended December 31, 2018– \$11,327). During the year ended December 31, 2019, accretion expense of \$30,751 was recorded in applying IFRS 16 (year ended December 31, 2018– \$16,179). During the year ended December 31, 2019, the Company discharged flow through premium obligations of \$267,660 (year ended December 31, 2018 - \$170,132).

During the year ended December 31, 2019, overall general and administrative expenses were \$547,832 lower than the comparative period in 2018. The following is a breakdown of general and administrative expenses for the years ended December 31, 2019 and 2018:

Year Ended December 31,	2019	2018	Change
	\$	\$	\$
Wages, benefits and incentive compensation ⁽¹⁾	31,501	62,902	31,401
Sales and marketing ⁽²⁾	837,742	642,976	(194,766)
Professional fees ⁽³⁾	378,462	1,252,770	874,308
Office and general ⁽⁴⁾	652,047	488,936	(163,111)
Total general and administrative expenses	1,899,752	2,447,584	547,832

(1) Costs were lower due to lower part time employees.

(2) Costs were higher due to engagement of consultants for project finance costs.

(3) Costs were lower during the year ended December 31, 2019 due to increased focus on the project. The year ended December 31, 2018 included bonus milestone payments of \$557,000.

(4) Costs were higher during the year ended December 31, 2019 due to foreign exchange difference.

Three Months Ended December 31, 2019, Compared to Three Months Ended December 31, 2018

During the three months ended December 31, 2019, the Company had a net loss of \$1,713,059 (three months ended December 31, 2018 – \$235,682), resulting in an increase of \$1,477,377.

Expenses during the three months ended December 31, 2019 were \$1,972,440 (three months ended December 31, 2018 - \$358,380), an increase of \$1,614,060, and is primarily due to share-based payments during the three months ended December 31, 2019, was \$829,885 higher than the three months ended December 31, 2018 due to the fair value of options issued and vested during the period and for the three months ended December 31, 2019 general and administrative expenses was \$1,153,324 (three months ended December 31, 2018 – \$317,655).

During the three months ended December 31, 2019, the Company recorded interest income of \$2,620, (three months ended December 31, 2018 – \$4,036), unrealized gain on investments of \$560 (three months ended December 31, 2018– unrealized loss on investments of \$6,975) and a flow-through premium obligation discharged of \$263,030 (three months ended December 31, 2018 - \$141,816). During the three months ended December 31, 2019, accretion expense of \$6,829 was recorded in applying IFRS 16 (three months ended December 31, 2018– \$16,179).

During the three months ended December 31, 2019, overall general and administrative expenses were \$835,669 higher than the comparative period in 2018. The following is a breakdown of general and administrative expenses for the three months ended December 31, 2019 and 2018:

Three Months Ended December 31,	2019	2018	Change
	\$	\$	\$
Wages, benefits and incentive compensation ⁽¹⁾	7,017	6,795	(222)
Sales and marketing ⁽²⁾	726,878	75,407	(651,471)
Professional fees ⁽³⁾	60,554	226,623	166,069
Office and general ⁽⁴⁾	358,875	8,830	(350,045)
Total general and administrative expenses	1,153,324	317,655	(835,669)

(1) Costs were in-line with prior year.

(2) Costs were higher due to engagement of consultants for project finance costs.

(3) Costs were lower during the three months ended December 31, 2019 as a result of the decrease in contracted services and increase focus on the project.

(4) Costs were higher during the year ended December 31, 2019 due to foreign exchange difference.

Assets

Assets were \$16,814,733 at December 31, 2019 (December 31, 2018 - \$15,231,367), an increase of approximately 10%. Exploration and evaluation assets decreased by approximately 35% from December 31, 2018. During the ended December 31, 2019, the Company closed a royalty sale on the Tugaske Project to be developed within Gensource's Vanguard Area (comprising mineral leases KL244 and KL245). The Company sold two royalties totaling the 2% of gross revenues on the Tugaske Project for \$US6.0M (Cdn\$7,918,800) and the two purchasers were the Project's off taker and a strategic third-party investor. The amounts were applied against the carrying value amount of the Project. The total amount of exploration and evaluation assets represents approximately 54% of total assets (December 31, 2018 – 92% of total assets).

