

## **GENSOURCE ANNOUNCES COMPLETION OF THE FIRST ENGINEERING STUDY FOR ITS LAZLO PROJECT**

**SASKATOON, Saskatchewan – April 13, 2015 – Gensource Potash Corporation** (“**Gensource**” or the “**Company**”) (**TSX.V: GSP**) is pleased to announce the completion of the first engineering study (the “**Study**”) for its Lazlo Potash Project in Saskatchewan.

As previously announced, the Company commenced work on the Study in December 2014 with the expectation that it would be completed by the end of March 2015. The Study was completed on time and within the budget.

The Study was prepared by Innovare Technologies Ltd. (**Innovare**), in conjunction with ENGCOMP Engineering and Computing Professionals Inc. (**ENGCOMP**), of Saskatoon.

The Study comprised analysis of expected capital and operating costs prepared internally in order to develop a model to be used for the preparation of a preliminary economic analysis in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). As the Study confirmed the Company’s previous internal engineering work, further field work (drilling and seismic) will be undertaken to confirm the resource in the project area. The results of the engineering and resource work will be combined and released as a Scoping Study (or Preliminary Economic Assessment) prepared in accordance with NI 43-101.

The Company is attempting to develop an economic small scale production model. The small size is of key importance:

- It allows for vertical integration of the mine with a single market partner. To attempt a vertical integration strategy with the typical Saskatchewan potash project producing 3 million tonnes per year is simply not possible, and
- It has the potential for lower capital expenditures which may be more readily financed in challenging capital markets for the resource industry.

The Company’s President & CEO, Mike Ferguson, said, “We are very pleased to have completed this study, on time and on budget. We are particularly pleased that the study has confirmed our initial assessment of the selective mining and innovative processing approaches we are undertaking. The potential ability to implement a small, economic mine, at a cost that may be financed in the current market context is a unique situation, and represents a strong foundation on which Gensource plans to move forward”.

The Company is seeking to develop an economic mining approach using certain enhanced recovery processes that could be superior to conventional mining or conventional-solution mining of potash in Saskatchewan:

- The mining and processing has the potential to leave no salt tailings on the surface. An artifact of conventional and conventional-solution mining is salt tailings. These tailings result in enormous and costly tailings management areas and create a negative environmental legacy for the mines and their surrounding communities.
- The mining and processing has the potential to use almost no fresh water. A feature of the selective mining method is the ability to use brackish water in the process. Brackish water sources are widely available throughout the potash mining area within the Dawson Bay formation, 600 – 1,000 m below surface, as well as much deeper (2,100+ m) in the Deadwood formation. These sources of brackish water are not currently fit for any other purpose, and using them as process water means that precious fresh surface water is not consumed for industrial purposes.
- The facilities required to support these mining and processing methods have the potential to be much simpler and thus less costly than those required for conventional mining processes. If these processes are feasible, the result is a significantly reduced capital cost to construct the facilities and an improved, i.e. faster, implementation schedule for the mine.
- With the potential to create a small mine and process plant, the resulting staff requirement at the site could be significantly reduced, as well as the general traffic induced on local rural roads, for both the construction and operation phases. As a result, there could be far less impact on the local rural community as compared to a typical potash development.

There are no commercial operations at the Lazlo Project at this time. The determination of the prospects for commercial operations at the Lazlo Project is dependent upon a feasibility study demonstrating economic and technical viability.

The scientific and technical information contained in this news release was prepared by or under the supervision of Mr. Mike Ferguson, P.Eng., who is the President and CEO of Gensource and a "Qualified Person" under NI 43-101.

### **About Innovare**

Innovare Technologies Ltd. is a consulting firm, specialized in drilling, solution mining, processing and execution of potash mining projects. The four principals of

the company have a combined 140 years' experience, much of that in the potash industry, and have successfully developed potash projects in Saskatchewan. Based on solution mining and processing concepts developed in other commodities dating back to 1992, the principals realized the potential applications of these concepts and began to adapt them to the extraction of potash.

### **About ENGCOMP**

ENGCOMP is a multi-discipline engineering consulting firm located in Saskatoon, SK. With more than 10 years of establishment in the heart of Saskatchewan's potash industry, ENGCOMP is a leader in the delivery of engineering for potash processing facilities. For more information see [www.engcomp.ca](http://www.engcomp.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.

Gensource has 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 further information please contact:

### **Gensource Potash Corporation:**

Mike Ferguson, President & CEO  
Telephone: (306) 974-6414  
Email: [mike@gensource.ca](mailto:mike@gensource.ca)

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