



GENSOURCE PROVIDES UPDATE ON ITS VANGUARD POTASH CORP JOINT VENTURE

SASKATOON, Saskatchewan – October 2, 2017 – Gensource Potash Corporation (“Gensource”) (**TSX.V: GSP**) is pleased to provide an update on its Vanguard Potash Corp. joint venture (“JV” or “Vanguard”) with Essel Group ME Limited (“EGME”).

Gensource and EGME signed a shareholder agreement (the “Shareholder Agreement”) to create the Vanguard JV on April 4, 2017. The purpose of the JV is to finance, construct and operate a new potash production facility in Saskatchewan located on Gensource’s wholly owned subsurface mineral lease KL 245. The Shareholder Agreement defined commitments for both parties as well as conditions precedent to the JV. One condition precedent carried a specific deadline, that of initial capitalization (termed the Initial Contribution in the Shareholder Agreement) of the JV by EGME. Despite an extension of the deadline for the Initial Contribution and recent planning meetings for the JV, as of October 2, 2017, Vanguard has not received the Initial Contribution and, in fact, has received no funding whatsoever. On that basis, Gensource, in the best interests of its shareholders, considers the JV Shareholder Agreement null and void. EGME directors of Vanguard have been removed from their roles.

We believe that many of our shareholders have anticipated this situation and have already priced in the risk that EGME may not follow through on its commitments. Gensource remains amenable to a JV with EGME in the future if acceptable terms and conditions can be agreed upon and executed.

Gensource is poised and ready to advance the Vanguard One project, the initial project for which a detailed feasibility study has been completed. The opportunity to advance quickly with a low-risk, small-scale and environmentally friendly project is highly attractive to many. As previously disclosed, Gensource is in discussions with many parties to create partnerships and the Company is excited at the prospect of moving ahead with a partner who has a genuine interest in potash production: the opportunity for such a party to step into a JV with an immediate implementation path is compelling.

On May 31, 2017, Gensource announced the completion of a feasibility study for one of its scalable selective solution mining projects. These projects are referred to as modules and each module is capable of producing 250,000 tonnes per year of final product. By design, any production facility can be easily expanded by simply installing additional modules of 250,000 t/a. The Vanguard One project is in the environmental assessment process with the Ministry of Environment of the Government of Saskatchewan.

The scientific and technical information contained in this news release was reviewed and approved by Mike Ferguson, P.Eng., President and CEO of Gensource and a Qualified Person under NI 43-101.

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 further information please contact:

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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.
