



*A New Approach to Potash
Production*

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Gensource Potash Overview

- Publicly traded potash development company, focused on developing the **Lazlo Project** in Saskatchewan
- Utilizing a vertically integrated approach to potash extraction and distribution, erasing the need for multi-billion dollar CAPEX
- Deploying ***Selective Dissolution***, a 21st century extraction technique that is small and scalable and profitable with little environmental impact
- A Potash and Saskatchewan focused Board of Directors and world-class Advisory Team, **led by CEO Mike Ferguson, responsible for taking Potash One's Legacy project into development**
- **Off-take Term Sheets already in place for 150,000 tonnes per year**

Gensource – Management & Board

Mike Ferguson, P.Eng., President & CEO. Mike led the Potash One team that developed the Legacy project– the only Saskatchewan greenfield potash development to proceed to construction.

Rob Theoret, B.Comm., CIM, CFO. Co-founder of NEXXT Potash and has successfully financed several local junior development companies.

Deborah Morsky, VP Corp. Services. Deborah brings 25 plus years of family business leadership and experience as a professional in insolvency and financial restructuring.

Dr. Mark Stauffer, Director. Dr. Stauffer has been a leader in the fertilizer industry for over 40 years, culminating his career as President of the Potash & Phosphate Institute (PPI) / Potash & Phosphate Institute of Canada (PPIC). Throughout his time with PPI/PPIC, Dr. Stauffer focused Balanced Fertilization principles as a best practice for agricultural producers and most recently served as a Director of TSX-traded Migao Corporation and former TSX-V traded Allana Potash Corporation.

Kerny Korchinski, Director. Kerny is an accomplished Saskatchewan entrepreneur building a private business from conception to \$100 million in annual revenue.

Paul Martin, Director. Chairman of Martin Charlton Communications, Saskatchewan's largest public relations firm specializing in communications strategy and support, media relations, government relations, event planning and strategic advice.

Gensource – Advisory Board

Max Ramey, PE, Solution Mining. Max was the technical drive behind the Legacy Project. With his extensive experience and track record in operations and design of solution mining facilities, Max is a world-class expert in high demand.

John McEwan, PE, Processing. John created the process design for the Legacy project based on his almost 40 years in the mining industry. With solution processing expertise in many minerals under varied chemical conditions, John leads the effort to move processing techniques into the 21st century.

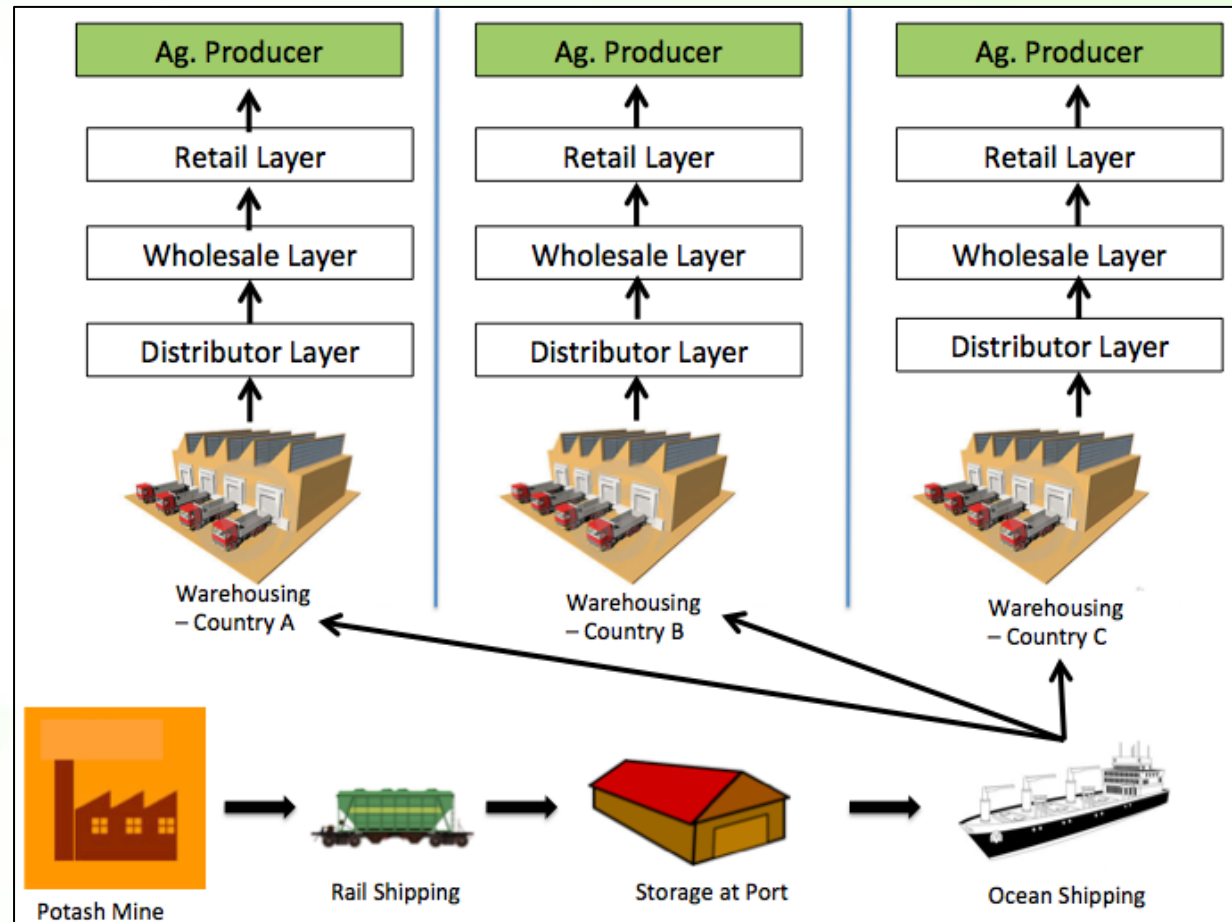
Sandy Debuscherre, Drilling. Sandy is the most well-known and sought-after drilling design and execution consultant in the province, with extensive experience in oil & gas and potash exploration and operational drilling. Sandy's expertise extends to horizontal drilling and solution mining-specific aspects of drilling and casing operations.

