



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED
DECEMBER 31, 2024

Introduction

The following Management's Discussion & Analysis ("MD&A") of the financial condition and results of the consolidated operations of Gensource Potash Corporation and its subsidiary, KClean 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, 2024. 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 consolidated financial statements of the Company for the years ended December 31, 2024 and December 31, 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of April 29, 2025, 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 and 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.sedarplus.ca.

Overview

Gensource was incorporated under laws of Saskatchewan on May 27, 2022 and is a Saskatchewan-headquartered company focused on vertically integrating modular, scalable and sustainable potash production from Saskatchewan with identified potash consumers seeking their own direct potash supply. The Company's flagship project at Tugaske, Saskatchewan (the "Tugaske Project") is a proposed 250,000 tonnes per year scalable project utilizing selective solution mining methods for potash production. The Tugaske Project is located within its Vanguard Area which is comprised of some 80,000 acres of potash mineral leases. The Tugaske Project is construction ready under its NI 43-101 compliant Technical Report of October 2021. The Project will produce no salt tailings on surface, and is expected to consume 1/10th the amount of fresh water as compared to conventional solution mines and yet be one of the world's lowest cost greenfield potash producers. Gensource's commitment to environmental stewardship is reflected in its approach to directly supplying sustainable potash to a hungry world.

The concept of food security has evolved over recent decades and has gradually been expanded. Initially food security focused mainly on availability of food and on food production (UN 1974); then it was expanded to include explicitly the accessibility to food (physical, economic and socio-cultural) through factors of production and inputs (FAO-UN 1996) and, lastly, to encompass the stability and sustainability (environmental) of these dimensions (FAO-UN 2006). Recognizing these needs, Gensource strives to provide unfettered access to a key macro nutrient (potash) from Saskatchewan to help drive food security.

2024 – Year In Review

In 2024, Gensource made strides in advancing the Tugaske Project both technically and financially. The 3D seismic program on SMP200 initiated in late 2023 was wrapped up and will be used to update the current NI 43-101 which will positively impact the defined Proven and Probable Reserves along with Measured and Indicated Resource. Further technical work completed during the year included:

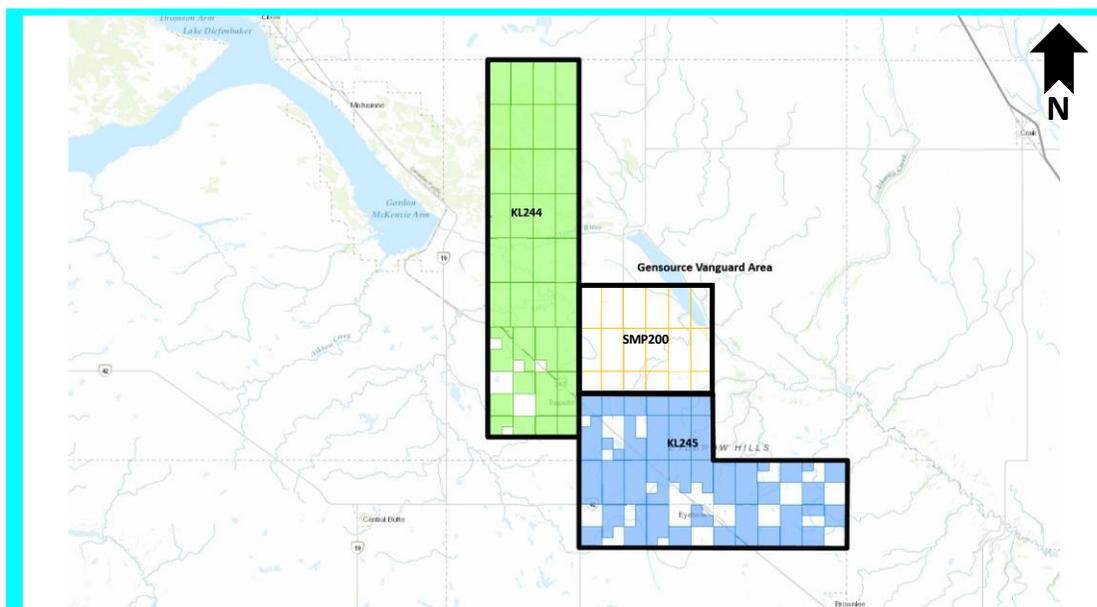
- Mining cavern design and optimization,
- Pipeline and flow-line evaluation to better increase access for scalability while decreasing capital, operating and maintenance costs,
- Evaluation of the crystallization process design to optimize equipment and enable larger modules,
- Initiated economic reviews to analyze cost efficiencies of increasing module sizes from 250,000 tonnes per year to 500,000 tonnes per year

