

GENSOURCE FINALIZES VANGUARD ONE LOCATION AND PROVIDES GENERAL UPDATE

SASKATOON, Saskatchewan – October 4, 2018 – Gensource Potash Corporation (“Gensource” or the “Company”) (TSX.V: GSP) is pleased to announce that it has executed an agreement to lock-up the plant site location for the Vanguard One project (the “Project”), further readying the Project for field activities to begin. While there were several suitable land packages available for selection of the site, the preferred location was successfully secured.

Mike Ferguson, Gensource’s President & CEO stated that “we are pleased to officially announce that we have our ‘home’ for the Vanguard One project, and we continue to march forward towards construction. Together with two key milestones already achieved in the past few months – the signing of a definitive offtake agreement for 100% of the production of Vanguard One and the completion of the environmental assessment process – the plant site land control now means we are truly shovel-ready.”

Gensource’s approach to building a project has always been to “de-risk” the investment opportunity first, by ensuring that the key business and approval requirements are in place before committing the necessary capital to construct. The first key requirement, guaranteeing that the full production from the project is “pre-sold”, was successfully completed and announced in a news release on May 18, 2018. Under this definitive “take or pay” off-take agreement, Gensource has guaranteed the sale of the total annual production from the Vanguard One module (planned at 250,000 tonnes/year) for 10 years, with an option to renew for the life of the Project and a right of first refusal for the off-taker to purchase any additional production from the Project. The definitive off-take agreement with a senior North American agriculture industry leader (the “Off-taker”) enables Gensource and the Off-taker to create a direct link from the mine to the farmer, which has always been a strategic objective for the Company.

As announced on August 9, 2018, Gensource successfully completed the Environmental Assessment process through the Saskatchewan Ministry of Environment (“MOE”), having received a determination that the Project is not required to complete a full Environmental Impact Assessment (EIA) – the environmental assessment work completed to-date being sufficient to allow the Project to proceed to the detailed construction licensing process. This determination means that the Project does not trigger the stringent criteria of the Saskatchewan Environmental Assessment Act, and consequently, the Project, with its unique ‘no salt to surface’ design, which eliminates the need for tailings management facilities, is unlikely to have a significant impact on the environment.

The permitting and licensing stage of the Project will be underway upon project financing, when detailed engineering is initiated.

With all other “pre-construction boxes checked”, Gensource is now closing in on the final milestone required to initiate construction – full project financing. The process of arriving at a capital structure that makes sense to both debt-providers and equity investors has gone well and several potential partners are in the detailed discussion stage. Indicative term sheets are being discussed and the process of identifying a lead senior debt provider is progressing well. As part of the financing effort, Gensource is pleased that its Off-taker partner is interested and willing to participate as an equity investor. That willingness provides a very positive message to the project lenders and other equity investors, significantly advancing the process of assembling the project finance package. Further updates will be provided as the finance package progresses.

With much of the focus on the Vanguard One project, Gensource also continues to make progress on the development of the entire Vanguard Area, in order to support the increasing interest and demand for potash production. Gensource offers direct access to the resource and an opportunity for an off-taker to “own” potash production of their own under the Company’s business model. The further definition of the resource in the Vanguard Area is part of the Company’s flow-through expenditure requirements and, this fall, will take the form of an additional exploration drill hole, to core and recover potash for assaying and resource reporting. In addition to the bore hole, Gensource is continuing technical studies on dissolution and cavern modelling. This effort will increase the overall resource definition in the area and improve the confidence of the existing resource and reserve - both being key for the implementation of the next modules in the Vanguard Area.

“There has been significant progress on the Vanguard One project on all fronts in the last quarter, and we are setting ourselves up for a busy fall. Gensource not only continues to work hard on getting Vanguard One into the execution phase, but we also remain committed to the next opportunities to implement additional modules of production in the Vanguard Area – creating more availability for our customers and creating more value for our shareholders”, says Gensource’s President & CEO, Mike Ferguson. “We are excited about the next stage of our company’s development, with our clear goal of becoming a new and independent producer in the potash industry.

Finally, Gensource will be hosting its quarterly shareholder update call on October 10, 2018 to provide more details on the recent corporate and project development efforts. The call is scheduled for 4:00pm Eastern Standard Time, and participants can join by dialing: 1-866-486-8901. For any specific items that shareholders would like addressed during the call, please email your questions in advance to: info@gensource.ca

About Gensource

Gensource is based in Saskatoon, Saskatchewan and is focused on developing the next potash production facility in that province – but with a radically and fundamentally different approach. Gensource’s 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.

The project information contained in this news release is based on the feasibility study for the Vanguard One Project completed in Q2 2017 (See the news release dated 31May2017 for further details). Mike Ferguson, P.Eng., President & CEO of Gensource and a Qualified Person (“QP”) as defined in NI 43-101, has reviewed and approved the contents of this news release.

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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 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.