Steve Halabura, P.Geo., FEC (Hon), Director, Geology. Steve is the pre-eminent geologist in the Prairie Evaporite. Steve was responsible for siting *Legacy* (Potash One/K+S), *Jansen Lake* (BHP-B), *Burr* (Athabasca Potash) and more.

Jim Elliot, Strategic Business Advisor. Jim founded Tron Power in northern Saskatchewan and led the development of that company into arguably the most successful First Nations owned construction contracting company in western Canada.

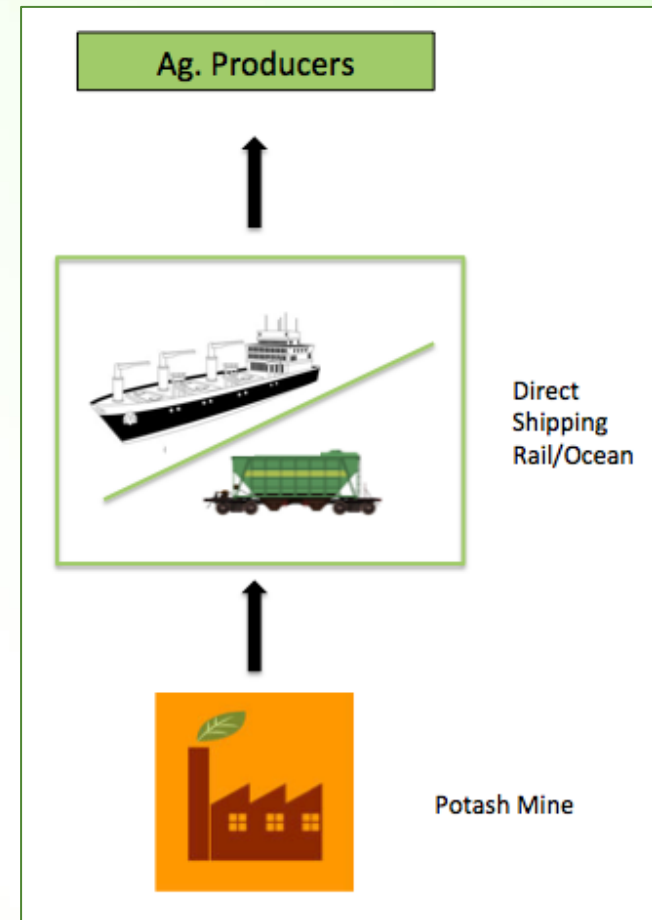
Out With the Old...