The technical reviews have been driven by heightened interest from large and motivated international consumers seeking to secure their own direct supply of potash under the Gensource business and production model.

Although work has continued on the technical and project front, the main focus of Gensource has been the completion of the construction financing for the its flagship Tugaske Project. The general capital markets for most individual investors were robust in 2024. The institutional investors that Gensource has been engaged with for the past year have been consistent and are committed to the project. However, there has been some challenges which have caused unforeseen delays. The challenges have proved to be surmountable and as such, we are optimistic that a transaction will be consummated in the foreseeable future.

Overall, the year was marked by Gensource remaining focused on delivering long-term value to our shareholders, customers, employees, and other stakeholders. Throughout the year, we made strides in enhancing our relationships with strategic business partners and strategic investors. While uncertainties persist in the global trade landscape, we are hopeful that our compelling business model will help not only Saskatchewan, but also Canada, to increase trade relations with strategic countries within the Global South

Potash shipments rebounded to a healthy 72.5 million tonnes in 2024, driven by improved supply and supportive agricultural economics that contributed to increased demand in key markets such as China, Brazil and Southeast Asia. Global potash shipments are anticipated to increase between 71 and 75 million tonnes in 2025. The high end of the range captures the potential for stronger underlying global consumption and the lower end captures the potential for reduced supply availability. Potential tightness in the supply may be influenced by political decisions made outside the regular supply demand dynamics of the global potash industry.



Other highlights of Q4 2024 and the year ending December 31, 2024 :

- During the fiscal year 2024, the Company received unsecured promissory notes from related parties amounting to \$600,000. The promissory notes bear interest at a rate of 0% per annum and mature on June 27, 2025. The Company is entitled to prepay the whole or any part of the indebtedness evidenced by the notes at any time and from time to time without notice, bonus or penalty of any kind whatsoever.
- The Company announced an extension to the maturity date of each of the 5% convertible debentures of the Company (the "Debentures") issued on October 19, 2021, in the principal amount of \$2,000,000, from June 30, 2024 to June 30, 2025 (the "Debenture Amendments"). All other terms remain the same.
- The Company announced an amendment to the maturity date of the promissory note (the "Promissory Note") issued to Michael Ferguson. The maturity date was extended to July 1, 2025. All other terms remain the same.
- On December 6, 2024, the Company granted an aggregate of 11,950,000 stock options to directors and senior officers of the Corporation, at an exercise price of \$0.065 per share and are exercisable for a period of 5 years.

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 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.	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 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, 2025.	The operating and development of the Company for the twelve-month period ending December 31, 2025, 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 and development on its property interests.	The exploration and development activities of the Company for the twelve-month period ending December 31, 2025 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.

Forward-looking statements	Assumptions	Risk factors
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 be favourable to Gensource; the price of potash will be favourable to Gensource; no title disputes exist with respect to Gensource’s properties.	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.
Management’s outlook regarding future trends.	Financing will be available for Gensource’s exploration, development 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, 2024, was \$63,343 (December 31, 2023 – \$409,488), 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 working towards becoming the next fertilizer production company in that province. With a modular and environmentally leading approach to potash production, Gensource believes its technical and business model will be the future of the industry. Gensource operates under a business plan that has two key components: (1) vertical integration with the market to ensure that all production capacity built is directed, and pre-sold, to a specific market, eliminating market-side risk; and (2) technical innovation which will allow for a modular and economic potash production facility, that demonstrates environmental leadership within the industry, producing no salt tailings, therefore eliminating decommissioning risk, and requiring no surface brine ponds, thereby removing the single largest negative environmental aspect of potash mining.

