
NEWS RELEASE

Preliminary American Potash Paradox Basin Lithium Project Research and Arranges Private Placement

Vancouver, B.C., November 15, 2016: Further to the American Potash Corporation (the “Company”) (AMP:CSE) News Release (August 16, 2016) regarding acquisition of lithium mining claims and Utah State lithium leases totaling approximately 8,900 acres (3,602 hectares), American Potash (AMP) is pleased to provide an update on lithium brine potential at their Paradox Basin Potassium - Lithium Project. This new information is based on technical literature research, recent news releases from lithium exploration competitors in the Paradox Basin, and preliminary historic oil and gas well log review and analyses by American Potash.

American Potash is utilizing their experience in the Paradox Basin to explore for lithium brines. Historic Paradox Basin brine samples contain lithium concentrations ranging from 87 ppm to 1700 ppm (Myhew and Heylman, 1965 and, Mesa Exploration News Release, December 4, 2009). American Potash geologists believe that documented high lithium grades and the scale of the Paradox Basin and Paradox Formation evaporite stratigraphy, the likely lithium source beds and brine-hosting aquifer host beds, suggest potential for large and superior-grade lithium deposits in the Paradox Basin.

Summary

Paradox Formation clastic zones that contain documented anomalous lithium concentrations in brines beneath the Big Flat-Long Canyon areas (clastic break #s 17, 31, and 43) have been shown to be stratigraphically correlative with specific clastic zones in the American Potash lithium claim block and potash permit application areas located about 10 miles north of the known anomalies. Further, historic well logs for Federal well 1-26, located in American Potash’s existing lithium claim block and potash permit application areas, record over-pressured brine production from a 54-foot (16.4-meter) thick clastic zone interpreted as being stratigraphically correlative with clastic break #17 in the Big Flat-Long Canyon areas. American Potash geologists believe the data presented herein suggests that lithium-enriched brines occur in specific known clastic zones beneath American Potash’s lithium claims and Utah State lithium leases. Based on this data American Potash is considering drilling 1-2 test wells on one of their state leases near Federal well 1-26 to test the known brine aquifer and verify the presence and concentration of lithium.

Geologic Setting of the Paradox Basin

The Pennsylvanian aged Paradox Formation is a repetitive sequence of predominantly halite (NaCl) and sylvite-sylvinite (KCl-NaKCl) salts separated by thinner “clastic” layers consisting of shale, dolomite and anhydrite occurring in the central area of the Paradox Basin. The clastic units within the Paradox Formation evaporite sequences can be permeable and commonly host brine aquifers that occur over large areas, as documented in several historic oil and gas wells.

Lithium-Potassium Enriched Brines in the Paradox Basin

As previously noted, lithium-potassium enriched brines are documented in the Paradox Basin. Clastic breaks, defined as clastic sedimentary beds separating evaporite sequences, are commonly saturated with aqueous brines in the Paradox Basin's Paradox Formation. Brine samples collected from clastic break #31 in four wells located in the Big Flat and Long Canyon areas contain lithium concentrations ranging from 87 ppm to 1,700 ppm. Brines hosted in clastic breaks #17 and #43, also in the Big Flat - Long Canyon areas, were sampled from two wells and contain 134 ppm lithium and 98 ppm lithium, respectively. The Big Flat – Long Canyon area is located approximately 10 miles southeast of the American Potash Paradox Basin Potash-Lithium project.

Lithium Potential at the American Potash Lithium-Potassium Project Area

Comparison of gamma and neutron logs from three historic oil and gas wells (Federal 1-26, Shell Quintana, and Federal 1-27U) on American Potash's northern area of interest (AOI) to Southern Natural Gas Long Canyon #1 in the Big Flat - Long Canyon area, which produced a brine sample containing 500 ppm lithium, indicates identical stratigraphic sequences containing the same clastic units. Further, well logs for Federal 1-26, located in the approximate center of American Potash's northern AOI, record over-pressured brine production from a 54-foot (16.4-meter) thick clastic break at a depth of approximately 5892 feet to 5946 feet below surface (1785.5 meters to 1801.8 meters). American Potash geologists are confident that this brine is hosted in clastic break #17, which correlates with clastic break #17 in Pure Oil No. 1 in the Long Canyon area from which a brine sample returned 134 ppm lithium and 25,500 ppm potassium. The two clastic break horizons that have produced the majority of the significantly lithium-enriched brine samples in the Big Flat and Long Canyon areas are clastic break #31 and clastic break #43 (the "Kane Creek Marker"). They are reported as occurring at depths of approximately 6750 feet (2045.5 meters) and 7800 feet (2363.6 meters), respectively, in the American Potash AOI.