- The old model of Potash mining included multi-billion dollar CAPEX mines and several layers of distribution
- This traditional model evolved over decades of oligopolistic industry control
- It is archaic, expensive, and unnecessary
- With the advent of new technologies, this model is rapidly changing



...in With the New

- Gensource's new vertically integrated, direct-ship model will bring the potash industry into the 21st century
- While traditional potash extraction relied on massive underground conventional mines to bring the mineral to surface, Gensource is using a special type of extraction, **Selective Dissolution**, that has many benefits
- Gensource's direct to customer distribution channels cuts out the middle men, meaning cheaper product for end users and higher margins for Gensource!



Conventional vs. Solution Mining vs. *Selective Dissolution*

| | Conventional | Conventional Solution Mining | <i>Selective Dissolution</i> |
|---|---|--|-------------------------------------|
| Min. viable production rate | 2.5+ Mt/a | 2.0 Mt/a | 250 kt/a |
| Capex per tonne (\$C) | \$1,990 * | \$1,620 * | \$1,000 ** |
| Operating costs (\$C) | \$80 /t * | \$118/t * | Confidential ** |
| Development Time | 7-10 years | 5-7 years | 3 years ** |
| Tailings | 2 tonnes salt tailings per tonne of potash produced | 2 tonnes salt tailings per tonne of potash produced | None |
| Brine containment structures on surface | Large (many Ha) salt tailings and brine pond containment structures req'd | Large salt tailings and brine pond containment structures req'd as well as cooling ponds | None |

* Potash Mining Supply Chain Requirement Guide, Ministry of Economy, Government of Saskatchewan, September 14, 2012

** Gensource internal data

www.gensource.ca

(TSX.V: GSP)

Existing Technology

During the past 50+ years of potash mining in Saskatchewan, environmental issues have been identified with both conventional and solution mining. Gensource’s innovative ‘Selective Dissolution’ is able to address these issues effectively.

| Issue | Discussion |
|--|--|
| Significant salt tailings stored on surface for indefinite (infinite?) periods of time | Resolution of the problem for existing operations is difficult. Using extraction methods that leave salt tailings underground, as Gensource proposes, provides significant advantages. |
| Large fresh water consumption | Existing mining methods consume very large volumes of fresh water. Selective Dissolution can use brackish ground water as the source for mining and processing, so no demand for precious surface fresh water (and no pipeline/pumping expenses). |
| Energy consumption, particularly for evaporation-crystallization solution mining operations, is very large | These thermal processes consume large amounts of energy – Selective Dissolution , by eliminating the need for evaporation, results in significant energy reductions, meaning not only reduced operating costs but lower carbon footprint as well. |

