



GENSOURCE ANNOUNCES MAJOR MILESTONE - INITIATION OF SENIOR DEBT FINANCING

SASKATOON, Saskatchewan – August 12, 2019

Gensource Potash Corporation ("**Gensource**" or the "**Company**") (**TSX-V: GSP**), is pleased to announce today that it has reached a significant milestone in the financing of its initial Project (the "**Project**"). As previously disclosed in a news release dated May 22, 2019, the Project is one of Gensource's small-scale potash production facilities within its wholly owned Vanguard Area, defined by mineral leases KL-244 and KL-245.

Gensource is pleased to report that it has received Letters of Intent from **KfW IPEX-Bank** of Germany and Export Development Canada ("**EDC**") Both parties are currently evaluating how they can support the project by providing senior debt. Gensource is also in discussions with a major global bank that may be engaged to round out the club.

KfW IPEX-Bank is planning to assume a role as the arranger of the senior debt financing and will work with EDC and other senior lenders to conduct customary due diligence and possibly utilize official export promotion schemes as credit enhancement.

KfW IPEX-Bank is an affiliate of KfW Bank Group. It is responsible for over € 66 billion in assets, completed € 17.7 billion in new financings in 2018 and is AA+ rated. It is in charge of international project and export finance within the larger KfW Bank Group. For more than 60 years, KfW IPEX-Bank has been providing medium to long term financing solutions as its core product supporting German and European exporters and investors. It has in-depth resource industry experience and supports economically viable businesses and projects - specifically, environmentally responsible projects.

EDC, the second major participant in the senior debt financing club pending successful completion of its due diligence process, is a highly regarded institution on the global stage, with significant project and structured finance expertise in resource development projects worldwide.

As is customary, final, definitive, terms have not yet been agreed upon and the financing remains conditional upon the successful completion of the detailed due diligence process.

Mike Ferguson, President & CEO of Gensource, commented "We are excited to have reached this important milestone that our shareholders have been anticipating. As anyone who has been involved in bringing a major project to completion knows, there are a series of critical hurdles or milestones that must be attained. Obtaining debt financing – an indication by third party capital

providers that the project is not only viable, but also attractive – is among the most important. We are gratified to have attracted major, globally-recognized and experienced lenders to the Gensource team for this project.

“Together with KfW IPEX-Bank and EDC, both world-class institutions in the resource industry, we now want to take the next steps. Today’s announcement, together with the May 22nd news release announcing the creation of the Project through commitments from the off-taker and a third-party equity investor, makes it plain that the Project is on a clear path to financing. The selected institutions bring extensive experience in structured mining finance in Canada and internationally. Their support gives us strong confidence in our ability to advance the Project to a successful financing and confirms the attractiveness of Gensource’ small-scale, modular approach to potash mining.”

On completion of the outstanding due diligence process, an agreed term sheet will be submitted for senior lender’s formal credit approval. Following this, Gensource and the Senior Lenders will prepare and execute definitive facility and security documentation.

Gensource is working with Roc Global LLC of New York as its exclusive financial advisor.

About Gensource

Gensource is based in Saskatoon, Saskatchewan and is focused on developing the next potash production facility in that province – but with a fundamentally different approach. Gensource’ President & 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: (1) vertical integration with the market to ensure that all production capacity built is directed, and pre-sold, to a specific market, eliminating market-side risk; and (2) technical innovation which will allow for a small *and* economic potash production facility, which is much friendlier to the environment to construct and operate - the output of which can then be directed to a single, specific market.

For further information about the Company please contact:

Gensource Potash Corporation:

Mike Ferguson, President and CEO

Telephone: (306) 974-6414

[Email: mike@gensource.ca](mailto:mike@gensource.ca)

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Caution Regarding Forward-Looking Statements

This news release may contain forward looking information and Gensource cautions readers that forward- looking information is based on certain assumptions and risk factors that could cause actual results to differ materially from the expectations of Gensource included in this news release. This news release includes certain "forward-looking statements", which often, but not always, can be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". These statements are based on information currently available to Gensource and Gensource provides no assurance that actual results will meet management's expectations. Forward-looking statements include estimates and statements with respect to Gensource' future plans, objectives or goals, to the effect that Gensource or management expects a stated condition or result to occur, including the ability to finance the Vanguard One or the Project or other projects on terms which are economic or at all, the establishment of vertical integration partnerships and the sourcing of end use potash purchasers. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to Gensource' financial condition and prospects, the ability to finance the Vanguard One or the Project or other projects on terms which are economic or at all, the ability to establish viable vertical integration partnerships and the sourcing of end use potash purchasers could differ materially from those currently anticipated in such statements for many reasons such as: failure to finance the Vanguard One or the Project or other projects on terms which are economic or at all; failure to settle a definitive joint venture agreement with a party and advance and finance the project; changes in general economic conditions and conditions in the financial markets; the ability to find and source off-take agreements; changes in demand and prices for potash; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with Gensource' activities; and other matters discussed in this news release and in filings made with securities regulators. This list is not exhaustive of the factors that may affect any of Gensource' forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Gensource' forward-looking statements. Gensource does not undertake to update any forward-looking statement that may be made from time to time by Gensource or on its behalf, except in accordance with applicable securities laws.