Its registered head office is located at Suite 1100, 201 1st Ave. S. Saskatoon, SK, S7K 1J5.

Operational Highlights

Exploration & Evaluation Assets and Development Stage Properties

The Vanguard Area is located in South-Central Saskatchewan and surrounds the Villages of Tugaske and Eyebrow in the Rural Municipality ("R.M.") of Huron No.223 and R.M. of Eyebrow No.193, respectively - comprising two Government of Saskatchewan potash mineral leases, KL244 and KL245 and exploration permit SMP200, all 100% owned by Gensource.

Current Status:

1. Tugaske Project (the "Project" or "Tugaske Project") – Development Stage Property

The Tugaske Project is the Company's most advanced project and the first of potentially many similar projects. It has completed both a full, bankable, feasibility study and a follow-on Front-End Engineering and Design study (FEED). The Project is fully permitted and ready for construction following the optimization program.

With seismic work completed on SMP200, positive impacts are expected to Measured and Indicated Resources and Proven and Probable Reserves in the area. These will be detailed in the next NI 43-101 Technical Report.

On-going optimization work in the caverns and wellfield are trending towards improved designs that should reduce drilling costs and improve the efficiency of pipeline routings. Additional study was also invested in pipeline material of construction and wellfield location, yielding potentially more capital cost and maintenance cost savings. Cooling crystallizer equipment design optimization work was also undertaken

and, pending confirmation of operation, should yield significant capital and operating cost savings. All of this work is aimed at technical and financial effectiveness and efficiency.

Time was also invested in finding the best path towards larger production tonnages, by either working with the current module size or creating a larger individual module for potential customers seeking larger production values. With global supply chains in significant chaos that the time of this writing, the Company is experiencing an increase in interest in its business model.

In addition, the Company maintained all its freehold mineral leases, crown mineral leases and surface land option agreements, while optimizing pipeline routing rights of way.

Table 1 - Summary of Expenditures

Summary of Completed Activities (Year ended December 31, 2024)	(A) Spent Vanguard Area	(B) Spent Tugaske
Property acquisition and surface access fees	\$ 182,861	\$ 126,817
Geological and project management	\$ Nil	\$ 9,006
Engineering	\$ Nil	\$ Nil
Drilling	\$ Nil	\$ Nil
Technical reports/feasibility study	\$ Nil	\$ 200
Seismic	\$ Nil	\$ Nil
Environmental	\$ Nil	\$ Nil
Project Finance	\$ Nil	\$ 39,411
Total	\$ 182,861	\$ 175,434

- The planned expenditures for property acquisition and surface access fees is \$1,100,000. Actual capital commitments for 2025 will be evaluated as financing is completed.

The following table shows estimated Expenditures for the Tugaske Project, taking approximately 2 years to complete construction and transition the Project to operations. This table is revised to reflect the revisions to the Project, as integrated during FEED and does not include any potential optimizations identified above.

Table 2 - Tugaske Project Capital Cost Estimate Summary

WBS Area	Area Description	Grand Total Cost (\$CAD)	% of Total
100	Mining	\$ 30,760,003	9%
200	Wellfield	\$ 17,084,230	5%
300	Process Plant	\$ 96,876,130	28%
400	Product Storage and Loadout	\$ 15,783,440	4%
500	Site Infrastructure	\$ 23,528,252	7%
600	Offsites	\$ 7,879,549	2%

700	Non-Process Facilities	\$ 29,929,031	9%
TOTAL DIRECT COST		\$ 221,840,635	64%
900	Project Indirect Costs	\$ 96,638,548	27%
TOTAL INDIRECT COSTS		\$ 96,638,548	27%
TOTAL DIRECT + INDIRECT COSTS			91%
980	Contingency	\$ 33,597,918	9%
TOTAL PROVISIONAL COSTS		\$ 33,597,918	9%
GRAND TOTAL COST		\$ 352,077,101	100%

2. General Vanguard Area: (Exploration and Evaluation Asset) Gensource will continue with the reclamation requirements for the former exploration drilling wellsites and advance 2 sites through the AOR process.