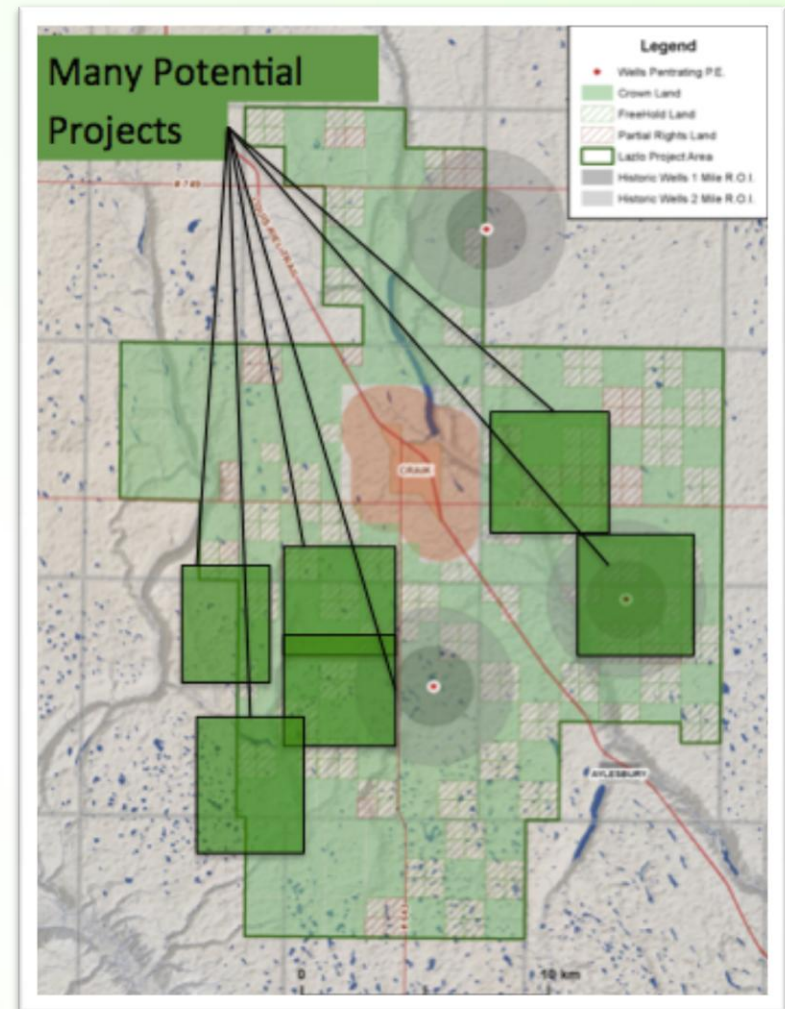
Selective Dissolution

Gensource is utilizing a technique known as *Selective Dissolution*

- 1) Brackish ground water is used as the input - not precious fresh surface water
- 2) Horizontal drilling techniques enable the creation of horizontal ***selective dissolution*** caverns
- 3) The input water is made into the extraction brine by saturating it in NaCl (salt) – when saturated with NaCl, it and will no longer dissolve NaCl - only KCl (potash, our potassium nutrient)
- 4) The brine is pumped out of the horizontal cavern and through a crystallization process on surface that removes the KCl from the brine, resulting in solid crystals of potassium nutrient
- 5) From here, the solid KCl is dried and screened to a specific size for sale as the final nutrient product
- 6) Remaining brine (still saturated with NaCl but not KCl) is returned to the horizontal caverns where it dissolves additional KCl and the cycle is repeated

Selective Dissolution at Lazlo Project

- The Lazlo Project is Gensource’s primary focus, a 123,000 acre area representing an ideal candidate to implement a highly profitable ***selective dissolution*** operation
- Lazlo Area is located in the “Davidson Sub-Basin” region of the Prairie Evaporite in central Saskatchewan, with combined thicknesses of about 30m of high-grade, mineable ore.
- Three historic drills holes exist, which indicate excellent grades, thicknesses, and temperature
- Extraction within the Lazlo area can provide 6-9 million tonnes of final saleable product per section (square mile), meaning only a very small and focused land area is required for a long life mine



Historical Drilling



Figure 6. Photograph of Typical Core from the UC Craik 13-18-25-27 Well

- Three historic drills holes exist in the the Lazlo Project, completed in the 1960's
- An historic 43-101 completed in December, 2014 indicates excellent thicknesses, high-grades, and a uniform deposit of potash.

Left: Core from on-property historical well. Note the visible large clear crystals. These are KCl (potash) and NaCl (salt). The pink and orange colours are clays and other minerals.

NI 43-101

Updated NI 43-101 report completed in December 2014 –

- Defines an “exploration target” complete with ranges of expected resource grades and tonnages
- Excerpt from 2014 NI 43-101 Report...

Table 4. Potential Mineralization at the Lazlo Project

| | Area (acres) | Thickness (m) | | Tonnage (Mt) | | K ₂ O Grade (%) | | K ₂ O Tonnage (Mt) | |
|---------------|-----------------|---------------|---------|--------------|---------|----------------------------|---------|-------------------------------|---------|
| | | Minimum | Maximum | Minimum | Maximum | Cut-off Grade | Maximum | Minimum | Maximum |
| Patience Lake | 4,322 | 9.50 | 18.20 | 346 | 662 | 15.0 | 22.35 | 51.84 | 147.99 |
| Belle Plaine | 4,322 | 8.90 | 10.12 | 324 | 368 | 15.0 | 19.93 | 48.57 | 73.38 |
| Esterhazy | 4,322 | 4.58 | 10.40 | 167 | 378 | 15.0 | 15.72 | 25.01 | 59.48 |

