GENSOURCE ANNOUNCES RESULTS OF ITS FALL DRILLING PROGRAM IN THE VANGUARD AREA

SASKATOON, Saskatchewan – JANUARY 3, 2019 – Gensource Potash Corporation ("**Gensource**" or the "**Company**") (**TSX-V: GSP**) is pleased to provide a summary of the results obtained from the recent drilling on its 100% owned Vanguard Area in south-central Saskatchewan, completed in November 2018. The drilling, coring, and assay work has resulted in an overall increase in the Measured and Indicated Resource in the Vanguard area while showing a reduction in the Inferred Resource.

Of particular note is a 65% increase in Measured Resource and a 68% increase in Indicated Resource. The bulk of the increases in the Measured and Indicated Resource categories represent an upgrading of Resource confidence levels to Measured from Indicated and to Indicated from Inferred, resulting in the decrease in Inferred Resource. Note that the Resource tables below show the Resource as final tonnes of salable product, including deductions for geological anomalies, processing losses, etc. This presentation is consistent with how the Resource and Reserve has been reported at Vanguard since its maiden resource. The Company uses 40% recovery as its base case to calculated total Resources and Reserves, but also shows sensitivity cases for 30% and 50% recovery for context, again consistent with the current Technical Report.

The outcome of this work provides further evidence that the Vanguard area overlies a rich and thick potash resource, and, importantly, this Resource information provides a clear view to the Area's capability to accommodate multiple small-scale Gensource potash facilities, each an independent economic entity on its own, referred to as a module. Detailed results from the drilling program are disclosed below.

The current NI 43-101 Technical Report ("**Technical Report**") for the Vanguard Area (dated February 23, 2018 and available on SEDAR or the Company's website) summarizes the Feasibility Study and defines the Reserves for the Vanguard One project. By definition, a Feasibility Study relies, for all project economic and life-of-mine information, entirely on the defined Reserve in the Vanguard Area. Therefore, the definition of adjusted Resources in the Vanguard Area with no change to the Reserves, has no material impact on the current Technical Report. On that basis, the referenced Technical Report, dated February 23, 2018, remains the most current reference for the Vanguard Area and the Vanguard One Project.

Gensource's President & CEO, Mike Ferguson, said "As we fully expected, this drilling initiative continued to demonstrate an excellent resource in our Vanguard Area.

Saskatchewan is fortunate to have a potash resource that is well defined, high grade, and consistent over large areas - all of these attributes are especially supportive of our planned selective solution mining method. The results of this drilling further confirm the quality and abundance of the potash resource in the Vanguard area, and begin to show that the Vanguard Area is capable of supporting several of Gensource's small modules, consistent with the Company's business plan."

Summary of Results:

Drilling of a single exploration well commenced in October 2018. The work was completed over a period of 3 weeks, consisting of approximately 5000 combined hours on-site, with zero injuries, zero reportable incidents, and no environmental issues. This is the third exploration well completed in the area by Gensource since 2016, and the data from two pre-existing wells drilled in 2012 were acquired with the property, accounting for 5 total wells completed in the Vanguard area. See Figure 1 for the drilling locations across the Vanguard area, including the location of the new well drilled ("4-1").