Receivables increased by approximately 26% from December 31, 2018 due to an increase in HST receivable. Further, the Company had a decrease in prepaid expenses and deposit of approximately 69% and a decrease in property, plant and equipment of approximately 5%. At December 31, 2019, the Company had cash of \$7,490,488 (December 31, 2018- \$975,158), with an increase of \$6,515,330. The Company had Right-to-use assets of \$99,651 (December 31, 2018 - \$155,012) as the Company adopted IFRS 16.

Liabilities

At December 31, 2019, current liabilities were \$2,014,818 (December 31, 2018 - \$531,937). The variation is primarily due to an increase in amounts payable and other liabilities and drilling costs.

At December 31, 2019, non-current liabilities were \$56,628 (December 31, 2018 - \$113,506) due to the adoption of IFRS 16 – lease liability

The Company will continue to attempt to secure additional financing to facilitate the execution of its business plan.

Shareholders' equity

At December 31, 2019, shareholders' equity increased by \$157,363 which resulted from private placements raising gross proceeds of \$1,460,000 in share capital. The Company received proceeds of \$96,360 and \$389,575 from the exercise of warrants and stock options respectively. The increase is primarily offset by the net loss of \$2,724,723 for the year ended December 31, 2019.

As at December 31, 2019, the Company had 382,832,935 common shares issued and outstanding, 624,332 common share purchase warrants outstanding and 31,648,859 stock options outstanding, of which 29,148,859 were vested.

Investment portfolio

The Company's investments consist primarily of resource companies whose principal business is exploration and development. During the year ended December 31, 2019, there was no change in ownership of these investments but due to the fluctuation of the fair value of these investments, the Company reported an unrealized loss of \$478 (year ended December 31, 2018 – unrealized loss of \$7,050). At December 31, 2019, the market value of the Company's investments was \$2,293 (December 31, 2018 – \$2,771)

Cash Flow

For the year ended December 31, 2019, the Company increased its cash position by \$6,515,330 as a result of cash used and provided in operating, investing and financing activities as follows:

Cash used in operations, including changes in non-cash working capital of \$1,735,768, totaled \$157,432 during the year ended December 31, 2019. This was as a result of net loss of \$2,724,723 for the year ended December 31, 2019, adjusted for non-cash transactions including mainly share-based payments of \$1,009,305, flow-through premium obligation discharged of (\$267,660), depreciation \$58,649 and accretion expense \$30,751.

Cash provided in investing activities during the year ended December 31, 2019 totaled \$4,799,981, which consisted of proceeds from the sale of royalty interest of \$7,918,800 and offset by the acquisition and expenditure of exploration and evaluation assets of \$3,039,171. The Company also repaid \$76,939 of leases on right-to-use assets.

During the year ended December 31, 2019, the Company received \$1,872,781 in cash proceeds from its financing activities.

Selected Annual Information

The following table sets out selected financial information for the Company as at December 31, 2019, 2018 and 2017 and for the years ended December 31, 2019, December 31, 2018 and December 31, 2017 and should be read in conjunction with the Company's audited financial statements attached hereto:

Description	Year Ended December 31, 2019 (\$)	Year Ended December 31, 2018 (\$)	Year Ended December 31, 2017 (\$)
Net sales/total revenues	nil	nil	nil
Total net (loss) earnings ⁽¹⁾⁽²⁾	(2,724,723)	(3,148,598)	(3,164,468)
Net (loss) earnings per common share ⁽³⁾⁽⁴⁾	(0.01)	(0.01)	(0.01)
Net (loss) earnings per common share on a diluted basis ⁽³⁾⁽⁴⁾	(0.01)	(0.01)	(0.01)
	As at December 31, 2019 (\$)	As at December 31, 2018 (\$)	As at December 31, 2017 (\$)
Total assets	16,814,733	15,231,367	12,319,964
Current liabilities	2,014,818	531,937	208,554
Non-current liabilities	56,628	113,506	nil
Deficit	(25,188,408)	(22,463,685)	(19,315,087)

(1) Loss / earnings from continuing operations attributable to owners of the parent, in total.

