

GENSOURCE ANNOUNCES CLOSING OF ASSET PURCHASE AGREEMENT

SASKATOON, Saskatchewan – October 19, 2016 – Gensource Potash Corporation (“Gensource” or the “Company”) (**TSX.V: GSP**) is pleased to announce that the Asset Purchase Agreement (“APA” or “Agreement”), announced April 6, 2017, closed on October 17, 2016. The assets that were the subject of the APA, two mineral extraction leases KL 244 and KL 245 (“Lease” or “Leases”), are now 100% owned by Gensource.

As a summary, the APA was signed between Gensource and Yancoal Canada Resources (“YCR”) to transfer the above leases to Gensource with the following conditions to closing:

- That Gensource would pay the agreed consideration of \$2.48M,
- That a definitive off take agreement would be negotiated and executed between the parties, and
- That the then-permits would be converted to mineral extraction Leases and that the ownership of the Leases would be transferred to Gensource.

Gensource completed payment of the agreed purchase price on July 11, 2016, with the funds being held in escrow until the close of the APA.

The off take agreement between the parties was completed and signed on September 26, 2016.

As of October 17th, with receipt or a letter from the Province of Saskatchewan confirming transfer of the Leases 100% to Gensource, the final condition of the APA, transfer of the Leases, is complete and the APA is now closed.

Gensource’s President & CEO, Mike Ferguson, is quoted as saying, “Closing the APA is a significant milestone for Gensource. A lot of effort has been invested by both parties in the raising of capital and negotiating the off take agreement to arrive at this important juncture. We must pass on our thanks and congratulations to YCR for their forthright efforts in completing the Agreement. With the APA now behind us, Gensource will press forward with development plans that we have come to describe as “Potash 2.0”. We have begun work on the detailed feasibility study, we will soon mobilize our drilling/resource confirmation program and we continue to work with our market partners in Brazil and India to add to the tonnage of product that is spoken for under firm off take agreements. While the larger potash industry remains in a state of flux, Gensource believes that its technological advantages coupled with its direct-to-market business model will be the catalysts that will begin to change the industry.”

About Yancoal Canada Resources

Yancoal Canada Resources Co., Ltd. ("YCR") is a Saskatoon-based potash exploration and development company which holds a number of potash permits situated in Saskatchewan. YCR plans to develop some of these potash permits after the completion of a Feasibility Study on the proposed Southey 2.8 million tonnes solution potash mine.

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.

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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 completion of the YCR transaction, the expected timing for release of a resource estimate and a preliminary economic assessment, as well as a feasibility study, and 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, among other things, results of exploration, the economics of processing methods, project development, reclamation and capital costs of Gensource's mineral properties, 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: changes in general economic conditions and conditions in the financial markets; the ability to find distributors 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.