...Take away message: *the resource in the Lazlo area is rich and widespread.*

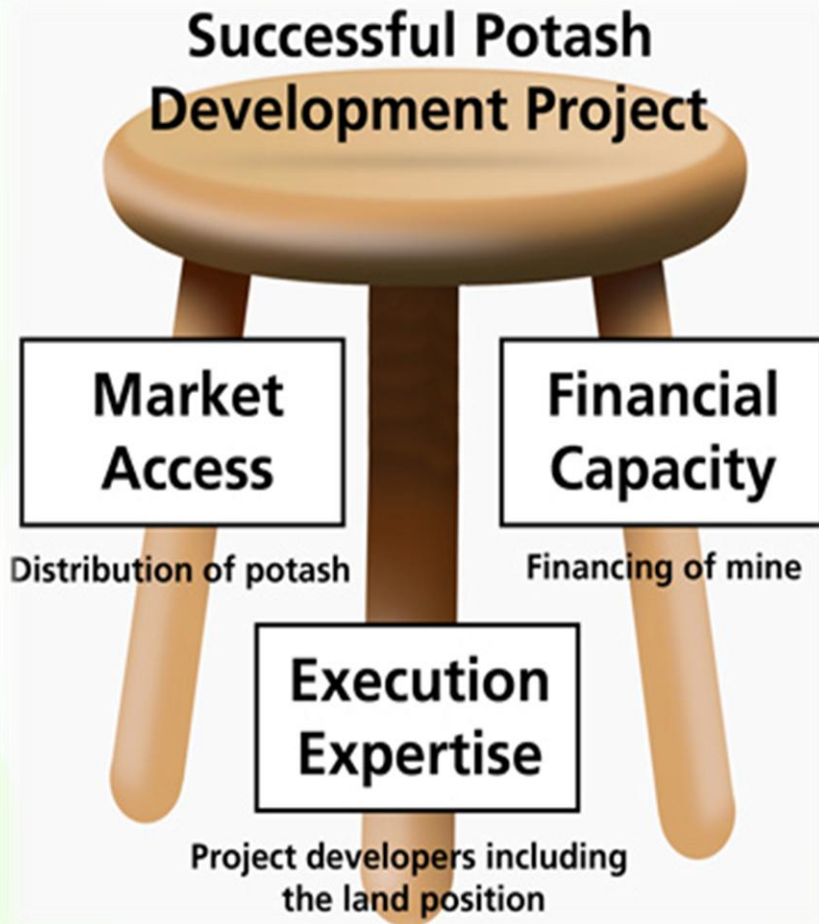
Lazlo Project Initial Production

- Lazlo Area is large enough and rich enough to support several projects, meaning that production can be scaled up quickly based on future demand
- Initial Project will have the following design parameters –
 - 250,000 tonnes per year
 - Product will be a “granular” product as required by the end-users in Brazil
 - Product will be “White” (clear) because the potash is pure
 - Product will be direct-shipped to end users in Brazil, either in bulk or bulk-in-container, via rail, ocean freight, and truck

Business Plan

1. Any new potash development needs a 3-legged stool as a foundation, meaning VERTICAL INTEGRATION
2. A new potash development in Saskatchewan doesn't need to be the now-familiar 3.0-4.0 Mt/y, \$4B project. Why? - because those current Potash developments are:
 - Uneconomical in today's pricing environment
 - too capex intensive and therefore risk-heavy
 - too time-consuming to develop (7-10 years...)
 - too large (marketing concerns for 3.0 - 4.0 Mt/a product)
 - too wasteful, especially regarding the potash resource itself and water and energy consumption.
3. Success requires new approaches in almost all aspects of a project, from extraction to processing to transportation to marketing. Success of a Gensource project has the potential to disrupt the current industry.