(2) Loss / earnings attributable to owners of the parent, in total.

(3) Loss / earnings attributable to owners of the parent, on a per-share and diluted per-share basis; and declared per-share for each class of share; and

(4) Loss from continuing operations attributable to owners of the parent, on a per-share and diluted per share basis.

- The net loss for the year ended December 31, 2019, consisted primarily of (i) general and administrative of \$1,899,752; (ii) share-based payments of \$1,009,305; (iii) depreciation expense of \$58,649. This was offset by flow-through premium obligation discharge of \$267,660 and interest received of \$6,552.
- The net loss for the year ended December 31, 2018, consisted primarily of (i) general and administrative of \$2,447,584; (ii) share-based payments of \$789,970; (iii) depreciation expense of \$69,274. This was offset by flow-through premium obligation discharge of \$170,132 and interest received of \$11,327.
- The net loss for the year ended December 31, 2017, consisted primarily of (i) general and administrative of \$1,967,710; (ii) share-based payments of \$1,513,529; (iii) depreciation expense of \$5,219; and (iv) offset by flow-through premium obligation discharge of \$317,327.
- As the Company has no revenue, its ability to fund its operations is dependent upon securing financing. See "Trends" and "Risks factors".

Selected Quarterly Information

The following table summarizes Gensource's key financial information for the last eight quarters.

Three Months Ended	Total Revenue (\$)	Profit or Loss		Total Assets (\$)
		Total (\$)	Basic and Diluted Loss Per Share ⁽⁹⁾ (\$)	
2019-December 31	-	(1,713,059) ⁽¹⁾	(0.00)	16,814,733
2019-September 30	-	(261,180) ⁽²⁾	(0.00)	14,931,612
2019-June 30	-	(273,805) ⁽³⁾	(0.00)	14,979,246
2019-March 31	-	(476,679) ⁽⁴⁾	(0.00)	15,062,090
2018-December 31	-	(235,682) ⁽⁵⁾	(0.01)	15,231,367
2018-September 30	-	(719,375) ⁽⁶⁾	(0.00)	13,925,920
2018-June 30	-	(1,209,834) ⁽⁷⁾	(0.00)	14,177,341
2018-March 31	-	(983,701) ⁽⁸⁾	(0.00)	12,199,913

Notes:

- (1) Net loss of \$1,713,059 principally to general and administrative expenses of \$1,153,324; share-based payments of \$804,209; depreciation of \$14,907; accretion expense of \$6,829 and offset in part by \$263,030 of flow-through premium discharged during the period as the Company met the expenditure requirement; and interest received of \$2,620. All other expenses related to general working capital purposes. All other expenses related to general working capital purposes.
- (2) Net loss of \$261,180 principally to general and administrative expenses of \$224,083; share-based payments of \$13,512; depreciation of \$14,598; and accretion expense of \$7,471. All other expenses related to general working capital purposes. All other expenses related to general working capital purposes.
- (3) Net loss of \$273,805 principally to general and administrative expenses of \$273,581; depreciation of \$14,598; accretion expense of \$7,985; and offset in part by \$4,630 of flow-through premium discharged during the period as the Company met the expenditure requirement; and share-based payments of \$19,968 due cancellation of unvested options. All other expenses related to general working capital purposes. All other expenses related to general working capital purposes.
- (4) Net loss of \$476,679 principally to general and administrative expenses of \$248,764; share-based payments of \$211,552; depreciation of \$14,546; accretion expense of \$8,466; and offset in part by interest received of \$2,828. All other expenses related to general working capital purposes. All other expenses related to general working capital purpose
- (5) Net loss of \$235,682 principally to general and administrative expenses of \$317,655; depreciation of \$66,401; accretion expense of \$16,179; and offset in part by \$141,816 of flow-through premium discharged during the period as the Company met the expenditure requirement; and interest received of \$4,036. All other expenses related to general working capital purposes. All other expenses related to general working capital purpose
- (6) Net loss of \$719,375 principally relates to general and administrative expenses of \$497,036; share-based payments of \$234,713; and offset in part by \$7,391 of flow-through premium discharged during the period as the Company met the expenditure requirement; and interest received of \$5,941. All other expenses related to general working capital purposes.
- (7) Net loss of \$1,209,834 principally relates to general and administrative expenses of \$1,160,365; share-based payments of \$69,970; and offset in part by \$20,874 of flow-through premium discharged during the period as the Company met the expenditure requirement. All other expenses related to general working capital purposes.

