



**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS  
THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2024  
(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, 2024	As at December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 21,658	\$ 409,488
Prepaid expenses and deposits	9,071	64,182
GST/HST and other receivables	224,726	253,836
Investments	2,293	2,962
<b>Total current assets</b>	<b>257,748</b>	<b>730,468</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (notes 4 and 14)	4,762,134	4,589,002
Property, plant and equipment (notes 5)	18,489,355	18,319,455
Right-of-use assets (note 6)	-	34,269
<b>Total non-current assets</b>	<b>23,251,489</b>	<b>22,942,726</b>
<b>Total assets</b>	<b>\$ 23,509,237</b>	<b>\$ 23,673,194</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities	\$ 6,050,768	\$ 4,964,518
Lease liability (note 7)	-	45,409
Convertible debt (notes 9 and 14)	2,238,241	2,186,508
Promissory note from related party (note 8)	532,579	241,383
Helm credit facility (note 10)	3,156,218	3,041,632
<b>Total liabilities</b>	<b>11,977,806</b>	<b>10,479,450</b>
<b>Shareholders' equity</b>		
Share capital (note 11)	45,812,107	45,813,107
Contributed surplus (note 12)	7,461,757	7,452,197
Equity portion of convertible debt	72,526	72,526
Deficit	(41,814,959)	(40,144,086)
<b>Total shareholders' equity</b>	<b>11,531,431</b>	<b>13,193,744</b>
<b>Total shareholders' equity and liabilities</b>	<b>\$ 23,509,237</b>	<b>\$ 23,673,194</b>

Nature of operations and going concern (note 1)

Commitments and Contingencies (note 17)

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

# Gensource Potash Corporation

## Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Expenses</b>				
General and administrative (notes 13 and 14)	\$ 471,331	\$ 458,468	\$ 1,434,267	\$ 1,810,033
Share-based payments (note 12)	-	27,563	9,560	1,599,529
Depreciation (notes 5 and 6)	12,135	12,424	36,404	37,730
	<b>483,466</b>	<b>498,455</b>	<b>1,480,231</b>	<b>3,447,292</b>
<b>Income (loss) before under noted items</b>	<b>(483,466)</b>	<b>(498,455)</b>	<b>(1,480,231)</b>	<b>(3,447,292)</b>
Interest income	5	1,606	1,381	5,015
Unrealized loss (gain) on FVTPL investments	(94)	668	(668)	(5,541)
Accretion expense (notes 7, 8, 9 and 10)	(89,332)	(81,364)	(258,194)	(240,426)
Foreign exchange (loss)	(3,894)	4,535	(29,841)	16,072
Interest on credit facility (note 10)	(18,904)	(18,904)	(56,301)	(56,096)
Gain on modification of debt (notes 8 and 9)	48,633	-	152,981	79,622
<b>Loss and comprehensive loss</b>	<b>\$ (547,052)</b>	<b>\$ (591,914)</b>	<b>\$ (1,670,873)</b>	<b>\$ (3,648,646)</b>
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	449,748,164	444,884,576	449,748,164	440,405,130

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,  
2024                      2023

### Operating activities

Net loss	\$ (1,670,873)	\$ (3,648,646)
Adjustments for:		
Depreciation	36,404	37,730
Share-based payments	9,560	1,599,529
Accretion expense	258,194	240,427
Unrealized loss (gain) on FVTPL investments	668	5,541
Interest on credit facility	56,301	56,096
Gain on modification of debt	(152,981)	(79,622)
	<b>(1,462,727)</b>	<b>(1,788,945)</b>

Changes in non-cash working capital	1,170,471	132,172
-------------------------------------	-----------	---------

<b>Net cash used in operating activities</b>	<b>(292,256)</b>	<b>(1,656,773)</b>
--	------------------	--------------------

### Investing activities

Expenditure on development stage properties (note 5)	(172,034)	(398,694)
Acquisition and expenditures on exploration and evaluation assets (note 4)	(173,131)	(175,709)

