

GENSOURCE ANNOUNCES COMPLETION OF FINAL CASH PAYMENT WITH RESPECT TO ITS ASSET PURCHASE AGREEMENT AND OFF TAKE TERM SHEET

SASKATOON, Saskatchewan – July 11, 2016 – Gensource Potash Corporation (“**Gensource**” or the “**Company**”) (**TSX.V: GSP**) is pleased to announce that it has completed its final payment associated with the Asset Purchase Agreement (“**APA**”) and off-take term sheet (“**Term Sheet**”) (announced in a news release dated 06Apr2016).

Gensource submitted the second payment on July 8, 2016 in the amount of CAD\$ 1.24M. This final payment completes the financial requirements under the APA, for a total purchase price of CAD\$ 2.48M, which funds are being held in trust pending closing. The remaining items required to fully close the transaction are the issuance of the final leases by the Government of Saskatchewan and the completion and execution of the definitive off take agreement between Yancoal Canada Resources Co. Ltd. (“**YCR**”) and Gensource.

When closed, the transaction will result in Gensource owning 100% of two high quality potash production leases as well as a definitive off take agreement for 100% of the planned 250,000 t/y production from one of its new-style environmentally friendly potash production facilities. The off take agreement being negotiated creates a buyer-seller relationship between the parties and Gensource is pleased to be part of this business relationship.

As a summary of recent events for Gensource:

- On April 6, 2016, Gensource announced the execution of the APA with YCR for the purchase of two potash leases.
- On April 28, 2016, Gensource announced the completion of an NI 43-101 compliant resource report for the two leases being purchased under the APA, defining an inferred resource on the properties based on the geological work (drilling and seismic) recently completed by YCR.
- On May 31, 2016, Gensource announced the completion of a PEA (Preliminary Economic Assessment) on the two new leases, now named “Vanguard”. The PEA showed that Gensource’s small, efficient, scalable and environmentally friendly approach to potash production has the potential to set a new standard for low initial capital costs and low operating costs, while at the same time, showing that the new facility potentially has the following environmental and community benefits:
 - No salt tailings are brought to surface; therefore there is no salt tailings pile. No salt tailings means less expensive construction as there will be no tailings area to construct and no environmental liability that is associated with salt tailings left on surface.

- No brine ponds. With no brine ponds, there are no brine control structures or ongoing monitoring facilities or programs to track and control brine migration into the surrounding soil.
- No use of fresh surface water. Because Gensource's methods use no fresh water (instead, Gensource will use deep aquifers of brackish water), the new facility will have no impact on local or regional fresh water systems. A significant impact from old-style potash mining is the consumption of millions of cubic metres of fresh surface water each and every year: in dry southern Saskatchewan, this concern surfaces with every proposed potash development.
- Small scale (1/10th the size of a typical potash project) but easily scalable production, resulting in significantly smaller impact on the community around the new facility – less impact on roads and businesses during the construction period and a positive impact in long term production where just fewer than 50 people will be required to operate the new facility.

Gensource's President & CEO, Mike Ferguson, said, "Having made the second cash payment for the two leases being acquired under the APA is a significant milestone for Gensource. The remaining items required to fully close the transaction, the leases being issued by the Government of Saskatchewan and the completion of the definitive off take agreement, are on schedule and progressing well, as expected. We are very excited at the prospect of closing this transaction shortly and moving ahead quickly with the final development of the first Vanguard project. We firmly believe that Gensource's approach to potash production will set the bar higher in the industry – both in terms of the modern methods and technologies used to produce potash, as well as the business model employed to ensure that Saskatchewan potash moves from our Province to the areas around the world that need it, in the most direct and efficient manner possible."

About Gensource

Gensource is based in Saskatoon, Saskatchewan and is focused on developing the next potash production facility in that province, using new and more efficient mining and processing methods and employing a new-to-the-potash-industry business model that connects the consumer of potash (agricultural producers) as directly as possible to the production of the product. 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.

The technical information presented in this new release has been reviewed and approved by Mike Ferguson, P.Eng., the President, CEO and a Director of the Corporation, who is a qualified person according to NI 43-101 requirements.

For further information, please contact:

Gensource Potash Corporation:

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

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.

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 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, completion of the YCR transaction, a refund of lease conversion costs in the event that the YCR transaction does not proceed, 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: an inability to complete the YCR transaction on the terms as announced or at all; denial by ministerial authorities of a refund of lease conversion costs in the event that the YCR transaction does not proceed; 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.