- (8) Net loss of \$983,701 principally relates to general and administrative expenses of \$472,528; share-based payments of \$510,963. All other expenses related to general working capital purposes.
- (9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amount.

Factors, such as global market conditions and the general economic environment that have caused variations in the results of the Company over the last eight quarters are discussed below in the "Liquidity and Capital Resources" section.

Liquidity and Capital Resources

The activities of the Company, principally the development of resource opportunities, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Caution Regarding Forward-looking Statements" and "Risk Factors".

The following table summarizes the Company's working capital position:

As at	December 31, 2019	December 31, 2018
Working capital (\$)	5,616,968	580,436
Working capital ratio (%)	3.8:1	2.1:1

The Company includes cash, receivables and investments in its capital management considerations. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders by maximizing investment returns through its potash assets and investment portfolio. The Company manages capital in proportion to risk and manages the investment portfolio and capital structure based on economic conditions and prevailing commodity pricing and trends.

The following table is a summary of quantitative data about what the Company manages as capital:

As at	December 31, 2019 (\$)	December 31, 2018 (\$)	Change (\$)
Cash	7,490,488	975,158	6,515,330
Prepays and deposits	10,134	32,954	(22,820)
Receivables	131,164	104,261	26,903
Investments	2,293	2,771	(478)

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations.

The Company relies on equity financings to maintain adequate liquidity to support its ongoing working capital commitments.

The final 2020 budget will be allocated as follows (see "Caution Regarding Forward-looking Statements"):

Expenditures	Funds Required
General & administrative budget ⁽¹⁾	\$2,300,000
Project Development ⁽²⁾	\$1,000,000
Project Financing costs ⁽³⁾	\$3,000,000
Carrying costs to maintain properties in good standing	\$400,000
Miscellaneous	\$100,000
Total Expenditures	6,800,000

- (1) Salaries and Benefits - \$330,000; Contract Services - \$850,000; Legal and Audit Services - \$220,000; Transfer Agent & Regulatory Fees - \$90,000; and Office and Operating Costs - \$750,000.
- (2) Engineering and construction preparations.
- (3) Banking fees, third-party due diligence costs, legal fees for the definitive loan agreement, etc.

Given that Gensource is still in the exploration phase and the Company has not earned any revenue since its inception other than the sale from select portfolio investments, and while the Company intends to spend the funds available to it as stated, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

The Company should have sufficient funds to meet its 2020 budget (see Subsequent Event) although its future plans and budgets may be subject to a cash injection. The Company will be required to raise additional funding in order to continue operations at the current level for the twelve-month period ending December 31, 2020. In the long term, business plans, further exploration of Gensource's potash assets and investing in the development of additional projects will continue to require investment.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company. However, the Company continues to evaluate properties and corporate opportunities to advance its exploration and development objectives.

Transactions with Related Parties

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-related entities on an arm's length basis.

Related parties include management, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties:

a) During the year ended December 31, 2019, compensation, of \$660,000, (year ended December 31, 2018 - \$1,222,000) were paid to a director and officers of the Company or related companies controlled by the director and officers of the Company. They were included in general and administrative expenses and exploration and evaluation assets.

	Year Ended December 31, 2019 (\$)	Year Ended December 31, 2018 (\$)
FCON Consulting ⁽¹⁾ ⁽⁴⁾	300,000	575,000
Rob Theoret ⁽²⁾ ⁽⁴⁾	180,000	342,000
101188810 Saskatchewan Ltd. ⁽³⁾ ⁽⁴⁾ ^(*)	180,000	305,000
Total	660,000	1,222,000

⁽¹⁾ Controlled by Chief Executive Officer. 83% is included in exploration and evaluation assets for 2019 and 0% included in exploration and evaluation asset for 2018.