Lazlo Area (Exploration and Evaluation Asset):

Summary of Completed Activities (Year ended December 31, 2024)	(A) Spent	Plans for the Project	(B) Planned Expenditures
Land acquisition and staking	\$6,336	At the date of this MD&A, it is more likely in the immediate term for the Company to pursue an initial project in the Vanguard Area	\$10,000
Total	\$6,336		\$10,000

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".

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 continues to inject instability in the food and fertilizer sector and their associated supply chains.

Results of Operations

Year Ended December 31, 2024, Compared to Year Ended December 31, 2023

During the year ended December 31, 2024, the Company had a net loss of \$2,895,040 (year ended December 31, 2023 – net loss of \$6,583,234), resulting in a net loss decrease of \$3,688,194.

Expenses during the year ended December 31, 2024 were \$2,560,047 (year ended December 31, 2023 - \$6,393,544), a decrease of \$3,833,497, and is primarily due to share-based payments of \$538,960 during the year ended December 31, 2024 (year ended December 31, 2023 - \$1,617,706); deferred finance costs expensed \$Nil (year ended 2023 - \$2,383,919); general and administrative expenses of \$1,983,972 (year ended December 31, 2023 - \$2,341,767); a net decrease of \$357,795, primarily due to reduced professional fees and AIM related costs offset by an increase in interest charges on project accounts payables.

During the year ended December 31, 2024, the Company recorded interest income of \$1,381, (year ended December 31, 2023 – \$8,161), unrealized loss on investments of \$478 (year ended December 31, 2023 – \$5,254) and accretion expense of \$345,501 (year ended December 31, 2023– \$322,823).

During the year ended December 31, 2024, overall general and administrative expenses were \$357,795 lower than the comparative period in 2023. The following is a breakdown of general and administrative expenses for the year ended December 31, 2024 and 2023

Year Ended December 31,	2024	2023	Change
	\$	\$	\$
Office and general ⁽¹⁾	1,111,437	1,096,772	14,665
Finance and marketing ⁽²⁾	645,657	646,605	(948)
Professional fees ⁽³⁾	175,343	380,772	(205,429)
AIM listing costs ⁽⁴⁾	51,535	217,618	(166,083)
Total general and administrative expenses	1,983,972	2,341,767	(357,795)

(1) Costs were higher due to the increase in interest expense charges on project accounts payable offset by a reduction in employee costs.

(2) Decrease in marketing costs.

(3) Costs were lower due to the decrease in legal, audit and accounting fees

(4) Costs were lower due to the decrease in AIM related public relations fees and legal fees

Three Months Ended December 31, 2024, Compared to Three Months Ended December 31, 2023

During the three months ended December 31, 2024, the Company had a net loss of \$1,224,167 (three months ended December 31, 2023 – loss of \$2,934,590), resulting in a net loss decrease of \$1,710,423.

Expenses during the three months ended December 31, 2024 were \$1,079,816 (three months ended December 31, 2023 – \$2,946,253), a decrease of \$1,866,437, and is primarily due reclassification of deferred finance costs of \$Nil (three months ended December 31, 2023 - \$2,383,919), share-based payments \$529,400 (three months ended December 31, 2023 - \$18,177); general and administrative expenses of \$549,705 (three months ended December 31, 2023 - \$531,734), an increase of \$17,971,

primarily due to reduced salaries, accounting and legal fees offset by an increase in interest charges on project accounts payables.

During the three months ended December 31, 2024, the Company recorded interest on credit facility of \$18,904, (three months ended December 31, 2023 – \$18,904), unrealized gain on investments of \$190 (three months ended December 31, 2023 –\$287) and accretion expense of \$87,307 (three months ended December 31, 2023– \$82,397).

Assets

At December 31, 2024, assets were \$23,625,741 (December 31, 2023 - \$23,673,194), a decrease of approximately .2%. Exploration and evaluation assets increased by approximately 4% from December 31, 2023. The total amount of exploration and evaluation assets represents approximately 20% of the total assets (December 31, 2023 – 19%). Property, plant and equipment increased by approximately .9%. The total amount of property, plant and equipment represents approximately 78% of total assets (December 31, 2023 –77% of total assets).

