



GENSOURCE ANNOUNCES STRATEGY FOR THIRD PARTY PROJECT FUNDING & TERMINATION OF YANCOAL OFF TAKE AGREEMENT

SASKATOON, Saskatchewan – April 21, 2017 – Gensource Potash Corporation (“Gensource”) (**TSX.V: GSP**) is pleased to announce the strategy for the development of multiple potash production facilities, each of which is directed to a specific market.

As previously announced in a Gensource corporate update on March 31, 2017, the Vanguard One Project Feasibility Study (the “Study”) is over 75% complete (as of today’s date, more than 85% complete) and remains on track to be finished in Q2 2017. With the completion of the Study, Gensource can establish its general model for a production facility and, thereby, create the business template for developing new and additional potash production facilities on the various other land holdings within Gensource’s Saskatchewan potash properties. The general business model is for each separate production facility to attract market partners who will provide project financing as well as access to independent markets.

As a result of the memorandum of understanding with Essel Group ME Limited (“EGME”) announced on November 29, 2016, and the definitive shareholder agreement with EGME announced on April 4, 2017, Gensource now has a partner who brings off take as well as financing to the Vanguard One project. Hence, the Vanguard One Project facilitates the Study’s completion and will become the general model for all future Gensource production facilities.

On September 26, 2016, Gensource announced an offtake agreement with Yancoal Canada Resources Co. Ltd. (“YCR Agreement”). A condition of the YCR Agreement was completion, by March 31, 2017, of the feasibility Study. Gensource, evaluating the EGME partnership in the Vanguard One project as the better opportunity, made the strategic decision to focus on it and ensure the Study is completed in a robust manner such that the project is more fully prepared to move ahead to the construction phase, rather than to try to meet a specific deadline of March 31, 2017 for Study completion. As a result of the feasibility study not being complete at the March 31st deadline, the Yancoal Agreement has been terminated. Gensource maintains good relations with Yancoal and looks forward to future opportunities to work with Yancoal.

As a reminder, Gensource is in the detailed development phase of the Vanguard One project – the feasibility study, expected to conclude in Q2 2017 will determine the technical and economic viability of the project.



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.

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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 funding and development pursuant to the definitive joint venture agreement with the EGME, 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, funding and development pursuant to a definitive joint venture agreement with the EGME, 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, could differ materially from those currently anticipated in such statements for many reasons such as: failure to obtain funding and undertake development pursuant to the definitive joint venture agreement with the EGME; 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; 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.