⁽²⁾ Compensation to the Chief Financial Officer. 58% is included in exploration and evaluation assets for 2019 and 0% included in exploration and evaluation asset for 2018

⁽³⁾ Controlled by VP, Corporate Services.

⁽⁴⁾ Includes bonus milestone payments in 2018.

^(*) Included in general and administrative expenses.

During the year ended December 31, 2019, share-based payments of \$917,409 were rewarded to a director and officers of the Company (year ended December 31, 2018 - \$602,322).

	Year Ended December 31, 2019 (\$)	Year Ended December 31, 2018 (\$)
Michael Ferguson	281,772	59,734
Paul Martin	124,261	38,313
Mark Stauffer	Nil	49,023
Dwayne Dahl	Nil	49,023
Calvin Redlick	20,812	141,761
Mike Mueller	152,438	145,000
T. Robert Theoret	197,240	59,734
Deborah Morsky	140,886	59,734
Total	917,409	602,322

b) To the knowledge of the directors and executive officers of the Company as of December 31, 2019, the common shares of the Company were widely held, which includes various small 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.

New Accounting Standards adopted

IFRIC 23 - Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the accounting for uncertainties in income taxes. The interpretation requires the entity to use the most likely amount or the expected value of the tax treatment if it concludes that it is not probable that a particular tax treatment will be accepted. It requires an entity is to assume that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

IFRIC 23 is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted. The requirements are applied by recognizing the cumulative effect of initially applying them in retained earnings, or in other appropriate components of equity, at the start of the reporting period in which an entity first applies them, without adjusting comparative information. Full retrospective application is permitted, if an entity can do so without using hindsight.

Recent Accounting Pronouncements

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”)

IAS 1 and IAS 8 were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted. The Company is currently assessing the impact on the financial statements.

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 and cash equivalents.

At December 31, 2019, the Company's capital structure consists of the equity of the Company. The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

As at	December 31, 2019 (\$)	December 31, 2018 (\$)	Change (\$)
Cash	7,490,488	975,158	6,515,330
Prepays and deposits	10,134	32,954	(22,820)
Receivables	131,164	104,261	26,903
Investments	2,293	2,771	(478)

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations. Gensource relies on cash flow generated from operations, ongoing cost cutting measures and additional financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. As a result of economic conditions and market uncertainty, Gensource may: streamline operational costs; preserve cash to the extent possible; and adjust its strategy with respect to the disposition of securities to create additional liquidity for opportunities that may become available and to fund working capital. The Company will require a cash injection from either debt, funds from a new partner or from a private placement.

Financial Instruments and 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 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, 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.

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.

Public Health Crises – COVID-19

1. Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.
2. Public Health crises and pandemics such as COVID-19 could limit or prohibit the conduct of exploration activities and could have a negative impact on the ability to obtain funding.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty 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 December 31, 2018. The Company's cash is deposited with a major Canadian chartered bank and is held in highly liquid investments. The Company's receivables consist of commodity taxes receivables and are therefore not subject to significant credit risk.

As at December 31, 2019, the aggregate gross credit risk exposure related to cash was \$7,490,488 (2018 – \$975,158) and was entirely comprised of cash held with financial institutions with an “AA” credit rating or above and securities brokerage firms. As at December 31, 2019, the aggregate gross credit risk exposure related to receivables was \$131,164 (2018 – \$104,261) 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. All of the Company's financial liabilities are due within one year. The Company manages liquidity risk through the management of its capital structure. As at December 31, 2019, the Company had a total of \$7,490,488 in cash and \$2,293 in investments to settle liabilities of \$2,071,446.

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 exploration activities for at least the next twelve months. The Company anticipates completing additional financing to improve its liquidity.

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 December 31, 2019, the Company held US\$5,394,589 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 \$350,325. 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.