<b>Net cash used investing activities</b>	<b>(345,165)</b>	<b>(574,403)</b>
---	------------------	------------------

### Financing activities

Cash proceeds from promissory note	300,000	-
Cash proceeds from Helm credit facility	-	-
Cash proceeds from issuance of shares	-	2,022,787
Cash proceeds from shares to be issued	-	687,500
Cost of issuance	(1,000)	(39,572)
Deferred financing costs	-	(6,171)
Lease payments (note 7)	(49,409)	(48,251)

<b>Net cash provided by financing activities</b>	<b>249,591</b>	<b>2,616,293</b>
--	----------------	------------------

<b>Net change in cash</b>	<b>(387,830)</b>	<b>385,117</b>
---------------------------	------------------	----------------

<b>Cash, beginning of period</b>	<b>409,488</b>	<b>337,831</b>
----------------------------------	----------------	----------------

<b>Cash, end of period</b>	<b>\$ 21,658</b>	<b>\$ 722,948</b>
----------------------------	------------------	-------------------

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

## 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
<b>Balance, December 31, 2022</b>	<b>426,795,995</b>	<b>\$ 42,417,800</b>	<b>\$ 690,500</b>	<b>\$ 5,834,491</b>	<b>72,526</b>	<b>\$ (33,560,852)</b>	<b>\$ 15,454,465</b>
Issuance of shares (note 11(b))	18,088,581	2,713,287	(690,500)	-	-	-	2,022,787
Units to be issued	-	-	687,500	-	-	-	687,500
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)
<b>Balance, September 30, 2023</b>	<b>444,884,576</b>	<b>\$ 45,091,515</b>	<b>\$ 687,500</b>	<b>\$ 7,434,020</b>	<b>72,526</b>	<b>\$ (37,209,498)</b>	<b>\$ 16,076,063</b>
<b>Balance, December 31, 2023</b>	<b>449,748,164</b>	<b>\$ 45,813,107</b>	<b>-</b>	<b>\$ 7,452,197</b>	<b>72,526</b>	<b>\$ (40,144,086)</b>	<b>\$ 13,193,744</b>
Issuance cost - cash	-	(1,000)	-	-	-	-	(1,000)
Share-based payments (note 12)	-	-	-	9,560	-	-	9,560
Loss and comprehensive loss for the period	-	-	-	-	-	(1,670,873)	(1,670,873)
<b>Balance, September 30, 2024</b>	<b>449,748,164</b>	<b>\$ 45,812,107</b>	<b>-</b>	<b>\$ 7,461,757</b>	<b>72,526</b>	<b>\$ (41,814,959)</b>	<b>\$ 11,531,431</b>

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

---

# Gensource Potash Corporation

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

---

### 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 #1100-201-1<sup>st</sup> Avenue South, Saskatoon, SK., S7K 1J5.

These unaudited condensed interim consolidated financial statements were authorized and approved by the Board of Directors on November XX, 2024.

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, 2024 of \$1,670,873 (nine months ended September 30, 2023 - net loss of \$3,648,646) and had an accumulated deficit in the amount of \$41,814,959 at September 30, 2024 (December 31, 2023 - \$40,144,086). 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, 2024, the Company had working capital deficiency of \$11,720,058 (December 31, 2023 - working capital deficiency of \$9,748,982).

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 material 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 XX, 2024, 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, 2023, 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, 2024 could result in restatement of these unaudited condensed interim consolidated financial statements.

---

# Gensource Potash Corporation

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

---

### 2. Summary of material accounting policies (continued)

#### 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 wholly owned 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 on or after January 1, 2024.

The following amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after January 1, 2024:

- General Requirements for Disclosure of Sustainability-related Financial Information (New standard IFRS S1);
- Climate-related Disclosures (New standard IFRS S2);
- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Noncurrent); and
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants);

The Company has concluded that the above are not applicable or do not have a significant impact to the Company and have been excluded as it is expected to have no impact on the unaudited condensed consolidated interim financial statements.

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.

