

## GENSOURCE ANNOUNCES COMMENCEMENT OF ENGINEERING SCOPING STUDY

**SASKATOON, Saskatchewan – December 3, 2014 – Gensource Potash Corporation** (“Gensource” or the “Company”) (**TSX-V: GSP**) is pleased to announce that it has begun the first stage of engineering on its Lazlo Project – a scoping study (the “Scoping Study”).

The Scoping Study will be a broad, high level engineering study to provide a first look at all aspects of a project design, from mining to processing to local infrastructure (including power, water, gas, roads, rail, local community resources, etc.) as well as product logistics to deliver the final potash product to a market partner. The Scoping Study will also produce capital and operating cost estimates for the production of potash at Lazlo, complete with an analysis of project economics. Under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”), the results of the Scoping Study, pertaining to production capacity, costs or economics cannot be released until such time as a NI 43-101 compliant resource is defined at the site. To that end, work will begin shortly with the intention of defining a resource.

To execute the Scoping Study work, Gensource has engaged Innovare Technologies Inc. (“Innovare”), a potash drilling, mining and processing technology company, headquartered in Saskatoon. The firm’s principals have a strong track record in developing other Saskatchewan potash mines which has led them to develop novel concepts for the next generation of potash mine. Gensource is optimistic it can become a leader in bringing these new technologies to the industry. Innovare will perform all key engineering functions and will manage, and incorporate into the final report, work of other engineering firms. The work will commence in early December and is expected to be completed in March 2015.

Mike Ferguson, President & CEO of Gensource said “This initial Scoping Study is an important first step for the Company’s Lazlo Project, specifically due to the nature of the Company and its unique vision on how to enter the potash industry as a new producer.”

As disclosed in previous news releases, Gensource’s unique business model is based on a vertically integrated structure – the integration of the producer (Gensource) with the customer (potash customers through Gensources market partners). Vertical integration is more than just off-take agreements and once created many of the risks associated with a typical new mine startup are dramatically reduced.

Mike Ferguson also said: “Gensource sees the major risks areas to entering the potash industry as 1) market risk – i.e, how can you sell your product; 2) technical risks, and 3)

financing risks. Market and financing risks can reach potentially insurmountable levels where the costs of building a large greenfield mine are estimated to be in the range of \$3-\$4 billion and where all the product will be sold into a highly-controlled global market. However, it is our analysis of these risks that has led to another aspect of Gensource's unique business plan – the small and scalable mine. Using typical conventional and solution mining techniques, it has not been previously possible to create a small and commercially viable potash mine. But we have developed our plan to implement a small scalable potash production facility based on modern mining and processing techniques. Gensource is exploring the possibility of becoming the first mining operation to adopt the new technology.

The Scoping Study announced today represents a collaboration between Gensource and Innovare to confirm, through engineering analysis, the design, cost and economic parameters for a small and scalable facility using proven but novel mining and processing technologies.

The Company is very excited to commence this work and will undertake to keep shareholders informed of results as they become available for release.

### **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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### **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.

Mike Ferguson, the Company's CEO, is a co-founder and a principal of Innovare. The independent directors of Gensource reviewed Mr. Ferguson's involvement in Innovare and approved the engagement of Innovare. The independent directors believe that Innovare brings unique and innovative mining approaches that are expected to benefit the Company. Gensource's board is confident that any potential conflicts of interest can be mitigated by having the independent directors approve all dealings with Innovare.

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

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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 issuance of a 43-101 report; the accomplishment of the activities and milestones of the Company; 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: that the results of the confirmatory drilling, and any future preliminary economic assessment on the Company's projects will be positive, that Innovare's technology will have a positive impact on the Company, the receipt of the necessary permits, the accomplishment of the Company's proposed steps and milestones, and the availability of financing. 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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