Receivables decreased by \$21,787 from December 31, 2023 due to a decrease in GST/HST receivable. Further, the Company had a decrease in prepaid expenses of \$6,559. At December 31, 2024, the Company had cash of \$63,343 (December 31, 2023 - \$409,488), a decrease of \$346,145. The Company had Right-of-use assets of \$Nil (December 31, 2023- \$34,269).

Liabilities

At December 31, 2024, current liabilities were \$12,789,077 (December 31, 2023 - \$10,4769,450). The variation is primarily due to an increase in interest charges on project account payables and deferred management compensation.

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

Shareholders' equity

At December 31, 2024, shareholders' equity decreased by \$2,357,080 which is primarily due to the deficit and the increase in contributed surplus during the twelve months ended December 31, 2024.

At December 31, 2024, the Company had 449,748,164 common shares issued and outstanding, 23,069,169 common share purchase warrants outstanding and 41,200,000 stock options outstanding.

Investment portfolio

The Company's investments consist primarily of resource companies whose principal business is exploration and development. During the year ended December 31, 2024, 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, 2023 – unrealized loss of \$5,254). At December 31, 2024, the market value of the Company's investments was \$2,484 (December 31, 2023 – \$2,962).

Cash Flow

For the year ended December 31, 2024, the Company decreased its cash position by \$346,145 as a result of a decrease in financing activities.

Cash used in operations, including changes in non-cash working capital of \$530,822, totaled a deficiency of \$1,518,462 during the year ended December 31, 2024. This was as a result of net loss of \$2,895,040 for the year ended December 31, 2024, adjusted for non-cash transactions including mainly depreciation \$37,115, share-based payments of \$538,960, accretion expense of \$345,501, unrealized loss on investments of \$478, interest on credit facility of \$75,205 and loss on issuance of debt of \$151,503. For the year ended December 31, 2023, cash used in operations, including changes in non-cash working capital of \$1,875,840, totaled a deficiency of \$482,336. This was as a result of a net loss of \$6,583,234 for the year ended December 31, 2023, adjusted for non-cash transactions including mainly depreciation of \$50,152, share-based payments of \$1,617,706, accretion expense of \$322,823, unrealized loss on investments of \$5,254, interest on credit facility of \$74,999, loss on issuance of debt \$79,624 and write-off of deferred financing costs.

Cash used in investing activities during the year ended December 31, 2024 totaled \$364,631, which consisted of the expenditure on property in development stage of \$175,434 and the expenditure of exploration and evaluation assets of \$189,197. The expenditure of exploration and evaluation assets cost was for annual mining lease payments and surface access fees of \$182,861. The expenditures on property in development stage were for annual mining lease payments and surface access fees of \$126,817, geological and project management of \$9,206 and project finance costs of \$39,411. Cash used in investing activities during the year ended December 31, 2023, totaled \$692,589 which consisted of the expenditure on property in development stage of \$443,305, the acquisition and expenditure of exploration and evaluation assets of \$249,284. The expenditure of exploration and evaluation assets cost was mainly for property acquisition and surface access fees of \$182,444, seismic of \$505,570 and environmental fees of \$3,176. The expenditures on property in development stage was for engineering of \$8,146, geological and project management of \$145,458, drilling of \$4,031, project finance costs of \$526,396 and property acquisition and surface access fees of \$197,139.

Cash generated by financing activities during the year ended December 31, 2024 totaled \$549,309 due to proceeds from the issuance of promissory notes of \$599,717 offset by the cost of issuance of \$1,000 and the repayment of lease on right-of-use asset of \$49,409.

Selected Annual Information

The following table sets out selected financial information for the Company as at December 31, 2024, and for the years ended December 31, 2023, and December 31, 2022 and should be read in conjunction with the Company's audited consolidated financial statements attached hereto:

Description	Year Ended December 31, 2024 (\$)	Year Ended December 31, 2023 (\$)	Year Ended December 31, 2022 (\$)
Net sales/total revenues	nil	nil	nil
Total net (loss) earnings ⁽¹⁾⁽²⁾	(2,895,040)	(6,583,236)	(2,491,863)
Net (loss) earnings per common share	(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, 2024 (\$)	As at December 31, 2023 (\$)	As at December 31, 2022 (\$)
Total assets	23,625,741	23,673,194	24,949,663
Current liabilities	12,789,077	10,479,450	6,613,765
Non-current liabilities	nil	nil	2,881,433
Deficit	(43,039,126)	(40,144,088)	(33,560,852)

