

## GENSOURCE ANNOUNCES BROKERED PRIVATE PLACEMENT FOR UP TO \$4,000,000

**SASKATOON, Saskatchewan – July 18, 2016 – Gensource Potash Corporation** (“**Gensource**” or the “**Company**”) (TSX.V: **GSP**) is pleased to announce that it has engaged Industrial Alliance Securities Inc. (“**IA**”) as sole agent in connection with a proposed best efforts marketed private placement for gross proceeds of up to \$4,000,000 (the “**Offering**”). The Offering will consist of the sale of up to 27,777,777 common shares in the capital stock of the Company (the “**Common Shares**”) at a price of \$0.09 per Common Share and up to 13,636,363 Common Shares issued on a flow-through basis (the “**Flow-Through Shares**”) at a price of \$0.11 per Flow-Through Share. In addition, the Company has also granted IA an option (the “**Agent’s Option**”), exercisable up to 48 hours prior to the closing of the Offering, to cause the Company to issue up to an additional 15% of the maximum of the Offering in Common Shares and/or Flow-Through Shares.

The Company intends to use the proceeds from the Offering for drilling, seismic and engineering related to pre-feasibility work for the Lazlo Project, and for the Vanguard Project upon completion of the acquisition with Yancoal Canada Resources Co. Ltd. (“**YCR**”), as well as for general working capital purposes. The gross proceeds from the sale of the Flow-Through Share portion of the Offering will be used to fund “Canadian exploration expenses” (“**CEE**”) (within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”)) related to the Company’s projects in Saskatchewan, and the Company will use its best efforts to ensure that such CEE qualify as a “flow-through mining expenditure”, for purposes of the Tax Act, related to the exploration of the Company’s exploration projects. The Company will renounce such CEE with an effective date of no later than December 31, 2016.

The Offering will take place by way of a private placement to qualified investors in such provinces of Canada as IA may designate, and otherwise in those jurisdictions where the Offering can lawfully be made. The securities to be issued pursuant to Offering will be subject to a statutory fourth month and one day hold period from the Closing Date (as defined herein).

It is expected that the closing of the Offering will occur on or about August 25, 2016 (the “**Closing Date**”) and is subject to the satisfaction of certain conditions, including receipt of all applicable regulatory approvals including the approval of the TSX Venture Exchange. In consideration for their services, IA will receive a cash commission equal to 8.0% of the gross proceeds of the Offering and compensation warrants to purchase common shares equal to 8% of the total number of Common Shares and Flow-Through Shares sold exercisable for 24 months from the Closing Date at \$0.09 per common share, including, in both instances, any proceeds realized on exercise of the Agent’s Option.

Gensource’s President and CEO, Mike Ferguson commented, “With the second and last payment having been made in trust for the two leases at Vanguard pursuant to the terms of the asset purchase agreement with YCR and the off-take agreement negotiations proceeding well, it is time to accelerate efforts in anticipation of the acquisition and subsequent development of Vanguard. This financing will accomplish that and will take us one step closer to our company goal of becoming a new, independent potash producer using our up-to-date, efficient and environmentally friendly mining and processing techniques”.

### **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:

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***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.***

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

*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 Offering and 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 Offering and 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 or the Offering 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.*

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