

GENSOURCE EXECUTES BINDING TERM SHEET TO DEVELOP POTASH PROPERTIES IN SASKATCHEWAN

SASKATOON, Saskatchewan – June 20, 2013 – Gensource Capital Corporation (“**Gensource**” or the “**Company**”) (**TSX.V: GSP**) announces that it has executed a binding term sheet (the “**Term Sheet**”) with Canada Potash Corp. (“**CPC**”) pursuant to which the skills, people and assets of CPC and Gensource would be combined to explore and develop potash properties in the Province of Saskatchewan. CPC is a private resource company engaged in the exploration and development of potash mineral properties in Saskatchewan, Canada.

Under the Term Sheet, Gensource has agreed to issue from its treasury to CPC that number of shares so that CPC will hold 51% of Gensource’s issued and outstanding shares, in consideration for:

- (a) Gensource acquiring from CPC Saskatchewan potash exploration permits KP445 and KP437 (the “**Permits**”);
- (b) CPC using reasonable commercial efforts to introduce Gensource to CPC’s contacts and establish working relationships between Gensource and CPC’s contacts carrying on business in the fields of: (i) project joint ventures; (ii) project finance; (iii) the import and sale of potash internationally, including to and within the People’s Republic of China (“**PRC**”); and (iv) the shipping or logistics associated with the distribution of potash internationally, including to and within the PRC; and
- (c) CPC using reasonable commercial efforts, to the extent commercially practical, to assign to Gensource any contracts or agreements CPC has with respect to the matters described in clause (b) above.

In addition, on closing, provided that CPC holds not less than 20% of Gensource’s issued and outstanding common shares:

- i) CPC will have the right to nominate four individuals for election to a seven member board of directors of Gensource, and the board will jointly appoint one of CPC’s nominees as Chairman.
- ii) CPC will vote all of its shares of Gensource in favour of Gensource’s three nominees to the Board provided that the principal focus of Gensource’s business and operations remains the exploration, development or mining of potash properties in the Province of Saskatchewan.

Closing is subject to certain conditions including:

- completion of due diligence, satisfactory to each of Gensource and CPC in their sole discretion;
- receipt of all required approvals, including approval of Gensource shareholders and approval of the TSX Venture Exchange;
- execution of a shareholder’s agreement between CPC and Gensource (the “**Shareholder’s Agreement**”);
- no material adverse change in respect of Gensource or the Permits;
- delivery of title opinions in respect of the Permits and Gensource’s Lothar and Lazlo potash projects; and
- other conditions as are customary for transactions of this nature to be set out in a definitive share subscription and exploration permit purchase agreement to be entered into between the parties (the “**Subscription and Purchase Agreement**”).

The parties have agreed to use their commercially reasonable efforts and act in good faith to complete their respective due diligence and to execute the Subscription and Purchase Agreement within 30 days.

Gensource and CPC have agreed to work exclusively through Gensource to advance the exploration, development, mining and marketing of potash from properties in the Province of Saskatchewan, except for those projects currently held by CPC (other than the Permits).

CPC has agreed to use its commercially reasonable efforts to assist Gensource to arrange: (i) project joint ventures; (ii) debt and equity project finance; (iii) the import and sale of potash from Gensource's properties internationally, including to and within the PRC; and (iv) the shipping or logistics associated with the distribution of potash internationally, including to and within the PRC – to the extent that such arrangements cannot be achieved through the contacts and assigned agreements provided by CPC to Gensource pursuant to the Subscription and Purchase Agreement.

The execution of the Subscription and Purchase Agreement and the Shareholder's Agreement are not a condition precedent to the Term Sheet or the respective obligations of CPC and Gensource contained in the Term Sheet.

The Term Sheet and the Subscription and Purchase Agreement will be terminated if the transaction has not closed within 120 days.

Mike Ferguson, CEO of Gensource, commented: "Gensource is very pleased to announce this agreement to align and combine business efforts between our two companies. Gensource's business model requires that all three required pillars that support a successful project be in place as early as possible in the project development cycle. Those pillars are market access, financial capacity and execution expertise. This proposed transaction will put all three of those pillars in place and that will clear the way for efficient and focused project development with the goal to put one or more projects into production in the coming years."

Under the Term Sheet, Mike Ferguson will continue in his role as CEO of the Company. Mike Ferguson is a professional engineer with over 25 years experience in potash and uranium mining projects in Saskatchewan. Mike graduated from the University of Saskatchewan with a B.Sc. in Mechanical Engineering. Following a few years spent with the Canadian Military, Mike settled back in Saskatoon and has spent his entire mining career in Saskatchewan participating in projects in potash, uranium, gold and base metals. His experience ranges from working at the mining face behind a Marietta Miner in a potash operations, to in-plant engineering (both surface plant and underground), engineering management, project management through to general management of engineering and EPCM companies. Most recently, Mike successfully led the Potash One project team responsible for the development of the Legacy Project in Southern Saskatchewan from initial exploration through scoping-, pre-feasibility- and feasibility studies and an approved EIS, to the point where it was acquired by the international potash producer K+S Group of Germany. Mike brings to Gensource not only his experience in the potash industry but also the unique experience of leading the development of a greenfield potash property in Saskatchewan – the first such project to be developed in over 40 years.

The Company will issue a subsequent press release providing further information regarding the transaction as required by the policies of the TSX Venture Exchange.

Trading of the shares of the Company on the TSX Venture Exchange will remain halted until the Company has satisfied all of the requirements of the TSX Venture Exchange necessary to reinstate trading.

About Gensource

Gensource Capital Corporation is based in Saskatoon, Saskatchewan and is focused on developing resource opportunities with a specific focus on potash development. The Company's primary project is its wholly-owned subsidiary, Gensource Potash Corporation, also based in Saskatoon Saskatchewan. Gensource Potash Corporation is led by Mike Ferguson P.Eng., President and CEO. Mr. Ferguson has assembled a world class management team with direct and specific interest in potash development.

About Canada Potash

Canada Potash Corporation (CPC) is based in Saskatoon, Saskatchewan with operating offices in Vancouver, British Columbia as well as representative offices in Beijing, Shanghai and Hong Kong in China. CPC owns 10 potash permits encompassing approximately 3000 square kilometers in Saskatchewan and its primary objective is the development of potash mines and the extraction of high grade sylvite minerals.

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Completion of the transaction is subject to a number of conditions, including TSX Venture Exchange acceptance and disinterested shareholder approval. The transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the applicable disclosure document to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Gensource should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

This news release contains forward-looking statements, including statements regarding the completion of the transaction and the Company's goals. These statements are based on certain factors and assumptions, including expected growth, results of operations, performance and business prospects and opportunities. While the Company considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. A number of factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to results of exploration and project development, and the Company's financial condition and prospects could differ materially from those currently anticipated in such statements for many reasons such as: changes in general economic conditions and conditions in the financial markets; changes in demand and prices for minerals; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the activities of the Company. Additional risks and uncertainties can be found in our Management's Discussion and Analysis and in filings with the Canadian provincial securities commissions. Forward-looking statements are given only as at the date of this news release and the Company disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

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.
