



GENSOURCE ANNOUNCES AMENDED TERMS TO BROKERED PRIVATE PLACEMENT FOR UP TO \$4,000,000

SASKATOON, Saskatchewan – August 29, 2016 – Further to its news release dated July 18, 2016, Gensource Potash Corporation (“**Gensource**” or the “**Company**”)(TSX.V: GSP) announces that it has amended the terms of its previously announced best efforts marketed private placement financing (the “**Offering**”), led by Industrial Alliance Securities Inc. (“**IA**”). The common share portion of the offering will now include a full warrant (a “**Warrant**”) exercisable at a price of \$0.15 per share beginning on the date that is 12 months following the closing date of the Offering and expiring on the date that is 24 months following the closing date of the Offering. The Offering will now consist of the sale of: (i) up to 27,777,777 units (“**Units**”) at a price of \$0.09 per Unit, with each Unit consisting of one common share in the capital stock of the Company (the “**Common Shares**”) and one Warrant; and (ii) up to 13,636,363 Common Shares issued on a flow-through basis (the “**Flow-Through Shares**”) at a price of \$0.11 per Flow-Through Share. IA still retains an option, exercisable up to 48 hours prior to the closing time of the Offering, to cause the Company to issue up to an additional 15% of the maximum size of the Offering in Units and/or Flow-Through Shares.

It is now expected that the closing of the Offering will occur on or about September 15, 2016 and is subject to the satisfaction of certain conditions, including receipt of all applicable regulatory approvals including the approval of the TSX Venture Exchange. All securities to be issued pursuant to the Offering will be subject to a statutory four month and one day hold period.

Mike Ferguson, President and CEO of Gensource, stated: “We have received an increased level of interest in our financing, and, as a result, we have decided to include a full warrant to the common share portion of the private placement in order to cater to orders from institutional and other strategic investors.

For further information about the Offering please refer to the Company’s news release dated July 18, 2016 available on the Company’s issuer profile on SEDAR at www.sedar.com.

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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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 completion of the Offering and the YCR transaction (as disclosed in the Company's news release dated July 18, 2016), 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 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.