- (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.
- (5) Loss from reallocation of deferred financing costs of \$2,383,919 from non-current assets to expenses
- The net loss for the year ended December 31, 2024, consisted primarily of (i) general and administrative of \$1,983,972; (ii) share-based payments of \$538,960; (iii) depreciation expense of \$37,115; and (iv) accretion expense of \$345,501.
 - The net loss for the year ended December 31, 2023, consisted primarily of (i) general and administrative of \$2,341,767; (ii) share-based payments of \$1,617,706; (iii) depreciation expense of \$50,152; and (iv) accretion expense of \$322,823; and reallocation of deferred financing costs from non-current assets to expenses of \$2,383,919.
 - The net loss for the year ended December 31, 2022, consisted primarily of (i) general and administrative of \$2,441,647; (ii) share-based payments of \$36,534; (iii) depreciation expense of \$52,787; and (iv) accretion expense of \$285,803.
 - 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.

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net loss	(1,224,167) ⁽¹⁾	(547,052) ⁽²⁾	(487,154) ⁽³⁾	(636,667) ⁽⁴⁾	(2,934,592) ⁽⁵⁾	(591,914) ⁽⁶⁾	(2,291,402) ⁽⁷⁾	(765,328) ⁽⁸⁾
Net loss per share ⁽⁹⁾	0.01	0.00	0.00	0.00	0.01	0.00	0.01	0.00
Total assets	23,625,741	23,509,237	23,585,507	23,643,059	23,673,194	25,745,095	25,267,289	25,356,454

Notes:

- (1) Net loss of \$1,224,167 principally relates to general and administrative expenses of \$549,705; share-based payments of \$529,400; and depreciation of \$711. All other expenses related to general working capital purposes.

- (2) Net loss of \$547,052 principally relates to general and administrative expenses of \$471,331 and depreciation of \$12,135. All other expenses related to general working capital purposes.
- (3) Net loss of \$487,154 principally relates to general and administrative expenses of \$460,812; share-based payments of \$1,683 and depreciation of \$12,135. All other expenses related to general working capital purposes.
- (4) Net loss of \$636,667 principally relates to general and administrative expenses of \$502,124; share-based payments of \$7,877 and depreciation of \$12,134. All other expenses related to general working capital purposes.
- (5) Net loss of \$2,934,592 principally relates to general and administrative expenses of \$531,734; share-based payments of \$18,177, reallocation of deferred financing costs of \$2,383,919 and depreciation of \$12,423. All other expenses related to general working capital purposes.
- (6) Net loss of \$591,914 principally relates to general and administrative expenses of \$458,468; share-based payments of \$27,563; and depreciation of \$12,424. All other expenses related to general working capital purposes.
- (7) Net loss of \$2,291,402 principally relates to general and administrative expenses of \$787,258; share-based payments of \$1,507,241; depreciation of \$12,422; offset by foreign exchange gain of \$36,410. All other expenses related to general working capital purposes.
- (8) Net income of \$765,328 principally relates to general and administrative expenses of \$564,307; share-based payments of \$64,725; and depreciation of \$12,884. 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, 2024	December 31, 2023
Working capital deficiency (\$)	12,433,578	9,748,982

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, 2024(\$)	December 31, 2023 (\$)	Change (\$)
Cash	63,343	409,488	(346,145)
Prepays and deposits	57,623	64,182	(6,559)
Receivables	232,049	253,836	(21,787)
Investments	2,484	2,962	(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 2025 corporate budget will be allocated as follows (see "Caution Regarding Forward-looking Statements"):

Expenditures	Funds Required
General & administrative budget ⁽¹⁾	\$2,225,000
Carrying costs to maintain properties in good standing	\$400,000
Miscellaneous	\$200,000
Total Expenditures	\$2,825,000

⁽¹⁾ Salaries and Benefits - \$350,000; Contract Services - \$775,000; Legal and Audit Services - \$400,000; Transfer Agent & Regulatory Fees - \$100,000; and Office and Operating Costs - \$600,000.