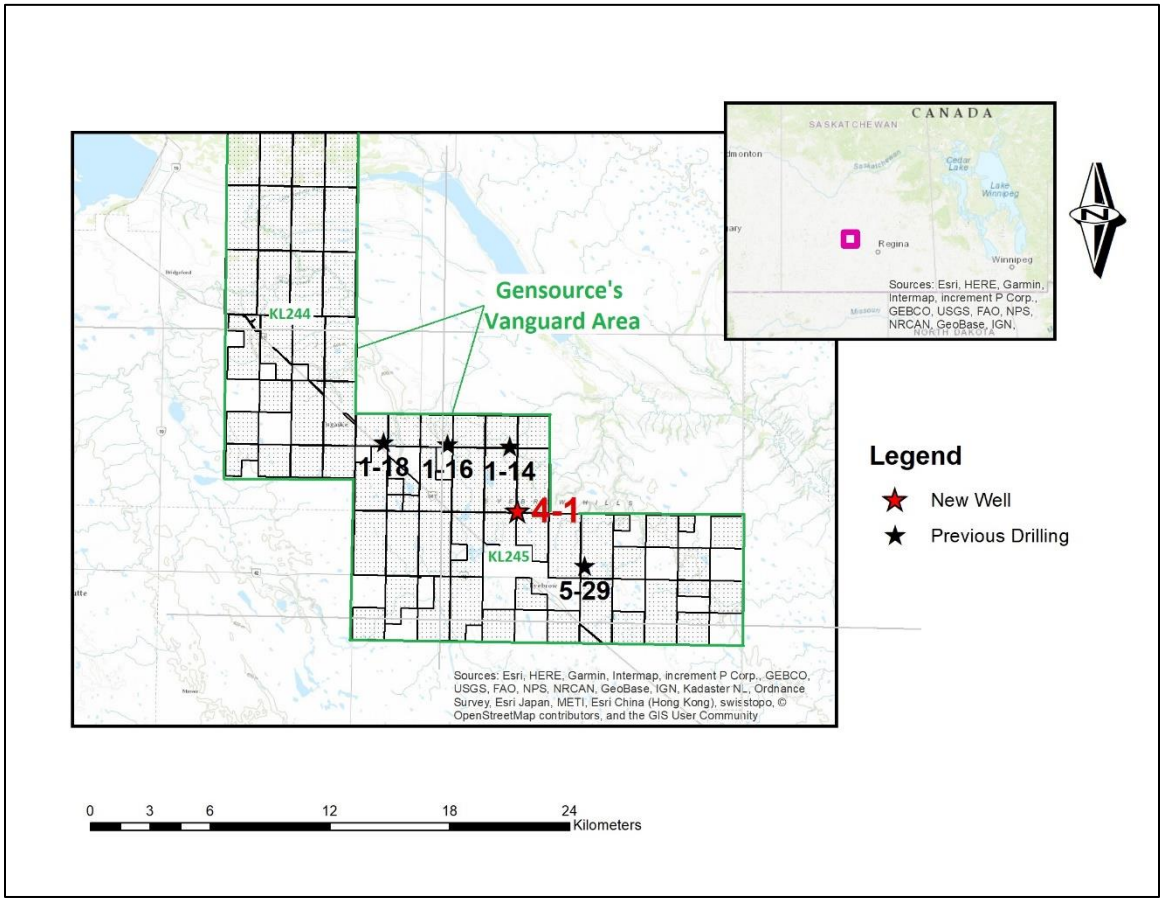

Figure 1: Vanguard Area Drilling Locations (with new well indicated in red)

The total vertical depth drilled of the 4-1 well was 1,591 metres (m), and approximately 65 m of 3.5 inch diameter core was recovered from the Prairie Evaporite Formation (Saskatchewan's potash bearing formation). The core showed that all three members of the Prairie Evaporite (Patience Lake, Belle Plaine and Esterhazy members) were present and in-tact at this drilling location. From the drilling location, the core was transported to SRC Laboratories in Saskatoon, where the it was then logged by independent geologists from Terra Modelling Services Inc. Figure 2 shows core being logged in the lab.

Figure 2: Core Logging

Over 200 samples were selected from sylvinite-bearing core for assaying. The resulting assay data has been analyzed, and highlights for each of the three potash members include:

- Patience Lake Member (PLM)
  - Average grade of 34.0% KCl
  - Total thickness of 15.7m
  - Of particular note are high-grade intersections of 40.9% KCl over 3.9m and 41.1% KCl over 1.8m, with some individual samples measuring as high as 63.9% KCl

- Belle Plaine Member (BPM)
    - Average grade of 40.0% KCl
    - Total thickness of 9.5m
    - Of particular note is a high-grade intersection of 56.6 % KCl over 1.54m and 49.7% KCl over 1.68 m, with some individual samples measuring as high as 82.1%KCl
- Esterhazy Member (EZM)
    - Average grade of 12.1% KCl
    - Total thickness of 5.2m

It is worth noting that there is a near-absence (< 1 %) of carnallite in the Patience Lake and the Belle Plaine Members. Carnallite is undesirable in the solution mining environment, as it complicates the brine chemistry, reducing KCl (potash) solubility, thereby increasing mining costs.

Below is a table illustrating the general consistency in the recent 2018 drilling results (4-1) with the nearby wells previously drilled by Gensource in the Vanguard area in 2016 (1-14 & 1-16).