### 3. Deferred financing costs

---

	As at September 30, 2024	As at December 31, 2023
Base shelf prospectus	\$ -	\$ 447,230
Capital raises	-	510,573
Asset acquisition	-	295,278
Senior Debt	-	1,130,838
Write-off - Deferred finance cost <sup>(1)</sup>	-	(2,383,919)

---

<sup>(1)</sup>Deferred Financing costs were being reclassified to expense as the related financing transactions to which each relate have not closed by year end and or the related agreements have expired.

---

# Gensource Potash Corporation

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

---

#### 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.

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.

Cost	Lazlo <sup>(1)</sup>	Vanguard Area <sup>(2)</sup>	Total
<b>Balance, December 31, 2022</b>	<b>\$ 854,625</b>	<b>\$ 3,035,788</b>	<b>\$ 3,890,413</b>
Additions:			
Property acquisition and surface access fees	7,399	182,444	189,843
Seismic	-	505,570	505,570
Environmental	-	3,176	3,176
<b>Balance, December 31, 2023</b>	<b>\$ 862,024</b>	<b>\$ 3,726,978</b>	<b>\$ 4,589,002</b>
Additions:			
Property acquisition and surface access fees	6,336	166,796	173,132
<b>Balance, September 30, 2024</b>	<b>\$ 868,360</b>	<b>\$ 3,893,774</b>	<b>\$ 4,762,134</b>

1) Lazlo costs includes geological and freehold mineral lease costs.

2) Vanguard Area costs includes seismic exploration, government mining leases and freehold mineral lease cost of the remaining Vanguard Area.

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

The Tugaske Project is the Company's most advanced potash project, having achieved the following milestones:

- FEED (Front End Engineering and Design) study, beginning long lead procurement work.
- Bankable feasibility study, having achieved an underwritten senior lender commitment as the debt component of a typical debt-equity project financing solution.
- Fully permitted with a Provincial environmental assessment determination and municipal development permit granted.
- Construction ready.

# Gensource Potash Corporation

Notes to Condensed Interim Consolidated Financial Statements  
 Three and Nine Months Ended September 30, 2024 and 2023  
 (Expressed in Canadian Dollars)  
 (Unaudited)

## 5. Property, plant and equipment

### Cost

	Office equipment \$	Leasehold improvements \$	Development properties \$	Total \$
Balance, December 31, 2022	229,511	95,853	17,866,043	18,191,407
Additions	-	-	443,305	443,305
Balance, December 31, 2023	229,511	95,853	18,309,348	18,634,712
Additions	-	-	172,034	172,034
Balance, September 30, 2024	229,511	95,853	18,481,382	18,806,746

### Accumulated depreciation

	Office equipment \$	Leasehold improvements \$	Development properties \$	Total \$
Balance, December 31, 2022	215,406	95,853	-	311,259
Depreciation for the year	3,998	-	-	3,998
Balance, December 31, 2023	219,404	95,853	-	315,257
Depreciation for the period	2,134	-	-	2,134
Balance, September 30, 2024	221,538	95,853	-	317,391

### Carrying amount

	Office equipment \$	Leasehold improvements \$	Development properties \$	Total \$
At December 31, 2023	10,107	-	18,309,348	18,319,455
At September 30, 2024	7,973	-	18,481,382	18,489,355

## 6. Right-of-use assets

	Property	Equipment	Total
Balance, December 31, 2022	\$ 79,961	\$ 462	\$ 80,423
Depreciation	(45,692)	(462)	(46,154)
Balance, December 31, 2023	\$ 34,269	\$ -	\$ 34,269
Depreciation	(34,269)	-	(34,269)
Balance, September 30, 2024	\$ -	\$ -	\$ -

# Gensource Potash Corporation

Notes to Condensed Interim Consolidated Financial Statements  
Three and Nine Months Ended September 30, 2024 and 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