Fair value hierarchy and liquidity risk disclosure

	Level 1	Level 2	Level 3	Total
Cash and investments	\$	\$	\$	\$
As at December 31, 2018	977,929	nil	nil	977,929
As at December 31, 2019	7,492,781	nil	nil	7,492,81

Share Capital

The Company is authorized to issue an unlimited number of common shares. At December 31, 2019 and 2018, the Company has the following shares, warrants and options issued and outstanding:

	December 31, 2019	December 31, 2018
Common shares outstanding	382,832,935	365,757,342
Warrants	624,332	17,976,167
Options	31,648,859	29,510,607
Fully diluted	415,106,126	413,244,116

At the date of this MD&A, the Company has the following shares, warrants and options issued and outstanding:

Common shares outstanding	382,832,935
Warrants	624,332
Options	31,948,859
Fully diluted	415,406,126

Risk Factors

Gensource's financial condition, results of operations and business are subject to certain risks which may negatively affect the Company. Certain of these risks are described below. Additional risks not currently known to the Company, or that the Company currently believes to be immaterial, may also affect and have a negative impact on the business.

Commodity Price Fluctuations

The Company does not have any potash mining operations. The profitability of any such operations in which the Company has, or may have an interest, will be significantly affected by changes in the market prices of

potash. Prices for potash fluctuate and have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, central bank transactions, world supply of potash, foreign currency exchange rates, international investments, monetary systems and political developments. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values.

Operating Hazards and Risks

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions can occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damages. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. Any compensation for such liabilities may have a material, adverse effect on the Company's financial position.

Exploration and Development

Development of the Company's properties will only follow upon obtaining continuing satisfactory exploration results and being able to obtain sufficient financing to continue the development and eventual commercial production of potash. Mineral exploration and development are speculative in nature and involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any additional discoveries of reserves of potash or that the current reserves or resources will be developed to production or be commercially viable. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish resources and reserves through drilling and development and for mining and processing facilities and infrastructure. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, the global marketing conditions for minerals, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection.

Calculation of Reserves and Resources and Potash Recoveries

There is a degree of uncertainty attributable to the calculation of reserves and resources and the corresponding grades to be mined and recovered. Until reserves or resources are actually mined and processed, the quantities of mineralization and grades must be considered as estimates only.

Reclamation

There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks, due to changes in the nature of the waste rock or tailings and/or revisions to government regulations. Therefore, additional funds, or reclamation bonds or other forms of financial assurance may be required over the tenure

of the project to cover potential risks. These additional costs may have a material adverse impact on the financial condition and results of the Company.

Government Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, restrictions on production, price controls, tax increases, maintenance of claims, tenure, limitations on assignability or corporate ownership of mineral properties, and expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations.

The activities of the Company require licenses and permits from various governmental authorities. While the Company currently has been granted the requisite licenses and permits to enable it to carry on its existing business and operations, there can be no assurance that the Company will be able to obtain all the necessary licenses and permits which may be required to carry out exploration, development and mining operations for its projects or to sell its projects or the Company itself.

Indigenous Peoples

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of Indigenous peoples. The Company operates in some areas presently or previously inhabited or used by Indigenous peoples. Many of these materials impose obligations on government to respect the rights of Indigenous people. Some mandate that government consult with Indigenous people regarding government actions which may affect Indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to Indigenous people continue to evolve and be defined. The Company's current and future operations are subject to a risk that one or more groups of Indigenous people may oppose continued operation, further development, or new development of the Company's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities. Opposition by Indigenous people to the Company's operations may require modification of or preclude operation or development of the Company's projects or may require the Company to enter into agreements with Indigenous people with respect to the Company's projects.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the Company's properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties.

Title to Assets

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys of the leases or claims in which it holds direct or indirect interests. The precise area and location of such leases or claims may be in doubt. The Company's leases or claims may be subject to prior unregistered agreements or transfers or native or indigenous land claims and title may be affected by unidentified or unknown defects.

Uncertainty of Funding

The Company's current operations do not generate any positive cash flow and it is not anticipated that any positive cash flows will be generated in the near future. The Company has limited financial resources, and the mineral claims in which the Company has an interest, or an option to acquire an interest, require significant financial expenditures to be made by the Company. There can be no assurance that adequate funding will be available to the Company to maintain these interests or, as applicable, to exercise its option to acquire those interests once those options have been exercised.

