

GENSOURCE ANNOUNCES ENGAGEMENT AGREEMENT FOR PROJECT FINANCE

SASKATOON, Saskatchewan – February 5, 2018 – Gensource Potash Corporation (“**Gensource**” or the “**Company**”) (**TSX.V: GSP**) is pleased to announce that it has entered into an engagement agreement (“**Engagement**”) with the team of Industrial Alliance Securities Inc. (“**IA**”) and its syndication partner, US-based Heritage Capital Group (“**Heritage**”). Heritage is the Agriculture Practice Leader within the Oaklins Group, a close association of industry professionals spanning North America and the globe.

This agreement is a follow-on engagement derived from the successful work undertaken by the IA/Heritage team announced September 6, 2017. At that time, the team acted as the Company’s agent to lead an initiative to engage a US-based market partner for one of Gensource’s small scale potash facilities and, subsequently, to assemble the full financing package for the project.

The initial scope of work, market assessment and engagement with potential US-based market partners, is largely complete. Heritage’s direct and intimate knowledge of the U.S. agricultural market provided direct connections with large and highly qualified and creditworthy market partners operating in the U.S. agriculture industry. The result is that Gensource is now in discussions with credible groups who recognize the value of Gensource’s direct-supply model from a Saskatchewan potash production facility that will also set a new standard for environmental responsibility.

Gensource’s business model is based on small size, minimal environmental footprint and vertical integration with a specific market for its fertilizer product. The new Engagement focuses on project finance for one facility. As announced in a news release of May 31, 2017, the capital cost to construct one small, scalable and efficient production module is estimated at CAD 279 M, or approximately USD 220 M at today’s nominal exchange rate. That capital cost will be financed at the project joint venture level – a joint venture between Gensource and its off-take and capital partner(s).

The original engagement of IA/Heritage in September 2017 was a strategic and focused move into the US market with Gensource’s business model and that effort is now beginning to bear fruit. Today’s announcement focuses on the next step of Project Financing, with the goal allowing Gensource to begin construction of the first module this spring or summer. At this time, no agreements have yet been entered into with off-take and joint ventures partners

or project finance lenders, and there is no assurance that such agreements can be entered into on terms which are economic or at all.

Gensource President & CEO, Mike Ferguson, said, "We are excited to begin the next steps in our targeted move into the US agriculture market with our vertical integration business plan. Concurrently with off-take and joint venture negotiations, the IA/Heritage team will begin to assemble the project finance package that will allow us to move as planned with construction activities beginning this spring or summer. We are excited to see the interest, from significant industry players, generated by the new entry point to becoming a new potash producer that Gensource has defined. We are also excited at the prospect of having IA and Heritage help assemble the required project finance package that will allow the first project to move forward."

About Industrial Alliance Securities Inc

Industrial Alliance Securities Inc. is a wholly owned subsidiary of Industrial Alliance Insurance and Financial Services Inc. Founded in 1892, IA Financial Group celebrates its 125th anniversary this year. It is one of the four largest life and health insurance companies in Canada with over \$164 billion of assets under management and is among the largest publicly-traded companies in the country. IA Financial Group stock is listed on the Toronto Stock Exchange under the ticker symbol IAG. More information is available at <https://ia.ca/about-us>

About Heritage Capital/Oaklins Agriculture

Heritage Capital Group is an independent investment banking and financial advisory firm serving middle-market and emerging growth companies in the U.S. and worldwide. For more than 40 years, Heritage has provided objective advice to private companies in the areas of mergers, acquisitions and divestitures; business valuations; debt and equity capital raises; corporate restructurings; and financial and strategic advisory services focused on enhancing the value of business enterprises. Heritage Capital Group is a FINRA registered broker-dealer, and leads the Global Agricultural practice of Oaklins, the world's leading mid-market advisor. Oaklins has closed 1,500 deals in the past 5 years across the globe. To ensure the best results they always involve industry specialists, take a global view and leverage deep local connections spanning 63 offices in 40 countries. More information is available at www.heritagecapitalgroup.com and www.oaklins.com.

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. For more information, visit www.gensource.ca

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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 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 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.