## 7. Lease liabilities

	Property	Equipment	Total
<b>Balance, December 31, 2022</b>	<b>\$ 93,911</b>	<b>\$ 1,168</b>	<b>\$ 95,079</b>
Accretion expense	15,022	29	15,051
Lease payments	(63,524)	(1,197)	(64,721)
<b>Balance, December 31, 2023</b>	<b>\$ 45,409</b>	<b>\$ -</b>	<b>\$ 45,409</b>
Accretion expense	4,000	-	4,000
Lease payments	(49,409)	-	(49,409)
<b>Balance, September 30, 2024</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## 8. Promissory note from related party

On May 31, 2022, the Company received an unsecured promissory note from a related party in the amount of \$250,000. The promissory note bears interest at a rate of 0% per annum and matures on July 1, 2023. The Company is entitled to prepay the whole or any part of the indebtedness evidenced by this note at any time and from time to time without notice, bonus or penalty of any kind whatsoever.

In April 2023, the Company extended the maturity date of the promissory note from July 1, 2023 to July 1, 2024. Further on June 22, 2024, the Company extended the maturity date of the promissory note to July 1, 2025, the extension was accounted for as a modification under IFRS 9.

On March 25, 2024, the Company received an unsecured promissory note from related parties amounting to \$150,000. The promissory note bears interest at a rate of 0% per annum and matures on June 25, 2024. 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.

On May 9, 2024, the Company received an unsecured promissory note from related parties amounting to \$150,000. The promissory note bears interest at a rate of 0% per annum and matures on June 25, 2024. 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 June 2024, the Company extended the maturity date of the promissory notes dated March 25, 2024 and May 9, 2024 from June 25, 2024 to December 24, 2024, the extension was accounted for as a modification under IFRS 9.

	As at September 30, 2024	As at December 31, 2023
Balance at beginning of year	<b>\$ 241,383</b>	\$ 240,745
New promissory note	<b>284,240</b>	-
Gain on modification	<b>(15,567)</b>	(16,915)
Accretion	<b>22,523</b>	17,553
<b>Balance at end of period</b>	<b>\$ 532,579</b>	<b>\$ 241,383</b>

---

# Gensource Potash Corporation

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

---

### 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. Further on June 17, 2024, the Company extended the maturity date of the convertible debentures to June 30, 2025. The Company calculated the fair value of the conversion feature and re-valued the convertible debenture using the original effective interest rate. The extension was accounted for as a modification under IFRS 9.

The following table summarizes the debt component of the debenture.

---

	<b>Total</b>
<b>Balance, December 31, 2022</b>	<b>\$ 2,089,606</b>
Gain on modification	(62,708)
Accretion expense	159,610
<b>As at December 31, 2023</b>	<b>2,186,508</b>
Gain on modification	(73,021)
Accretion expense	124,754
<b>Balance, September 30, 2024</b>	<b>\$ 2,238,241</b>

---

### 10. Helm credit facility

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

---

## Gensource Potash Corporation

Notes to Condensed Interim Consolidated Financial Statements  
Three and Nine Months Ended September 30, 2024 and 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

---

### 10. Helm credit facility (continued)

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, 2024	As at December 31, 2023
Balance at beginning of year	\$ 3,041,632	\$ 2,836,024
Gain on issuance of debt	(48,632)	-
Accrued interest	56,301	74,999
Accretion	106,917	130,609
Balance at end of period	\$ 3,156,218	\$ 3,041,632

---

### 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, 2024, the Company had 449,748,164 common shares (December 31, 2023 – 449,748,164) issued and outstanding.

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.

---

# Gensource Potash Corporation

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

---

### 11. Share capital (continued)

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.

iii) On October 2, 2023, the Company closed a non-brokered private placement and the Company issued 4,863,588 Units for aggregate gross proceeds of \$729,538. 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 \$139,100 using the Black-Scholes valuation model.

The Company paid legal and other fees of \$8,996.

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

- Risk free rate: 4.97%;
- Expected life: 2 years;
- Expected volatility: 84% based on historical 2 year trends; and
- Weighted average share price: \$0.12.