Table 1: Assay Results Comparison

	Date Drilled	2018	2016	2016
	Exploration Well LSD	4-1	1-14	1-16
Patience Lake Member	Average Grade (wt% KCl)	34.0	36.9	33.9
	Thickness (meters)	15.7	12.7	14.4
Belle Plaine Member	Average Grade (wt% KCl)	40.0	34.6	35.7
	Thickness (meters)	9.5	9.4	8.5
Esterhazy Member	Average Grade (wt% KCl)	12.1	18.3	15.8
	Thickness (meters)	5.2	6.3	10.5

In accordance with the CIM Definition Standards (2014), and using the assumed baseline recovery of 40%, the resource in the Vanguard area has been updated to 154 million tonnes of final, salable potash product in the Measured category, and 107 million tonnes in the Indicated category, for a combined 261 million tonnes (See Table 2). This represents a 66% increase in the Measured and Indicated Resource numbers for the Vanguard area compared to those previously published in February 23, 2018 (See: *Technical Report Summarizing the Feasibility Study for the Vanguard One Potash Project, Saskatchewan*, *Fourie et. al*). The CIM Definition Standards (2014) provide for a direct relationship between Indicated Mineral Resources and Probable Mineral Reserves, and between Measured Mineral Resources and Proven Mineral Reserves. Therefore, with further engineering definition completed through future studies (pre-feasibility or feasibility), and

incorporation of the applicable modifying factors, additional mineral reserves can be identified from these Indicated and Measured resource categories. See the following Tables for a more detailed summary of the updated resource in the Vanguard area.

Table 2: Summary of Measured & Indicated Resource (with Base Case of 40% Recovery Highlighted in Red)

MEASURED + INDICATED RESOURCE					
Member	Total Sylvinite Tonnage	Sylvinite Tonnage with Deductions	Sylvite Tonnage (KCl), 30% recovery	Sylvite Tonnage (KCl), 40% recovery	Sylvite Tonnage (KCl), 50% recovery
	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)
Patience Lake	1272.42	1154.92	126.62	168.83	211.04
Belle Plaine	677.26	624.89	69.14	92.18	115.23
Total	**1949.68**	**1779.81**	**195.76**	**261.01**	**326.27**

Table 3: Updated Measured Resource (with Base Case of 40% Recovery Highlighted in Red)

MEASURED 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	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)
Patience Lake Member	PLM1	42.64	0.66	5.98	3.79	247.05	229.79	29.39	39.19	48.99
	PLM2	27.85	0.66	8.54	4.02	192.03	178.84	14.94	19.92	24.90
	PLM3	40.27	0.70	9.77	2.42	157.79	147.03	17.76	23.68	29.60
	PLM4	33.84	0.78	11.36	2.44	126.43	118.84	12.06	16.09	20.11
Sub-Total		36.66	0.69	8.43	3.32	723.29	674.49	74.16	98.88	123.61
Belle Plaine Member	BPM1	53.23	0.92	0.69	1.08	44.55	41.79	6.67	8.90	11.12
	BPM2	26.35	1.26	2.05	1.99	38.80	36.86	2.91	3.89	4.86
	BPM3	35.1	0.92	4.82	1.21	50.60	47.67	5.02	6.69	8.37
	BPM4	30.37	0.55	3.54	1.88	97.66	91.45	8.33	11.11	13.89
	BPM5	35.99	0.37	1.9	1.58	82.17	76.67	8.28	11.04	13.80
	BPM6	43.86	0.49	3.86	1.44	74.86	70.48	9.27	12.37	15.46
	BPM7	37.27	0.78	5.3	0.39	9.60	8.85	0.99	1.32	1.65
Sub-Total		37.00	0.66	3.00	1.54	398.24	373.77	41.48	55.31	69.13
Total							1048.26	115.64	154.19	192.74

Table 4: Updated Indicated Resource (with Base Case of 40% Recovery Highlighted in Red)

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	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)
Patience Lake Member	PLM1	42.81	0.64	5.95	3.79	187.71	163.72	21.03	28.04	35.04
	PLM2	27.69	0.71	9.14	4.04	154.22	134.99	11.21	14.95	18.69
	PLM3	39.85	0.73	10.00	2.40	118.74	103.75	12.40	16.54	20.67
	PLM4	33.42	0.77	10.63	2.33	88.47	77.97	7.82	10.42	13.03
Sub-Total		36.41	0.70	8.48	3.32	549.13	480.43	52.46	69.95	87.43
Belle Plaine Member	BPM1	53.00	1.50	0.70	1.11	30.07	27.06	4.30	5.74	7.17
	BPM2	25.56	1.86	2.15	1.86	28.36	25.52	1.96	2.61	3.26
	BPM3	34.88	1.42	4.76	1.18	34.83	31.35	3.28	4.37	5.47
	BPM4	30.40	0.57	3.55	1.86	68.79	61.91	5.65	7.53	9.41
	BPM5	36.16	0.38	1.93	1.61	59.74	53.77	5.83	7.78	9.72
	BPM6	44.29	0.54	4.00	1.36	50.49	45.44	6.04	8.05	10.06
	BPM7	32.88	0.73	4.76	0.35	6.74	6.06	0.60	0.80	1.00
Sub-Total		36.71	0.87	3.02	1.51	279.02	251.12	27.66	36.87	46.09
Total							731.55	80.12	106.82	133.53