Given that Gensource is in the exploration and development phases and the Company has not earned any revenue since its inception other than the sale from select portfolio investments and royalties, 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 will be required to raise additional funding in order to continue operations at the current level for the twelve-month period ending December 31, 2025. 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.

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 and enterprises that are controlled by these individuals. The Company entered into the following transactions with related parties:

- a) During the year ended December 31, 2024, compensation and salaries of \$950,000, (year ended December 31, 2023 - \$950,000) were accrued to officers of the Company or related companies controlled by officers of the Company. They were included in general and administrative expenses and development expenses. Included in amounts payable and other liabilities was \$1,534,099 (December 31, 2023 - \$597,865) owed to related parties for deferred payment of consulting fees and expenses.

	Year ended December 31, 2024 (\$)	Year ended December 31, 2023 (\$)
Michael Ferguson ⁽¹⁾	Nil	125,000
FCON Consulting ⁽¹⁾	300,000	175,000
Alton Anderson ⁽²⁾	250,000	250,000
Rob Theoret ⁽³⁾	200,000	200,000
101188810 Saskatchewan Ltd. ⁽⁴⁾	200,000	200,000
Amy O'Shea, Director	Nil	Nil
Calvin Redlick, Director	Nil	Nil
Mike Mueller, Director	Nil	Nil
Stephen Dyer, Director	Nil	Nil
Wayne Brownlee, Director	Nil	Nil
Total	950,000	950,000

⁽¹⁾ Compensation to the CEO via FCON Consulting (controlled by CEO). For the year ended December 31, 2024, 13% is included in development expenses and 87% in administrative expenses.

⁽²⁾ Compensation to the CFO. For the year ended December 31, 2024, 3% is included in development expenses and 97% is included in administrative expenses.

⁽³⁾ Compensation to the VP Finance and Business Development. For the year ended December 31, 2024, 100% is included in administrative expenses (year ended December 31, 2023 – 7% is included in development expenses and 93% administrative expenses).

⁽⁴⁾ Compensation to the VP, Corporate Services via 101188810 Saskatchewan Ltd. (controlled by VP, Corporate Services). For the year ended December 31, 2024, 100% is included in general and administrative expenses (year ended December 31, 2023 –2% is included in development expenses and 98% is included in administrative expenses).

To the knowledge of the directors and executive officers of the Company as of December 31, 2024, the common shares of the Company were widely held, which includes various holdings which were owned by directors and officers of Gensource. These holdings can change at any time at the discretion of the owner.

Remuneration of directors and key management personnel, other than consulting fees and salaries, of the Company was as follows:

Share based payments	Year Ended December 31,	
	2024 (\$)	2023 (\$)
Michael Ferguson, Director and Officer	179,417	365,195
Alton Anderson, Director and Officer	79,742	255,636
Rob Theoret, Officer	79,742	209,987
Deborah Morsky, Officer	79,742	209,987
Amy O’Shea, Director	22,152	91,299
Calvin Redlick, Director	Nil	91,299
Mike Mueller, Director	Nil	Nil
Stephen Dyer, Director	44,302	91,299
Wayne Brownlee, Director	44,302	116,149
Total	529,399	1,430,851

The related party transactions were recorded at the exchange amount, which is the amount agreed to by the related parties.

New Accounting Standards adopted

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

IAS 1 – Presentation of Financial Statements (“IAS 1”)

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

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2. The amendments to IAS 1 require an entity to disclose its material

accounting policies instead of the entity's significant accounting policies. The amendments include clarification on how an entity can determine material accounting policies by applying a "four-step materiality process" that is described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. The Company adopted the amendments effective January 1, 2023, with no material impact to the Consolidated Financial Statements for 2023.

Amendments to IAS 8 – accounting policies, changes in accounting estimates and errors

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

Recent Accounting Pronouncements

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

IFRS 16 - Leases ("IFRS 16")

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

IFRS 3, Business Combinations ("IFRS 3")

Amendments to IFRS 3 "Business Combinations" were issued in May 2020, and are effective on or after January 1, 2022, with earlier application permitted. The amendments update references within IFRS 3 to the 2018 Conceptual Framework and require that the principles in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" be used to identify liabilities and contingent assets arising from a business combination. Adoption of these amendments is not expected to have a significant impact on the Company's consolidated financial statements.

