

GENSOURCE ANNOUNCES CORPORATE UPDATE

SASKATOON, Saskatchewan – May 18, 2017 – Gensource Potash Corporation (“Gensource” or the “Company”) (**TSX.V: GSP**) is pleased to provide the following corporate update.

The Company has now received confirmation of approval of the first payment of the Initial Contribution financing to its Joint Venture company, Vanguard Potash Corp. (“Vanguard”) from its joint venture partner, Essel Group ME (“EGME”). Pursuant to the executed definitive Shareholder Agreement for Vanguard, announced in a news release April 4, 2017, the financing for the Vanguard One project is a commitment in two tranches: and Initial Contribution of \$US 5M and Construction Financing, currently estimated at \$US 200M. Further payments will complete the required \$US 5M Initial Contribution before construction financing is required to advance the project through construction. Construction financing is also a commitment within the definitive Shareholder Agreement and initial meetings have been held to begin to structure the project financing package.

The feasibility study for Vanguard One continues to progress well and is expected to be substantially complete by the end of May, with the report being published in June. To date, the feasibility study has progressed smoothly, uncovering no major deviations from previous engineering study work.

Efforts continue on the environmental permitting front as well. A detailed Project Proposal submission to the Province of Saskatchewan’s Environmental Assessment Branch is expected in the first half of June this year.

As announced April 27, 2017, the Company is completing a brokered private placement with Industrial Alliance Securities and announces that the closing date is being extended from May 25, 2017 to May 30, 2017.

Mike Ferguson, President & CEO, commented, “The first months of 2017 have been extremely busy and productive for Gensource and its joint venture partner. Milestones have been set and achieved and each new step brings us closer to realizing our main goal of creating new and independent potash production and doing so in an environmentally and economically responsible manner. We look forward to the completion of the feasibility study and the next concrete steps for the Vanguard One project”.

About Vanguard Potash Corp.

The Vanguard joint venture company was created as the vehicle that will own, construct and operate the Vanguard One project to be located on a portion of

Gensource's KL 245 subsurface mineral lease. Vanguard will advance the project with a currently planned first production date in mid-2019. The Vanguard One project will be the first of its kind, utilizing the expertise within Gensource to implement a unique, but proven, mining and processing technology. Vanguard One is planned to produce just 250,000 tonnes/year of white high grade potash – small by potash industry standards, but tremendously cost efficient, competing with any producer in the world on operating cost. Perhaps most significantly, the project will demonstrate the expected reduced environmental and community footprint this unique technology promises, as compared to conventional potash production, setting a new bar for the industry. Pursuant to the Vanguard Shareholder's Agreement, the parties will use their best efforts to subsequently expand the Vanguard One project from its initial 250,000 t/year production to a target production rate of 1.0 M t/year.

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.

As a reminder, Gensource is in the detailed development phase of the Vanguard One project. The feasibility study, expected to conclude in second quarter 2017, will determine the technical and economic viability of the project.

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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 funding and development pursuant to the definitive joint venture agreement with the EGME, the expected timing for release of a reserve estimate and a feasibility study and whether or not the study will conclude that mineral production is feasible on a technical or economic basis, and 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, among other things, funding and development pursuant to a definitive joint venture agreement with the EGME, results of exploration, the economics of processing methods, project development, reclamation and capital costs of Gensource's mineral properties, the ability to complete a feasibility which supports the technical and economic viability of mineral production, Gensource's financial condition and prospects, 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 obtain funding and undertake development pursuant to the definitive joint venture agreement with the EGME; an inability to finance and/or complete an update of the resource estimate to a reserve estimate, and a feasibility study which supports the technical and economic viability of mineral production; changes in general economic conditions and conditions in the financial markets; the ability to find distributors 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.
