

GENSOURCE ANNOUNCES CLOSING OF \$3,000,000 NON-BROKERED PRIVATE PLACEMENT

SASKATOON, Saskatchewan – January 20, 2017– Further to its news releases dated January 13, 2016, Gensource Potash Corporation (“Gensource” or the “Company”) (TSX.V: GSP) is pleased to announce that it has completed its previously announced non-brokered private placement financing (the “Offering”). The Offering consisted of the sale of 27,272,648 units (the “Units”) at \$0.11 per Unit for aggregate gross proceeds of \$3,000,000. Each Unit consisted of one (1) common share in the capital stock of the Company (“Common Share”) and one-half (1/2) of one Common Share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder thereof to acquire an additional Common Share at a price of \$0.17 for a period of 24 months from the date of issuance.

The net proceeds from the Offering will be used to initiate geological and engineering study work towards a second project module in the Vanguard Project area (“Vanguard Two”). Proceeds will also be used for matters relating to the completion of the proposed Joint Venture signed with Essel Group ME as detailed in the MOU announcement of November 28, 2016, as well as for general working capital purposes.

The Company also paid a total of \$122,109.37 in finder’s fees and issued 1,110,085 broker warrants (“Broker Warrants”) to eligible finders in connection with the Offering. Each Broker Warrant will entitle the holder thereof to purchase one Unit at an exercise price of \$0.11 for a period of 24 months following the closing date of the Offering.

All securities issued in connection with the Offering are subject to a statutory four-month and one day hold period.

As part of the Offering, certain officers of Gensource (the “Insiders”) purchased an aggregate of 420,489 Units. Participation by the Insiders in the Offering was considered a “related party transaction” pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). Gensource was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Insiders’ participation in the Offering in reliance of sections 5.5(b) (Issuer Not Listed on Specified Markets) and 5.7(a) (Fair Market Value Not More Than 25% of Market Capitalization) of MI

61-101. The Company was not in a position to file a material change report more than 21 days in advance of the closing of the Offering as the details of participation by the Insiders was not known at such time.

Mike Ferguson, President & CEO of Gensource commented, "We are very pleased with the interest in this financing and the speed with which the placement was sold out. Gensource will use the proceeds to advance the definition of the Vanguard Projects as identified in our News Release of January 13, 2017. We are gratified with the support received from our shareholders, both existing and new, and are excited to move ahead aggressively with project development.

About Gensource

Gensource is based in Saskatoon, Saskatchewan and is focused on re-inventing the potash industry by becoming a new, independent potash producer. Gensource plans to accomplish this goal by creating a vertically integrated business structure in partnership with a specific market and developing the next potash production facility in Saskatchewan as a small operation that will specifically serve the selected market. The new facility is planned to use up-to-date selective dissolution technologies, which would result in a small operation that leaves no salt tailings on surface, uses no fresh surface water and creates a smaller carbon footprint than current operations in the 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. The operations of Gensource are in the development stage only and there is no actual mineral production. Without a formal independent feasibility study, there is no assurance that mineral production is feasible on an economic basis.

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.

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 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.