Further exploration work and development of the properties in which the Company has an interest or option to acquire depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing, or equity financing or other means. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its interests in mineral properties or reduce or terminate its operations.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Potential Conflicts of Interest

Certain directors and officers of the Company also serve as directors and officers of other public and private companies, such as Gensource. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving these other companies will be made in accordance with applicable laws and the duties and obligations to deal fairly and in good faith with the Company and these other companies. In addition, such directors must declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

The Company has not entered into non-competition and non-disclosure agreements with management and has no current plans to do so. The Company may hire consultants and other geologists and technical expertise but there is no guarantee that the Company will be able to retain personnel with sufficient technical expertise to carry out future development of its properties.

Share Prices of Investments

Gensource's investments in securities of public companies are subject to volatility in the share prices of the companies. There can be no assurance that an active trading market for any of the shares is sustainable. The trading prices of the shares could be subject to wide fluctuations in response to various factors beyond the control of Gensource, including: quarterly variations in the investee companies' results of operations; changes in earnings, if any; estimates or commentaries provided by research analysts; conditions in the emerging resource exploration mining sector; and general market or economic conditions. In recent years, equity markets have experienced extreme price and trading volume fluctuations. These fluctuations have had a substantial effect on market prices, sometimes unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of the Company's investments, which would have a significant negative impact on the Company's operating results.

Concentration of Investments

Gensource's investments are concentrated in the emerging resource mineral mining sector. The Company expects to focus on a smaller number of larger sized transactions and therefore performance may be disproportionately subject to adverse developments in the resource sector. There are currently no restrictions on the proportion or the amount of Gensource's funds that may be allocated to any particular investment. Accordingly, the Company's investment activities may be highly concentrated in a limited number of investments, or a particular segment within the mineral resource sector. The consequence of this type of concentration is that the Company's financial results may be substantially adversely affected by the unfavourable performance of any one of the limited number of investments or the particular segment within the mineral mining sector.

Thinly Traded Securities

Gensource has in the past invested in common shares of publicly traded companies and holds common share purchase warrants in public companies that are characterized by thin, and sometimes uneven, trading volumes and are potentially subject to highly volatile price movements. One of the factors used when determining the valuation of warrants held in the Company's investment portfolio is price volatility; therefore, the theoretical valuation of warrants for thinly traded companies may be understated or overstated as a result.

Private Company Investments and Illiquid Securities

Gensource, from time to time, holds investments in private companies. As there may not be an active market for such securities, Gensource's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments may be restricted. Investments in private companies may offer relatively high potential returns but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for private company investments that may be held by Gensource or that Gensource will otherwise be able to realize a return on such investments. Gensource also invests in illiquid securities of public companies. The Company is exposed to the risk of increased losses or smaller gains as a result of the time between when the decision is made to sell such an investment and the monetization of such investment.

Disclosure Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company uses the Venture Issuer Basic Certificate filed by the Company, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Outlook

For the immediate future, the Company intends to raise additional financing to continue with day-to-day operation, confirmation drilling and other resource confirmation activities as well as engineering and environmental studies as part of project development. The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Subsequent Events

1. On January 30, 2020, the Company announced its offtake partner as HELM AG and its North American subsidiary, HELM Fertilizer Corp (together, "HELM") for the sale of 100% of the production from Tugaske. HELM and Gensource are currently finalizing the definitive offtake agreement for Tugaske under which HELM will purchase 100% of the production from the Project for 10 years, renewable thereafter. The offtake agreement is expected to be complete in Q1 this year.
2. On February 10, 2020, the Company granted 300,000 options to a consultant with an exercise price of \$0.11 exercisable for 5 years. These options vest as follows: 75,000 vest immediately; 75,000 on May 10, 2020; 75,000 on August 10, 2020 and 75,000 on November 10, 2020
3. Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. Public Health crises and pandemics such as COVID-19 could limit or prohibit the conduct of exploration activities and could have a negative impact on the ability to obtain funding.
4. On March 23, 2020, the Company announced the appointment of Amy O'Shea as independent director effective April 1, 2020.