Table 5: Updated Inferred Resource (with Base Case of 40% Recovery Highlighted in Red)

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	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)	Million tonnes (Mt)
Patience Lake Member	PLM1	42.27	0.62	5.87	3.87	605.63	454.22	57.60	76.80	96.00
	PLM2	26.73	0.74	9.31	4.09	408.08	306.06	24.54	32.72	40.90
	PLM3	41.68	0.64	8.84	2.28	356.53	267.40	33.44	44.58	55.73
	PLM4	33.63	0.75	10.84	2.05	265.34	199.00	20.08	26.77	33.46
Sub-Total		36.86	0.68	8.18	3.28	1635.57	1226.68	135.66	180.87	226.09
Belle Plaine Member	BPM1	52.53	2.9	0.73	1.19	91.03	68.27	10.76	14.35	17.93
	BPM2	25.27	3.88	2.45	1.72	67.20	50.40	3.82	5.09	6.37
	BPM3	34.16	2.94	4.76	1.11	141.47	106.10	10.87	14.50	18.12
	BPM4	29.65	0.66	3.51	1.79	278.89	209.17	18.61	24.81	31.01
	BPM5	36.28	0.46	2.03	1.66	258.56	193.92	21.11	28.14	35.18
	BPM6	43.75	0.68	4.48	1.16	181.31	135.98	17.85	23.80	29.75
	BPM7	29.22	0.72	4.12	0.34	45.33	34.00	2.98	3.97	4.97
Sub-Total		35.93	1.32	3.20	1.44	1063.78	797.84	85.99	114.66	143.32
Total							2024.52	221.65	295.53	369.41

Thee resource model was constructed as a 3D integrated stratigraphic grid model, using all available drilling information. The basic assumptions for the resource model and subsequent calculations are as follows:

- K_2O 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).
- For the different Radius-of-Influence (ROI), the previous seismic surveys (2D and 3D) indicate a relatively stable Prairie Evaporite Formation, with the notable exception of the dissolution edge in the south, and the thinning in the northwest, well outside the 6000 m Inferred interpolation range. The former was clipped out of the model altogether.
- As such, the following ROI's were used, which are the same as those used in the previous Technical Report:
    - An Inferred Radius-of-Influence of 6000 m was used
    - An Indicated Radius-of-Influence of 2250 m was used
    - A Measured Radius-of-Influence of 1500 m was used
- All other anomalies were also clipped out of the model, except for Winnipegosis Mounds where these did not necessarily indicate anomalous salt.
- Further deductions for unseen / unknown anomalies included:
    - 25% in the Inferred category
    - 15% in the Indicated category (lowered to 10% within the extents of the 3D seismic survey)

- 10% in the Measured category (lowered to 5% within the extents of the 3D seismic survey)

- Recovery rates: Based on the preliminary horizontal cavern selective solution mining design assumptions, it is estimated that the overall percentage recovery of the targeted horizontal cavern potash zone will range between 30% to 50%. As such, Gensource proceeded with a "base case" of a 40%, with 30% and 50% as sensitivity analyses.

"The completion of this work further supports Gensource's business approach to offer direct access to the resource and an opportunity for an off-taker to be an owner of potash production for themselves. Based on the increasing interest in Gensource and our Vanguard area, we are seeing more demand by customers across the globe for a new and independent source of potash production. As shown in the outcome of the updated resource numbers, this recent drilling program has started to lay the groundwork for the development of additional modules to meet that demand", said Mike Ferguson, Gensource's President & CEO. "We continue to advance our first module in the Vanguard area, the Vanguard One project, which is anticipated to move into construction in 2019 - and now, with the completion of this drilling and analysis, we also have the basis for advancing the engineering and design of the next module."

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 Saskatoon, Saskatchewan, offering exploration, economic assessment, reporting and due diligence, as well as commodity price forecasting. A wide range of commodities, including potash, phosphate, lithium, diamonds as well as base- and precious metals are covered. For further information about Terra Modelling Services, visit: www.terramodellingservices.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.

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