# Gensource Potash Corporation

Notes to Condensed Interim Consolidated Financial Statements  
 Three and Nine Months Ended September 30, 2024 and 2023  
 (Expressed in Canadian Dollars)  
 (Unaudited)

## 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 (\$)
<b>Balance, December 31, 2023</b>	24,442,397	0.29
Expired	(1,373,228)	(0.18)
<b>Balance, September 30, 2024</b>	<b>23,069,169</b>	<b>0.30</b>

  

Issue date	Expiry date	Exercise price	Number of warrants
January 26, 2023	January 26, 2025	\$0.30	12,086,998
May 29, 2023	May 29, 2025	\$0.30	6,118,583
October 2, 2023	October 2, 2025	\$0.30	4,863,588

## 12. Stock options

Stock option transactions for the periods presented are as follows:

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, December 31, 2022</b>	<b>27,550,000</b>	<b>0.16</b>
Granted <sup>(1)(2)(3)(4)</sup>	18,400,000	0.38
Expired/forfeited	(7,500,000)	(0.18)
<b>Balance, December 31, 2023</b>	<b>38,450,000</b>	<b>0.16</b>
Expired/forfeited	(2,950,000)	(0.15)
<b>Balance, September 30, 2024</b>	<b>35,500,000</b>	<b>0.15</b>

(1) 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, 2024 \$nil, respectively (three and nine months ended September 30, 2023, \$30,715 and \$93,000) was expensed. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

---

# Gensource Potash Corporation

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

---

### 12. Stock options (continued)

- 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 on the day of stock options grant: \$0.14.

(2) 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, 2024 \$nil (three and nine months ended September 30, 2023, \$70,500) 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 on the day of stock options grant: \$0.11.

(3) 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, 2024 \$nil (three and nine months ended September 30, 2023, \$1,406,000) 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 on the day of stock options grant: \$0.125.

(4) 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, 2024, \$9,560 (three and nine months ended September 30, 2023, \$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 on the day of stock options grant: \$0.12.

## Gensource Potash Corporation

Notes to Condensed Interim Consolidated Financial Statements  
 Three and Nine Months Ended September 30, 2024 and 2023  
 (Expressed in Canadian Dollars)  
 (Unaudited)

### 12. Stock options (continued)

The following table reflects the stock options issued and outstanding as of September 30, 2024:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
October 23, 2024	0.140	0.06	6,250,000	6,250,000	-
March 31, 2025	0.085	0.50	1,000,000	1,000,000	-
June 03, 2025	0.095	0.67	500,000	500,000	-
July 26, 2025	0.120	0.82	1,000,000	1,000,000	-
December 30, 2025	0.205	1.25	2,500,000	2,500,000	-
April 20, 2026	0.210	1.55	1,000,000	1,000,000	-
July 15, 2026	0.215	1.79	4,500,000	4,500,000	-
August 03, 2026	0.220	1.84	1,350,000	1,350,000	-
February 03, 2028	0.140	3.35	1,000,000	1,000,000	-
May 08, 2028	0.125	3.61	1,000,000	1,000,000	-
June 02, 2028	0.125	3.67	15,400,000	15,400,000	-
	<b>0.15</b>	<b>2.27</b>	<b>35,500,000</b>	<b>35,500,000</b>	<b>-</b>

### 13. General and administrative

	Three Months Ended September 30, 2024		Nine Months Ended September 30, 2023	
Office and general (note 14)	\$ 253,707	\$ 231,982	\$ 781,195	\$ 793,795
Finance and marketing	175,088	180,387	469,988	508,590
Professional fees	41,110	42,911	132,018	323,058
AIM listing costs	1,426	3,188	51,066	184,590
	<b>\$ 471,331</b>	<b>\$ 458,468</b>	<b>\$ 1,434,267</b>	<b>\$ 1,810,033</b>

