

**GENSOURCE ANNOUNCES FIRST CLOSING OF UP TO \$4,000,000  
BROKERED PRIVATE PLACEMENT**

**SASKATOON, Saskatchewan – September 19, 2016** – Further to its news releases dated July 18, and August 29, 2016, Gensource Potash Corporation ("**Gensource**" or the "**Company**") (TSX.V: GSP) announces today it has completed tranche one of the up to \$4 million private placement financing (the "**Offering**"). The Offering consisted of the sale of 16,825,558 units of the Company (the "**Units**") at a price of \$0.09 per Unit and 13,592,731 flow-through shares (the "**Flow-Through Shares**", and together with the Units, the "**Offered Securities**") at a price of \$0.11 per Flow-Through Share, for aggregate gross proceeds of \$3,009,500. Each Unit consisted of one common share in the capital stock of the Company and one common share purchase warrant ("**Warrant**"). Each Warrant is exercisable at a price of \$0.15 per share beginning on the date that is 12 months following the closing date of the Offering (the "**Closing Date**") and expiring on the date that is 24 months following the Closing Date. The Flow-Through Shares are "flow-through shares" as defined in subsection 66(15) of the *Income Tax Act* (Canada) (the "**Tax Act**"). Tranche two of the Offering is expected to close on or about the week of October 12, 2016.

The Offering was completed by Industrial Alliance Securities Inc. (the "**Agent**"). A cash commission of \$222,998 was paid to the Agent, including the issuance to the Agent (and members of the Agent's selling group) of: (i) 991,055 agent's options exercisable into common shares of the Company at \$0.11 per agent's option for a period of 24 months following the Closing Date; and (ii) 1,266,467 agent's units exercisable into Units at a price of \$0.09 per agent's unit for a period of 24 months following the Closing Date.

As part of the Offering, certain directors and officers of Gensource (the "**Insiders**") purchased an aggregate of 1,666,667 Units and 454,546 Flow-Through Shares. 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) and 5.7(a) 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.

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" within the meaning of the Tax Act related to the Company's projects in Saskatchewan.

The securities issued pursuant to the Offering are subject to a four month and one day statutory hold period.

Mike Ferguson, President & CEO of Gensource, commented: "We are very pleased to be closing the first tranche of the private placement. The financial markets remain tough, particularly for potash companies. In spite of that, our unique business plan and technical capabilities have garnered the interest of the investment community. We look forward to completing the second tranche of the financing in the coming weeks. The proceeds raised in first tranche will support planned drilling and seismic work in the Vanguard area and will allow us to kick off the feasibility study for our first small scale, efficient potash production facility."

## 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.

For further information, please contact:

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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 second tranche 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 second tranche 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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