

GENSOURCE PROVIDES AN UPDATE ON THE TUGASKE PROJECT

SASKATOON, Saskatchewan – June 18, 2020 – Gensource Potash Corporation (“Gensource” or the “Company”) (TSX-V: GSP) is excited to provide a comprehensive update on work to-date within the Company and specifically with respect to the Tugaske Project. As shareholders will know, the Tugaske Project (“Project”) is the Company’s first project in its wholly owned Vanguard Area (comprising mineral leases KL244 and KL245).

Gensource has positioned itself as a leader in the future of the potash industry through the implementation of advanced technological and business solutions in the industry. It counts itself among the first of the next generation of participants in potash production and distribution.

The Tugaske project (“**Project**”) has made significant advances in the last few months, and Gensource considers it valuable to provide a clear and complete indication of the current project development status.

The Company divides its efforts to realize its business plan into 3 distinct categories: Debt for Tugaske financing; Equity for Tugaske financing; and, Gensource Corporate activities.

The Tugaske Project - General:

The Tugaske Project is the first of the Company’s small scale, environmentally friendly potash production facilities. In operation, it will create no salt tailings (the major decommissioning impediment for a potash facility) and will require no brine ponds (the major environmental impact of a potash facility). The Project will nominally produce 250,000 tonnes per year of final product and, even though it is so small (1/10th size of a typical potash project), it will do so at very competitive capital cost (capex) per tonne and operating cost (opex) per tonne. The Project is the first step in realizing the two pillars of Gensource’s business plan:

- “Small and Efficient” – evidenced by the small and efficient scale of the Project, and
- “Vertically Integrated” – evidenced by the partnership created with Helm AG as the Project’s offtaker, marketer and future equity partner (announced January 30, 2020).

Tugaske Project Financing – Debt:

On October 18, 2019 Gensource announced that KfW-IPEX Bank had been engaged as the mandated lead arranger for the debt component of the project finance package. On May 19, 2020, Gensource announced that Société Générale had been engaged as joint lead arranger for the project debt.

Together, KfW-IPEX and Société Générale (together, the “Senior Lenders”) represent world-class financial institutions in the project finance world and Gensource is proud to be working with such well respected institutions. Each of these institutions will support the project with a significant take and hold commitment (see News Release dated May 19, 2020).

A major part of debt financing is the due diligence (“**DD**”) process. The DD is broken down into the following subject areas:

1. Independent Engineer (IE) report: The IE work kicked off in March 2020. The initial IE report has now been completed and submitted to the Senior Lenders. While the process is not yet 100% complete, the draft report has not identified any fatal flaw in any technical, costing or project implementation matter. Gensource is now working with the IE to complete the final stage of this DD report.
2. Environmental and Social (“**E&S**”) independent review: The E&S independent review is complete, and the final report has been submitted to the Senior Lenders. The E&S report reviews the project against not only local Saskatchewan and Canadian environmental assessment and project development regulations, but also against the global-scope Equator Principles for project development. The report identifies no fatal flaws or concerns that would impact continued development of the Project.
3. Market Study: An independent market analysis has been completed by an internationally recognized market intelligence firm for the project. Based on Helm’s sound and experienced marketing plan for all of the product produced at the Tugaske Project, an independent analysis of supply and demand as well as pricing forecasts was produced. This report has now been submitted to the Senior Lenders and will be finalized once their final comments have been received.
4. Legal Due Diligence: An international law firm, incorporating Canadian and Saskatchewan counsel, was engaged by the Senior Lenders and has completed the Legal DD that can be completed to-date. The remaining Legal DD is the review of a few key contracts that are not yet complete and completion of the drafting of the long-form term sheet for the debt facility and the definitive loan documentation. This is an on-going exercise that will not be complete until financial close. To-date, no issues have been raised in the legal DD review.
5. Insurance review: The Senior Lenders engaged a tier-one insurance consultant to review the project in depth and recommend insurance coverages for both the construction phase of the project as well as the longer-term operational phase. This work is nearing completion and Gensource is now ready to start sourcing the required insurance packages leading into construction start.
6. Financial Modelling: Gensource has completed an exhaustive project finance financial model for the project that incorporates loan sizing metrics for various debt tranches, a full discounted cash flow model, which

includes impacts from consumption taxes, corporate taxes, Saskatchewan's Potash Production Tax regime, as well as royalties and Saskatchewan Resource Surcharges. This model is currently being audited by an international accounting/consulting firm on behalf of the Senior Lenders. To-date, no impediments have been identified.

The above activities represent the focus for the Gensource team and its partners over the past 6 months. It is clearly a lot of work, but the project and the development work done by the Company has been more than appropriate, withstanding detailed scrutiny in all areas. Since Gensource's goal is to become a new and independent potash producer, its focus is on doing things right – there are no shortcuts through this process.

For a real project that is being financed by real project finance industry players, it is absolutely key to complete a detailed review of every aspect of the project. Success in this DD to-date augers well for the Project advancing to a successful financial close.

In addition to the above, current work in the debt process is the drafting and negotiation of a proposed long-form term sheet and the preparation of the approval package for the German Export Credit Agency, Euler Hermes. Euler Hermes export insurance is expected to support and help de-risk the overall debt financing package.

Tugaske Project Financing – Equity:

As the Project proceeds through the debt financing process, assembling the required equity structure to finance the project is just as important. As announced in numerous separate news releases over the past 6 months, Gensource has garnered significant interest in equity partnership on the Project from its off take partner, Helm AG (~25%) and another financial investor (~33%). The remaining cash equity contribution (~42%) is currently being sourced. Gensource is in direct and detailed discussions with several of the world's top private equity and mine finance groups to commit the required equity. The Company's goal is to complete the equity process in parallel with the completion of the debt process, which would allow for Project kick off late summer or early fall of 2020.

Gensource Corporate:

Gensource carries on with the development of the Company from a junior developer towards being part of an operational enterprise. The Company has made changes at the board level - on March 23, 2020, the Company was excited to announce the addition of Amy O'Shea to the board of directors. Amy brings with her strong experience in the operational environment of companies engaged in the agriculture industry. New committee structures within the board and a renewed focus on the effectiveness of the committees underlines the effort to

begin to grow the Company into one that is well-established and ready to take on operational leadership in potash production.

About Gensource

Gensource Potash is a fertilizer development company based in Saskatoon, Saskatchewan and is on track to become the next fertilizer production company in that province. With a small scale 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 small *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 and negative environmental aspect of potash mining.

Gensource Potash Corporation:

Mike Ferguson, President and CEO

Telephone: (306) 974-6414

Email: 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's 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 Tugaske Project or other projects, 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's financial condition and prospects, the ability to finance the Tugaske 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 Tugaske 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's 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's forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on Gensource's 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.