### 14. 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.

# Gensource Potash Corporation

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

### 14. Related party balances and transactions (continued)

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
Michael Ferguson	(i)(v)	\$ -	\$ -	\$ -	\$ 125,000
FCON Consulting	(i)(v)	<b>75,000</b>	75,000	<b>225,000</b>	100,000
Alton Anderson	(ii)(v)	<b>62,500</b>	62,500	<b>187,500</b>	187,500
Rob Theoret	(iii)(v)	<b>50,000</b>	50,000	<b>150,000</b>	150,000
101188810 Saskatchewan Ltd	(iv)(v)	<b>50,000</b>	50,000	<b>150,000</b>	150,000

- i) Compensation to the Chief Executive Officer ("CEO"). FCON Consulting (controlled by CEO). For the nine months ended September 30, 2024 – 21% is included in development properties and 79% in general and administrative expenses.
- ii) Compensation to the Chief Financial Officer. For the nine months ended September 30, 2024 – 17% is included in development properties and 83% in general and administrative expenses.
- iii) Compensation to the VP Finance and Business Development. For the nine months ended September 30, 2024, 100% in general and administrative expenses.
- iv) Compensation to the VP, Corporate Services. 101188810 Saskatchewan Ltd. (controlled by VP, Corporate Services). For the nine months ended September 30, 2024, 100% is included in general and administrative expenses.
- v) Included in amounts payable and other liabilities was \$1,304,568 (December 31, 2023 - \$597,865) owed to related parties for deferred payment of consulting fees, salaries and expenses.
- (b) Convertible debentures:
- (i) In October 2021, directors and officers of the Company purchased \$1,985,000 of Convertible Debentures (note 9). During the nine months ended September 30, 2024, the Company expensed \$75,068 in interest on the convertible debentures (nine months ended September 30, 2023 - \$74,237).
- (c) Directors are entitled to director fees and stock options for their services.
- (d) To the knowledge of the directors and executive officers of the Company as of September 30, 2024, the common shares of the Company were widely held, including various holdings which were owned by directors and officers of Gensource. These holdings can change at any time at the discretion of the owner.

---

# Gensource Potash Corporation

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

---

### 15. 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.

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, 2024. The Company's cash is deposited with a major Canadian chartered bank and is held in highly-liquid investments.

As at September 30, 2024, the aggregate gross credit risk exposure related to cash was \$21,658 (December 31, 2023 – \$409,488), 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, 2024, the aggregate gross credit risk exposure related to receivables was \$224,726 (December 31, 2023 – \$253,836).

#### *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, 2024, the Company had a total of \$21,658 in cash and \$2,293 in investments to settle current liabilities of \$11,977,806.

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.

# Gensource Potash Corporation

Notes to Condensed Interim Consolidated Financial Statements  
Three and Nine Months Ended September 30, 2024 and 2023  
(Expressed in Canadian Dollars)  
(Unaudited)

## 15. Financial risk management (continued)

### Liquidity risk (continued)

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, 2024:

September 30,	2025	2026	2027	2028	Total
Accounts payable & accrued liabilities	\$ 6,050,768	\$ -	\$ -	\$ -	\$ 6,050,768
Convertible debentures	2,238,241	-	-	-	2,238,241
Helm credit facility	3,156,218	-	-	-	3,156,218
Promissory note from related party	532,579	-	-	-	532,579
	<b>\$ 11,977,806</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,977,806</b>

### 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, 2024, the Company held US\$907 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 \$45. 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 hierarchy

Cash and investments	Level 1	Level 2	Level 3	Total
September 30, 2024	\$ 23,951	\$ -	\$ -	\$ 23,951
December 31, 2023	\$ 412,450	\$ -	\$ -	\$ 412,450

---

# Gensource Potash Corporation

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

---

### 16. 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, 2024, the Company's capital structure consists of the equity of the Company, convertible debenture, related party promissory notes 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.

### 17. 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.

### 18. Subsequent events

i) On October 15, 2024, the Company received an unsecured promissory note from related parties amounting to \$150,000. The promissory note bears interest at a rate of 0% per annum and matures on December 24, 2024. 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.

ii) On October 23, 2024 6,250,000 stock options with an exercise price of \$0.14 expired.