



## **GENSOURCE ENTERS INTO MOU FOR POTASH OFF-TAKE WITH A STRATEGIC AGRICULTURE INDUSTRY LEADER**

**SASKATOON, Saskatchewan – March 22, 2018 – Gensource Potash Corporation** (“Gensource” or the “Company”) (TSX.V: GSP) is extremely pleased to announce that it has entered into a non-binding Memorandum of Understanding (MOU) with a long-time leader in the North American agriculture industry (the “Off-taker”). The MOU formalizes the interests of the Off-taker to potentially purchase 100% of the planned 250,000 tonne/year production from one of Gensource’s small-scale potash facilities to be located in its Vanguard area in central Saskatchewan.

The MOU proposes certain terms that will become the key components of a definitive off-take agreement (“Off-take” or “Agreement”). The definitive Agreement may create a relationship that will establish the vertical integration structure that Gensource holds as a key pillar in its business plan – a structure that will supply potash from Gensource’s production facility in Saskatchewan directly to end-users who require it. The Off-taker brings its transportation and logistics capabilities and, when combined with the efficient, environmentally friendly production from a Gensource production “module”, the parties will create a complete and independent supply chain, directly from mine to farm gate.

The highlights of the MOU include the potential commitment to purchase 100% of the production from one “module” of 250,000 tonne/year capacity, an industry-standard pricing structure for delivery of product to the US market, employment of the Off-taker’s existing transportation and logistics infrastructure to move product to market.

The MOU contemplates that the parties complete the definitive Agreement by the end of April, 2018, and efforts in that respect have already begun.

Concurrently with the completion of the definitive off-take agreement, Gensource will define and assemble the required finance package that will support construction of the project on the currently planned schedule (targeting construction start later this year, which should result in first production within 18-22 months).

Gensource’s President & CEO, Mike Ferguson, said, “Gensource is excited to discuss a long-term relationship with this Off-taker. The Off-taker’s strength in the industry, with its existing customer base and the infrastructure and expertise to move product to market, is significant. The Off-taker company has a long tradition of direct customer relationship building combined with innovation within the industry to bring new and improved products and services to its customers. The



Off-taker's dedication to innovation - not relying on how things have been done before - is a key area of alignment with Gensource. That alignment of perspective and values between the two groups augers well for a long term and productive relationship. This MOU represents a significant step forward in Gensource's efforts to bring its unique business model to the US agriculture industry. It has been Gensource's corporate goal to create a direct link between a producing facility in Saskatchewan and the actual end-user of potash and the relationship announced today represents a significant step towards successfully achieving that goal. Together, the parties have the expertise, focus and resources to execute on the much-needed drive for innovation in the potash world."

## **About Gensource**

Gensource is based in Saskatoon, Saskatchewan and is focused on developing the next potash production facility in that province. Gensource's President and CEO, Mike Ferguson, P.Eng., has assembled a management and technical team with direct and specific expertise and experience in potash development in Saskatchewan.

Gensource operates under a business plan that has two key components - vertical integration with the market to ensure that all production capacity built is directed to a specific market, eliminating market-side risk; and, technical innovation which will allow for a small *and* economic potash production facility, the output of which can then be directed to a single, specific market.

For further information please contact:

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