



## **GENSOURCE ANNOUNCES MOU FOR 70% JV PARTNERSHIP WITH ESSEL GROUP ME IN 2 PHASES**

**SASKATOON, Saskatchewan – November 29, 2016 – Gensource Potash Corporation** (“Gensource” or the “Company”) (**TSX.V: GSP**) is pleased to announce that it has signed a non-binding Memorandum of Understanding (MOU) with Essel Group Middle East Limited (“EGME”) to form a joint venture company (“JV”) that will be tasked with advancing one of Gensource’s small scale potash projects through to production. The objective of EGME and Gensource is to create and deliver a new and independent supply of potash to the potash market.

The MOU defines a clear path to creating the JV, which brings together technical innovation, management expertise and international logistics and capital. The synergies gained in the JV will allow for expedient construction and operation of a new potash production facility.

The JV will be set up as a private corporation into which Gensource will vend a project/resource from its Vanguard area near Eyebrow and Tugaske, as well as its project execution team including technology and techniques relating to selective solution mining and specialized processing. For its part, EGME will provide business and logistic expertise to the JV and will provide financing in two stages – firstly, to complete the current feasibility study, and secondly, to finance the construction of the project. Ultimately, when the construction financing has been committed, the JV will be owned 70% by EGME and 30% by Gensource.

Under the terms of the MOU, a definitive agreement or JV operating agreement will be negotiated to define the detailed aspects of how the JV will operate. Initial terms are for a jointly-appointed board of directors for the company and a jointly appointed management team to lead the development of the new potash facility. Gensource will maintain control of the JV through to the commitment of construction financing.

Gensource’s President & CEO, Mike Ferguson, said, “This is an exciting milestone for Gensource. Our fundamental business plan has been to create a joint venture with a strategic partner who wants the potash product for its own use and is capable of bringing the required financing to the project. We are so pleased to be working with a strategic and forward thinking group like Essel Group Middle East. With a presence in Europe, Middle East and North Africa, EGME understands the potash business very well and has positioned itself to strategically enter the industry. The global business acumen and financing ability of EGME coupled with Gensource’s experienced potash development team, rich potash resources and novel small scale technologies creates a combined entity that has all the required components to successfully enter the highly controlled potash industry. We are



excited to use this MOU as a foundation and move our business and project development plans to the next stage in partnership with EGME.”

As a reminder, Gensource is currently in the detailed development stage of its Vanguard project. A two-well resource confirmation drilling program is currently drilling on the first well near Tugaske, SK, and the detailed feasibility study is underway and expected to be complete by March or April 2017. Until the completion of the feasibility study, the technical and economic viability of the project remains unconfirmed.

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

### **About Essel Group ME**

The Essel Group ME Limited is a part of Essel Group India, a prominent company operating in many diverse sectors, including media, entertainment, infrastructure, and education. Essel Group ME is pursuing growth by securing strategic resource investments across the globe.

Essel Group ME is diversifying into the hydrocarbon and mineral resource sectors and this Agreement is a significant step towards advancing this strategic initiative.

### **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 settlement of a definitive joint venture agreement with the Essel Group on the terms of the MOU or at all, the expected timing for release of a reserve estimate and a feasibility study and whether or not the study will conclude that mineral production is feasible on a technical or economic basis, 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, settlement of a definitive joint venture agreement with the Essel Group, results of exploration, the economics of processing methods, project development, reclamation and capital costs of Gensource's mineral properties, the ability to complete a feasibility which supports the technical and economic viability of mineral production, Gensource's financial condition and prospects, the ability to establish viable vertical integration partnerships and the sourcing of end use potash purchasers, including approval of the Yancoal Canada off take agreement by its parent company, could differ materially from those currently anticipated in such statements for many reasons such as: failure to settle a definitive joint venture agreement with the Essel Group on the terms as announced or at all, and advance and finance the project in accordance with the terms of the definitive joint venture agreement; an inability to finance and/or complete an update of the resource estimate to a reserve estimate, and a feasibility study which supports the technical and economic viability of mineral production; changes in general economic conditions and conditions in the financial markets; the ability to find distributors and source off-take agreements including approval of the Yancoal Canada off take agreement by its parent company; 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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