



## GENSOURCE ANNOUNCES NI 43-101 REPORT for VANGUARD

**SASKATOON, Saskatchewan – February 17, 2017 – 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**”, “**43-101**”, or “**Technical Report**”) on its 100% owned Vanguard Project in central Saskatchewan. Vanguard Area comprises two leases, KL 244 and KL 245, as well as several parcels of freehold encompassed by KL 245 now leased by Gensource. While other freehold lease negotiations are in progress, a cut-off date of 1 February 2017 has been applied for reporting purposes. Initial project and resource development work has occurred, as a starting point, primarily within KL 245.

The Updated Technical Report, dated February 16, 2017, supports that the Vanguard project area overlies a rich and thick potash resource. The report documents the geological work completed by Gensource since the initial 43-101 Resource Report was announced 28 April 2016.

Since that initial Resource Report, Gensource has completed two exploration wells on the property, which, when combined with the two existing wells (completed in 2012) and the re-interpreted 2D seismic, provide the data for the current resource modelling effort.

The Technical Report defines a resource at Vanguard in the Indicated and Inferred categories as defined by CIM Standards 2010. The Technical Report was completed by Terra Modelling Services Inc., an independent geological/geostatistical consultant.

Gensource’s President & CEO, Mike Ferguson, said “The updated 43-101 Resource Technical Report announced today shows an excellent resource, amenable to our planned selective solution mining method. The results support our earlier estimations of the resource on the Vanguard property and our decision to commence project development work in the area. The resource defined in this Technical Report will now be used as part of the ongoing feasibility study work and will help define the initial mining area and mine life of the first small “module” that we plan to construct and operate at Vanguard. Using only the Indicated Resource numbers from the Technical Report, a very long life potash production facility here is possible. We’re very pleased with the results of the Technical report and are excited to continue to drive forward in our project and business development work towards our goal of becoming the next independent producer of potash in Saskatchewan.”

## Summary of the Technical Report:

The Technical Report defines a resource in the Vanguard area of almost 145 million tonnes of final potash product in the Indicated category and over 320 million tonnes of final potash product in the Inferred category, based on the baseline 40% recovery. See Tables 1 and 2 for a more detailed summary of the updated Indicated and Inferred Resource at the Vanguard Project.

**Table 1: Indicated Resource**

INDICATED RESOURCE										
Member	Sub-Member	Total KCl Grade	Carnallite Grade	Insoluble Grade	Average Thickness	Total Sylvinite Tonnage	Sylvinite Tonnage with Deductions	Sylvite Tonnage (KCl), 30% recovery	Sylvite Tonnage (KCl), 40% recovery	Sylvite Tonnage (KCl), 50% recovery
		Weight %	Weight %	Weight %	meters	Weight %	Million tons	Million tons	Million tons	Million tons
Patience Lake Member	PLM1	39.03	0.75	6.21	4.40	290.00	232.00	27.16	36.22	45.27
	PLM2	28.91	0.60	7.03	3.65	240.07	192.06	16.66	22.21	27.76
	PLM3	39.33	0.60	9.24	2.91	145.84	116.67	13.77	18.36	22.94
	PLM4	36.32	0.67	10.43	1.90	125.48	100.38	10.94	14.58	18.23
Sub-Total		35.63	0.67	7.67	12.86	801.39	641.11	68.53	91.37	114.21
Belle Plaine Member	BPM1	37.82	0.98	6.2	0.79	35.24	28.19	3.20	4.26	5.33
	BPM2	41.18	0.44	2.69	2.06	81.79	65.43	8.08	10.78	13.47
	BPM3	33.36	0.45	2.38	1.27	59.09	47.27	4.73	6.31	7.88
	BPM4	28.7	0.7	3.58	2	130.12	104.09	8.96	11.95	14.94
	BPM5	35.65	1.4	4.83	1.26	82.05	65.64	7.02	9.36	11.70
	BPM6	26.53	1.62	2	1.7	110.51	88.41	7.04	9.38	11.73
	BPM7	55.73	1.64	0.63	0.45	8.58	6.86	1.15	1.53	1.91
Sub-Total		33.00	0.98	3.29	9.53	507.37	405.89	40.18	53.57	66.96
Total							1047.01	108.70	144.94	181.17
									Base Case	