The Three Legged Stool

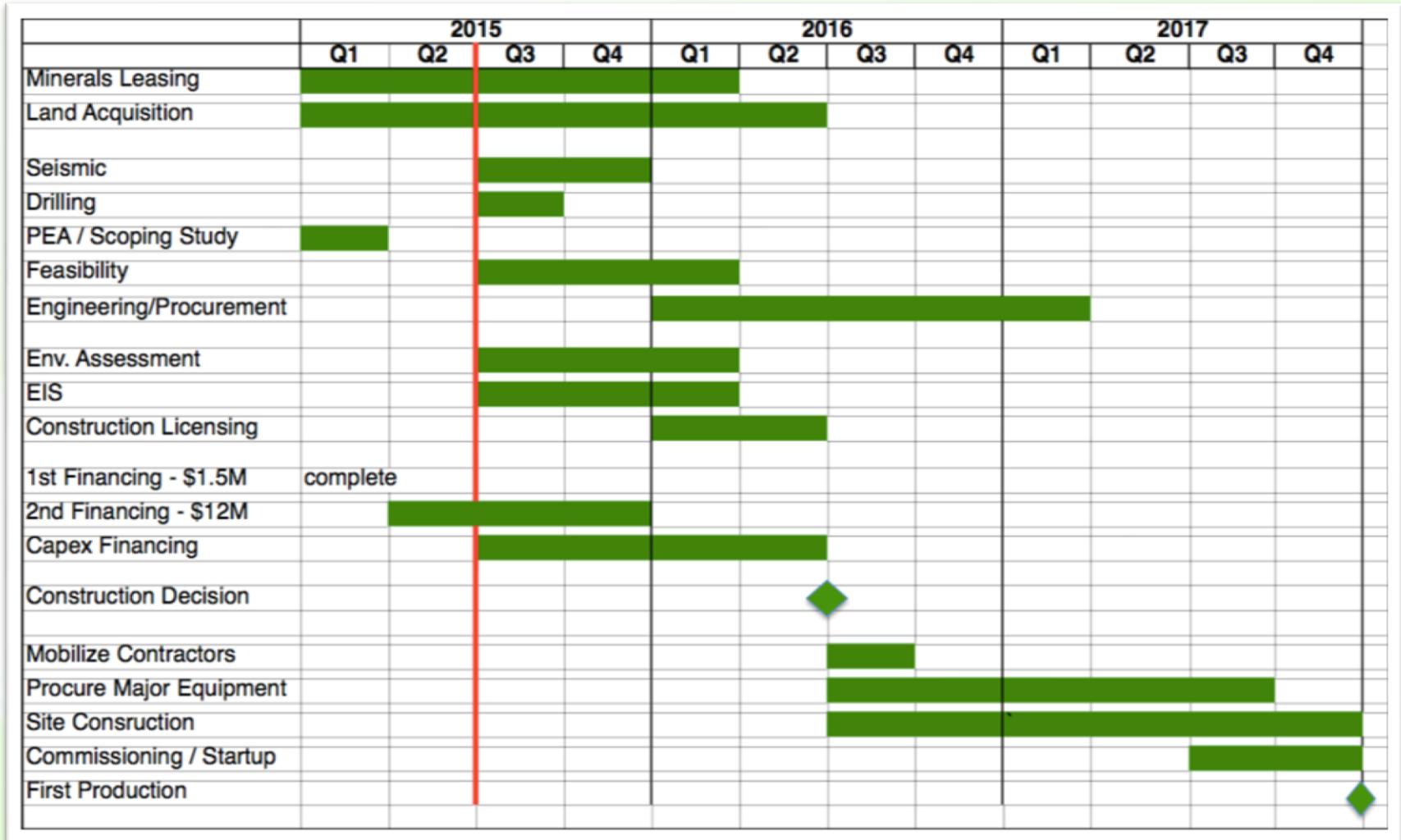


Vertically Integrated Business Structure including a producing facility, direct ship logistics system, ultimately delivering potash direct to the end users.

Market Access, Execution, Financing...

- **Leg 1 – Market Access.** The market for potash is exclusive. No organized exchange for the commodity exists and private sales between the few large suppliers and national distributors set benchmark prices each year. End-user distribution is similarly concentrated, with a handful of organizations in control. **Gensource has established off-take term sheets directly with end buyers, meaning higher margins for Gensource and lower costs for end-users, a win-win situation.**
- **Leg 2 – Execution Expertise.** Any mining company requires industry expertise. **Gensource represents the re-assembly of the one team that has developed a new mine to the point of construction in the province: the Legacy Mine, now owned and being constructed by K+S Potash Canada..**
- **Leg 3 – Financing.** The typical cost of a new 3 Mt/a facility is in the \$ 3.5-4.0 B range. **Gensource's selective mining and enhanced processing approach to potash development facilitates a vertically integrated mine, resulting in significantly less initial capex and little market-side risk.**

Overview Schedule to Production



Lazlo Project Development - Financing

- ✓ Initial - \$1.5M - Goal: Entrench strategic investors
 - ✓ Initial Seismic and updated 43-101
 - ✓ Preliminary Economic Assessment (PEA)
 - ✓ Initiate EIS

Initial Financing
100% complete.

