



## **GENSOURCE ANNOUNCES UPDATED NI 43-101 REPORT for LAZLO**

**SASKATOON, Saskatchewan – December 22, 2014 – Gensource Potash Corporation** (“Gensource” or the “Company”) (**TSX-V: GSP**) is pleased to announce that it has completed an updated NI 43-101 Technical Report (“NI 43-101”, or “Technical Report”) on its Lazlo Project in central Saskatchewan.

The Technical Report, dated December 22, 2014, which updates a previous report completed in 2013, provides the next step for Gensource in the development of its Lazlo Project. The report documents an extensive review of the regional geology, based on historical information as well as the seismic program completed in the summer of 2014 and defines an “exploration target” tonnage range for the project.

Based on the 4,322 acres in the project area for which Gensource has lease agreements for mineral rights, the report estimates the following potential tonnage and grade ranges for the Patience Lake, Belle Plaine and Esterhazy Members of Prairie Evaporite Formation:

- Patience Lake Member: from 10 m to 18 m yielding mineralization ranging from 346 million tonnes (Mt) sylvinite grading 15% K<sub>2</sub>O to 662-Mt sylvinite grading 22.3% K<sub>2</sub>O;
- Belle Plaine Member: from 9 m to 10 m yielding mineralization ranging from 324-Mt sylvinite grading 15% K<sub>2</sub>O to 368-Mt sylvinite grading 19.9% K<sub>2</sub>O; and
- Esterhazy Member: from 4.5 m to 10 m yielding mineralization ranging from 167-Mt sylvinite grading 15% K<sub>2</sub>O to 378-Mt sylvinite grading 15.7% K<sub>2</sub>O.

The Exploration Target tonnage ranges for each of the above potash members were estimated by multiplying the area of mineral rights held by Gensource by the thickness ranges estimated from historical assay data from one historical well and geophysical logs for three historical wells and a typical density of 2.08 t/m<sup>3</sup> for Saskatchewan sylvinite. The estimated maximum average grades were obtained from the historical assay data referred to above using a cut-off grade of 10% K<sub>2</sub>O to delineate the tops and bottoms of the potash members. The minimum grade used was a 15% minimum average grade generally considered necessary for economic solution mining in Saskatchewan.

It should be noted that the potential tonnage and grade is conceptual in nature. Insufficient exploration has been performed to define a Mineral Resource and there is no certainty that further exploration will result in the target being delineated as a Mineral Resource. Note also that grades and tonnages are stated as potential ranges and cannot be construed as accurate, known quantities.

The Technical Report also provides the following recommendations for further work:

### **Phase 1**

1. Drill and core an initial surface drillhole located in Section 27, Township 24, Range 28 West of the Second Meridian. The hole should be continuously cored from several meters above the top of the Middle Devonian Dawson Bay Formation to 20 m below the deepest sylvinite layer of the lowermost Esterhazy Member, with the cores submitted to a laboratory for assay. Estimated cost: \$1.5 million.
2. Should the drillhole proposed above encounter sufficient potash mineralization to proceed with further work, then it is recommended that GSP acquire new proprietary 2D seismic data in the vicinity of the drillhole to further define the extent of the potash mineralization and to allow for the targeting of additional drillholes. The cost of the 2D seismic data acquisition, processing, and interpretation is estimated to be \$500,000.
3. Complete an updated NI 43-101 Technical Report based on the results of the drillhole identified above with the goal of verifying with NI 43-101 compliant assay data the potential Exploration Target mineralized tonnage and grade ranges for the Lazlo Project area. Estimated cost: \$30,000.
4. Continue to acquire Freehold leases in the area to ensure strong land control.

Total estimated cost for Phase 1: \$2.1 million

### **Phase 2**

1. Subject to the satisfactory identification of additional drill targets obtained from the proprietary seismic program in Phase 1, drill and core at least two more drillholes within the proposed lease area. The holes should be continuously cored from several meters above the top of the Dawson Bay Formation to 20 m below the deepest sylvinite layer of the lowermost Esterhazy Member, with the cores submitted to a laboratory for assay. It is estimated that each core hole will cost some \$1.5 million. Estimated cost: \$3.0 million.
2. When the sample assay results from the drilling program are available, prepare an updated NI 43-101 Technical Report containing an estimate of the Inferred and Indicated Mineral Resources covering the proposed lease area. Estimated cost: \$50,000.
3. Begin an engineering scoping study that will ultimately lead to a Preliminary Economic Assessment (PEA), once an NI 43-101-compliant current resource is defined. The engineering study should focus on selective mining techniques and enhanced processing technologies. Estimated cost: \$400,000.

Total estimated cost for Phase 2: \$3.5 million.

The "Exploration Target" tonnage and grade range estimate was prepared by Agapito Associates Inc. ("AAI") of Grand Junction, Colorado. AAI's experience includes work for Intrepid Potash Inc. in the US, Rio Tinto and Vale at the PRC project in Argentina, and work for several prospective potash projects located in Saskatchewan, USA, Republic of Congo and Ethiopia. The Qualified Person for the Exploration Target Estimate was Dr. Douglas F. Hambley, P.E. (US), P.Eng. (SK), P.G. (US).

The Company will file this Technical Report with Canadian securities regulators within 45 days of this release as required by NI 43-101 requirements. It will be available on SEDAR at [www.sedar.com](http://www.sedar.com), and also on the Company's website at [www.gensource.com](http://www.gensource.com)

Gensource's President & CEO, Mike Ferguson, said "The updated 43-101 represents the next step for Gensource in the development of our Lazlo Project. From the historical data available, we know that Lazlo is prospective for a potash resource and this report provides support in that regard. In addition, the report provides geological insights and identifies targets for the next-stage drilling and resource definition work on the project. On the basis of the report, Gensource will confirm a location for a confirmation well and begin planning for drilling, coring, assay and resource definition work."

The technical information presented in this news release has been reviewed and approved by Dr. Douglas F. Hambley, P.E, P.Eng., P.G., who is a Qualified Person according to NI 43-101 requirements.

## **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.

For further information about the Company please contact:

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### Caution Regarding Forward-Looking Statements

*Certain of the statement and information in this news release constitute “forward-looking information” within the meaning of applicable Canadian securities law. All statements, other than statements of historical fact, are forward-looking information. This forward-looking information relates to, among other things: the completion of the scoping study; the completion of the PEA; the issuance of the Technical Report; the issuance of any further updated technical report; the exploration targets; the accomplishment of the activities and milestones of the Company (including the costs and plans in Phase I and Phase II); and the proposed next steps of the development of the Company.*

*This forward-looking information reflects management’s current expectations with respect to future events and are necessarily based upon a number of assumptions that, while considered reasonable by management, are inherently subject to risks and uncertainties. These assumptions include presumptions that: the results of the confirmatory drilling will be positive, the Company will be able to define a resource, any future preliminary economic assessment on the Company’s projects will be positive, the Company will receive the necessary permits, the Company will accomplish its proposed steps and milestones, and the necessary financing will be available and obtained. Many factors, both known and unknown, could cause actual results or future events to be materially different from the results or events that are expressed or implied by the forward-looking information contained in this news release. Readers are referred to the specific risk factors relating to and affecting the Company’s business and operations disclosed under the heading “Risk Factors” in the Company’s MD&A for the year ended December 31, 2013 filed under the Company’s profile on Sedar. The Company does not intend, and does not assume, any obligation to update this forward-looking information should circumstances or management’s expectations, assumptions or opinions change, except as required by law.*

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