

GENSOURCE ANNOUNCES SIGNING OF ASSET PURCHASE AGREEMENT AND OFF TAKE TERM SHEET

SASKATOON, Saskatchewan – April 6, 2016 – Gensource Potash Corporation (“**Gensource**” or the “**Company**”) (**TSX.V: GSP**) is pleased to announce that it has entered into a definitive Asset Purchase Agreement (“**APA**”) which includes an off-take term sheet (“**Term Sheet**”) for the sale of potash dated effective today. Collectively, these transactions offer Gensource the opportunity to advance its business plan of becoming a future potash producer in Saskatchewan. The agreement is between Gensource and Yancoal Canada Resources Co. Ltd. (“**YCR**”).

The APA defines the terms for the purchase by Gensource of two potash exploration permits (“**Permit**” or “**Permits**”) conditional upon their conversion into mineral production leases (“**Lease**” or “**Leases**”) and also contains a Term Sheet that defines key terms for the future sale of potash product from the proposed facility. Key terms of the transaction include a purchase price of \$2,480,000, payable as two installments: (i) \$1,240,000 in cash at closing within 30 days of the effective date of the APA; and, (ii) a convertible debenture to YCR in the principal amount of \$1,240,000 that is due on the later of 90 days of the effective date of the APA and the close of the transaction, payable in cash or convertible to shares in Gensource if sufficient funds are not raised. The shares will be issued at an exercise price equal to the 20 day VWAP prior to the maturity date. Gensource will require a financing to close, which will be completed as a private placement on terms to be announced. Gensource has agreed to pay approximately \$300,000 for the Lease conversion costs, which it understands may be refunded if the permits are not converted to leases. The transaction is subject to regulatory approval.

Gensource has been clear in previous news releases that its business plan is focussed on ensuring that the product is “pre-sold” before it develops the project to any great extent. This approach is due to Gensource’s understanding of the potash industry, wherein it can be easier to make the product than to sell it.

Gensource’s President & CEO, Mike Ferguson, said, “The APA and Term Sheet announced today fit Gensource’s business plan perfectly. The assets being purchased, if the conditions are satisfied, are two Leases where significant geological data has already been collected by YCR through recent and professionally executed drilling and seismic programs. The geological data collected may be the foundation for a future formal resource definition on the Lease(s). Additionally, the Term Sheet represents a key aspect to the transaction, providing for 100% of the planned future production to be purchased by YCR over a set period of time - one of our key foundational business concepts. In fact, Gensource is not just purchasing assets, it is entering into a business

relationship with a solid, reliable company which is, itself, in the potash development business, and the value of the business relationship is far greater than the value of the actual assets. We look forward to advancing our business plan and working with YCR to add value for both parties.”

Particulars

The assets being purchased are two Saskatchewan potash exploration Permits, specifically KP-483 and KP-363 comprising a total of some 63,800 acres of land. It is a condition to the transaction that both Permits be converted to mining Leases. Significant geological data has been collected on the KP's; including two wells (one well cored and assayed through the full Prairie Evaporite, one cored and assayed through the Patience Lake member of the Prairie Evaporite.), and over 100 km of 2D seismic, covering all of KP-483 and a portion of KP-363. The data has been reviewed as part of Gensource's due diligence process and has been found to be potentially amenable to Gensource's selective dissolution methods. The geological programs were undertaken by well known and highly respected companies in the drilling, potash geology, and seismic acquisition and interpretation fields.

The APA also includes an off take term sheet and specifies that the parties will negotiate and complete a definitive off take agreement as a condition to the closing of the transaction. The Term Sheet, which forms an integral part of the APA, defines an annual tonnage to be supplied by Gensource and purchased by YCR (which is the full planned production rate of 250,000 t/a), minimum product specifications and provides options for either CFR or FOB delivery at any one of several possible port locations. Product price is based on benchmark pricing for the various port locations and delivery terms.

The transaction will close once the Permits are converted to Leases and those Leases are delivered to Gensource in a register-able form, the off take agreement is completed and all necessary regulatory approvals are received and the financing is closed.

The scientific and technical information contained in this news release was prepared by or under the supervision of Mike Ferguson, P.Eng., who is the President and Chief Executive Officer of Gensource and a Qualified Person under National Instrument 43-101.

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.

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 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, 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, including the conditions for regulatory approval and financing; 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.