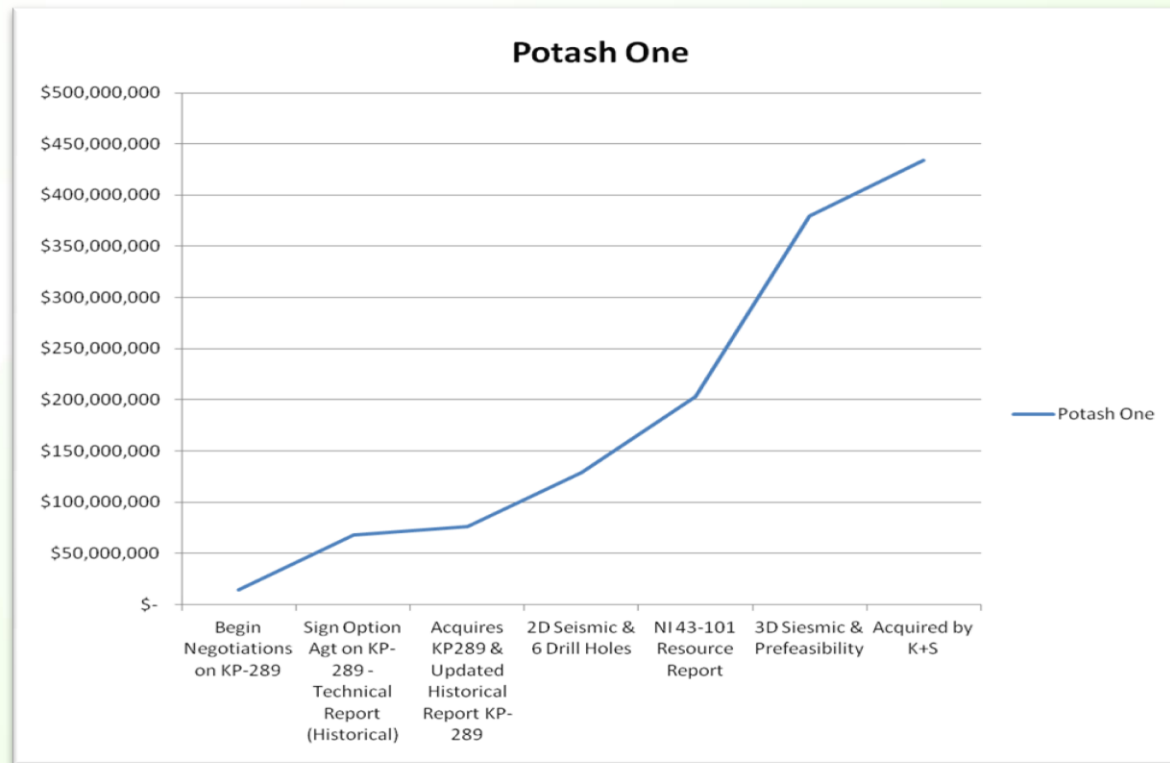
- Second Phase Development +/- \$10 M, executed in two parts
 - Part 1: \$3M flow-through + \$1M hard dollars, immediate.
 - Part 2: \$6M for completion of development stage.
 - 2D and 3D Seismic
 - Drill 2 holes, complete with coring and assay
 - Feasibility study
 - Environmental and Regulatory process
 - Surface land
- Capex Financing

The Gensource Advantage

- Global potash consumers are looking for a long term stable supply of potash
- Saskatchewan is the best place in the world to mine potash with an estimated 3,000 + years supply
- Gensource has established access to consumer markets, with off-take term sheets in place for 150,000 tonnes per year and continuing work on forging future relationships **Leg 1** ✓
- Gensource has assembled a world class project development team with direct potash development expertise **Leg 2** ✓
- Gensource has proven ability to finance in a bad market and additional financing is now underway to continue project development **Leg 3** ✓

Value Creation Curve

Example of Value Creation With The Gensource Potash Team



*KP289 was identified and applied by Steve Halabura.

*KP289 constituted Potash One's Legacy project, which was led by Mike Ferguson to construction decision.

*Nov 22nd, 2010, Legacy project/Potash One was acquired by K+S with 437 million dollars.

Share Structure

| | |
|------------------------|-------------------|
| Symbol: | TSX-V: GSP |
| Directors/Management: | ~ 20% |
| Market Capitalization: | \$9M |
| Share Price: | \$0.07 |
| Shares Outstanding: | 139,000,000 |
| Warrants: | 35,174,387 |
| Options: | 11,810,607 |
| Fully Diluted: | 174,000,000 |



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