INFERRED RESOURCE										
Member	Sub-Member	Total KCl Grade	Carnallite Grade	Insoluble Grade	Average Thickness	Total Sylvinite Tonnage	Sylvinite Tonnage with Deductions	Sylvite Tonnage (KCl), 30% recovery	Sylvite Tonnage (KCl), 40% recovery	Sylvite Tonnage (KCl), 50% recovery
		Weight %	Weight %	Weight %	meters	Weight %	Million tons	Million tons	Million tons	Million tons
Patience Lake Member	PLM1	39.10	0.69	6.61	4.27	743.30	557.47	65.39	87.19	108.99
	PLM2	29.59	0.73	8.52	2.82	441.02	330.77	29.36	39.15	48.94
	PLM3	35.09	0.83	11.58	2.39	296.75	222.56	23.43	31.24	39.05
	PLM4	36.86	0.65	9.38	2.29	336.86	252.64	27.94	37.25	46.56
Sub-Total		35.72	0.72	8.40	11.77	1817.93	1454.34	146.12	194.83	243.53
Belle Plaine Member	BPM1	54.8	4.16	0.72	0.83	70.53	52.90	8.70	11.60	14.49
	BPM2	27.29	3.82	2.19	2.07	190.20	142.65	11.68	15.57	19.46
	BPM3	35.02	3.22	4.77	1.23	165.83	124.37	13.07	17.42	21.78
	BPM4	28.55	0.78	3.68	2	343.42	257.57	22.06	29.41	36.77
	BPM5	32.18	0.56	2.58	1.31	224.79	168.60	16.28	21.70	27.13
	BPM6	41.04	0.47	2.75	1.61	276.84	207.63	25.56	34.08	42.61
	BPM7	42.28	1.05	8.2	0.59	40.33	30.25	3.84	5.12	6.39
Sub-Total		34.28	1.62	3.20	9.64	1311.95	983.96	101.18	134.91	168.63
Total							2438.31	247.30	329.73	412.17
									Base Case	

**Table 2: Inferred Resource**

The basic assumptions for the Resource are as follows:

- K<sub>2</sub>O cut off grade of 15 % (equating to 24.6% KCl).
- Maximum carnallite cut-off of 6%.
- No insoluble cut-off.
- No thickness cut-off, due to the mining methodology (i.e., selective solution mining).
- Representative density samples were taken from the new core and yielded an average of 2.10 for the Belle Plaine Member and 2.12 for the Patience Lake Member.
- 2250 m Radius-of-Influence from existing wells (based on thickness variography) for the Indicated Resource, and 6000 m for the Inferred Radius. This is based on Variography for all sub-units, as well as geological continuity.
- All relevant anomalies discovered by 2D seismic have deducted, while a further 20% deduction for unknown anomalies was applied within the Indicated category and 25% in the Inferred category. A range of recoveries, which are inclusive of mining and plant recoveries, are presented.

The KCl and carnallite cut-offs as well as other assumptions listed above were based on cut-offs common to solution mining projects in Saskatchewan, as well as on the Preliminary Economic Assessment Released in April 2016.

Estimation of the Resource proceeded with Kriging, using a grid model in Maptek Vulcan.

An example of the output is given in Figure 1, which shows a portion of KL 245 with the new drilling indicated (1-14 and 1-16), with the KCl grade grid shown.