Critical judgments and accounting estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates. The key sources of judgment and estimation uncertainty that have a significant risk of causing material adjustment to

the amounts recognized in the consolidated financial statements are:

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of such expenditure is unlikely, the amount capitalized is written off in the statements of operations and comprehensive loss in the period the new information becomes available. No indications of impairment were present at December 31, 2024.

Discount rate on initial recognition

The convertible debt and all the components of the lease liability are required to be discounted to reflect the present value of the payments. The discount rate to use is the rate implicit in the lease, unless this cannot readily be determined, in which case the Company's incremental borrowing rate is used instead. The definition of the lessee's incremental borrowing rate states that the rate should represent what the Company would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Significant judgment is required to estimate an incremental borrowing rate in the context of a convertible debt and/or right-of-use asset.

Impairment of mining interests

The Company's management reviews the carrying values of its mining interests on transfer from an exploration property to a development property and on a regular basis to determine whether any write-downs are necessary. Property, plant and equipment is also reviewed on a regular basis to determine whether any write-downs are necessary. The recovery of amounts recorded for mining interests and property, plant and equipment depend on the Company's interpretation of its interest in the underlying mineral claims based on existing regulations, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. Management relies on the life-of-mine plans in its assessments of economic recoverability and probability of future economic benefit. Life-of-mine plans provide an economic model to support the economic extraction of reserves and resources. The life-of-mine plan requires the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, mineral reserves, and operating performance (which includes production and sales volume). The company performed an impairment test on the Tugaske Project as it entered development staged during fiscal year 2021. No impairment was identified.

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, 2024, 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, 2024(\$)	December 31, 2023 (\$)	Change (\$)
Cash	63,343	409,488	(346,145))
Prepays and deposits	57,623	64,182	(6,559)
Receivables	232,049	253,836	(21,787)
Investments	2,484	2,962	(478)

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations. Gensource relies on ongoing cost-cutting measures and additional financing initiatives, 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 during the 2025 financial year from either debt, funds from a new partner or from a private placement in order to pursue its business plan.

Financial Instruments and Risk Management

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's MD&A for the fiscal year ended December 31, 2024, available on SEDAR+ at www.sedarplus.ca.

Fair value hierarchy and liquidity risk disclosure

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at December 31, 2024	65,827	nil	nil	65,827
As at December 31, 2023	412,450	nil	nil	412,450

Share Capital

The Company is authorized to issue an unlimited number of common shares. At December 31, 2024 and 2023, the Company has the following shares, warrants and options issued and outstanding:

	December 31, 2024	December 31, 2023
Common shares outstanding	449,748,164	449,748,164
Warrants	23,069,169	24,44,397
Options	41,200,000	38,450,000
Fully diluted	514,017,333	512,640,561

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

Common shares outstanding	450,748,164
Warrants	10,982,171
Options	40,200,000
Fully diluted	501,930,335

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, 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 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 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 with certain consultants, other geologists and technical expertise and has no current plans to do so. The Company may hire consultants, 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 shares 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 common shares held in the Company's investment portfolio is price volatility; therefore, the theoretical valuation of common shares for thinly traded companies may be understated or overstated as a result.

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 for the following purposes:

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

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

Subsequent Events

- i. On January 24, 2025, the Company extended the maturity date of the unsecured promissory notes from January 31, 2025 to March 31, 2025.
- ii. On January 26, 2025, 12,086,998 warrants with an exercise price of \$0.30 expired.
- iii. On February 11, 2025, the Company received an unsecured promissory note from related parties amounting to \$300,000. The promissory note bears interest at a rate of 0% per annum and matures on March 31, 2025. The Company is entitled to prepay the whole or any part of the indebtedness evidenced by the note at any time and from time to time without notice, bonus or penalty or any kind whatsoever.
- iv. On March 27, 2025, the Company extended the maturity date of the promissory notes from March 31, 2025 to June 27, 2025.
- v. On March 27, 2025, 1,000,000 stock options with an exercise price of \$0.085 were exercised.