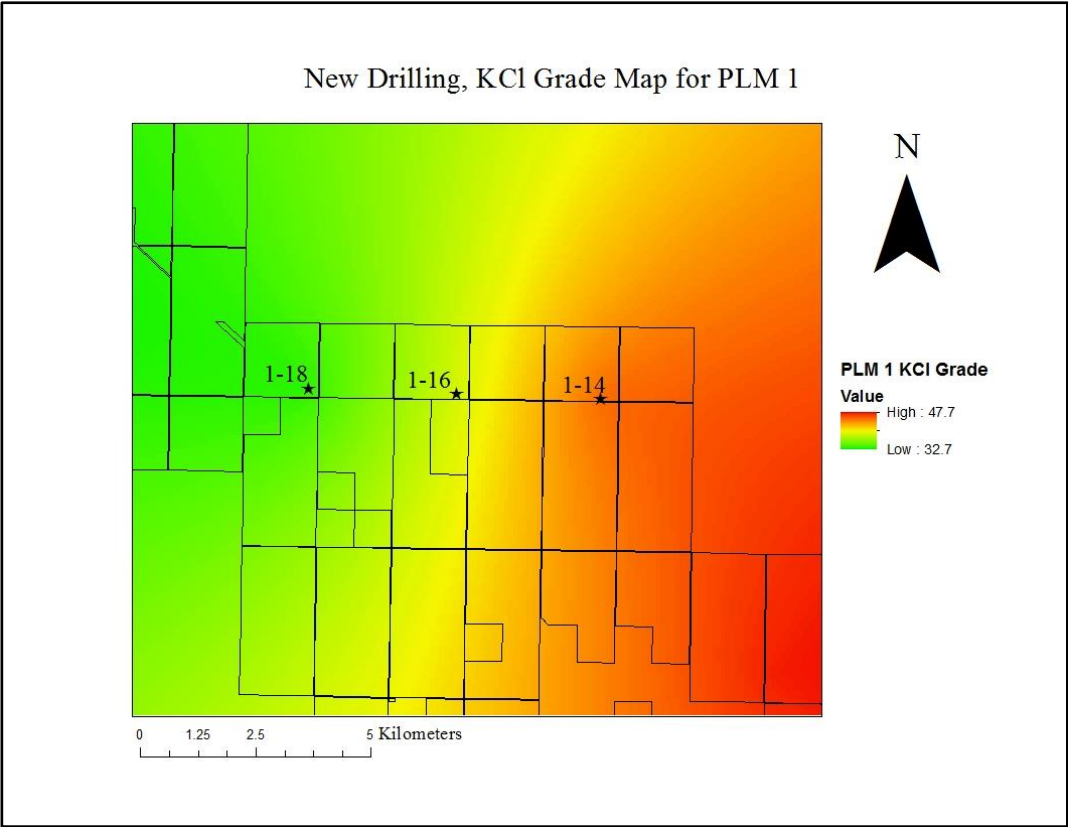


Figure 1: KCl Grade for the Patience Lake 1 (PLM1) sub-member, the initial target zone.

The Technical Report also provides the following recommendations for next-step work in the Project Area: "...that Gensource complete a feasibility study complete with 3-D seismic work to advance this project."

The Company will file this Technical Report with Canadian securities regulators within 45 days of this release pursuant to 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)

The technical information presented in this news release has been reviewed and approved by Mr. Louis Fourie, P.Geo., Pri. Sci. Nat. from Terra Modelling Services Inc., who is a Qualified Person according to NI 43-101 requirements, and an independent consultant to the Company.

### **About Terra Modelling Services**

Terra Modelling Services Inc. is a geological consulting company based in Dalmeny, Saskatchewan, with specific expertise in potash and related minerals, as well as diamonds and kimberlites.

For further information about Terra Modelling Services, contact:

Terra Modelling Services Inc.  
Louis Fourie, Owner and Principal  
Telephone: (306) 292 9154  
Email: [louis.fourie@terramodellingservices.ca](mailto:louis.fourie@terramodellingservices.ca)

### **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, and organized that team with a business plan focusing on small scale, economical production and vertical integration. Gensource plans to use up-to-date techniques and technologies to implement a potash facility like no other in the province – one that has a very small environmental footprint and community impact.

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)

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