American Potash Advantage in the Paradox Basin

American Potash enjoys a distinct advantage over competitors in the Paradox Basin because of their exclusive holding of Utah State Lithium leases and their large US Federal potash permit applications in the northwest part of the Paradox Basin. The State leases allow for exploration, development and production of both lithium and potassium from brines or via solution mining of potassium as "potash" and represent the shortest path to drill permit approval. Further, the federal potash AOI is one of only three defined for the Paradox Basin according to the new, soon to be implemented BLM administered Mineral Leasing Plan (MLP), and includes an officially defined area for building potassium and/or lithium recovery plants (i.e., solar evaporation ponds, flotation plants, etc.). Lithium occurrences will be targeted in brine aquifers hosted in clastic beds in the Paradox Formation beneath Federal lode mining claims and Utah State lease areas. Potassium will be targeted as potash beds in the Paradox Formation salt cycles as well as accompanying lithium in the brines under Federal potash prospect permits when eventually awarded, as well as Utah State lease areas.

Paradox Formation scale vs scale of playa lake bed hosted brines

American Potash believes there is an inherent scale advantage (size matters) for potential lithium-potassium brine occurrence and production in the Paradox Basin relative to that of current lithium-brine operations in playa lake beds. The Paradox Formation evaporite sequences in the Paradox Basin, a paleo-tectonic depression located at the southern margin of the Colorado Plateau uplift, were formed as a result of evaporation of sea water trapped in the subsiding basin during ingress-egress of sea water related to the rise and fall of the shallow Pennsylvanian-age sea level. The trapped shallow bodies of sea water extended over large areas, as defined by the Paradox Basin boundaries, and occurred over much longer time periods than dry-wet periods of typical playa lakes. This has resulted in extremely large volumes of evaporite-rock and paleo-formational waters in the Paradox Formation that likely function as lithium-potassium source material as well as thick, laterally extensive aquifers that host lithium-potassium enriched brines. This significant difference in basin size and depositional time scales clearly enhances the potential to concentrate lithium and potassium in the brine aquifers and create large volumes of lithium-potassium enriched brines.

Private Placement

The Company is also pleased to announce a non-brokered private placement (the “**Private Placement**”) for up to 2,727,272 Units (“**Units**”) at a price of \$0.055 per Unit to raise total proceeds of \$150,000. Each Unit will be comprised of one common share of the Issuer (a “**Share**”) and one half of one common share purchase warrant of the Issuer (each whole warrant, a “**Warrant**”). Each Warrant will be exercisable into a common share of the Company (a “**Warrant Share**”) for a period of 24 months at an exercise price of CDN\$0.10 during the two years.

Shares issued pursuant to this Private Placement are subject to a four-month hold period from the closing date in accordance with applicable securities laws and, if required the policies of the Exchange.

Finder’s fees or commissions may be payable by the Company in connection with this Private Placement.

The proceeds of this private placement are for the Company’s general working capital and property acquisitions.

Kent Ausburn, PhD, PG is a qualified person within the meaning of NI 43-101. Dr. Ausburn has reviewed and is responsible for the technical details of this release.

References:

Myhew and Heylman, 1965, Concentrated Subsurface Brines in the Moab Region, Utah, Utah Geologic and Mineralogy Survey Paper.

Mesa Exploration News Release, December 4, 2009

About American Potash

American Potash is a public company focused on discovery, development and production of potassium and lithium resources in the Paradox Basin, Utah and elsewhere. American Potash currently holds exclusive rights to over 26,000 acres in the Paradox Basin with US federal potash permit applications. American Potash expects transferal of the potash permit applications to potash exploration permits by late 2016 or early 2017. In 2016 American Potash acquired lithium mining claims and Utah State lithium leases totaling approximately 8,900 acres (3,602 hectares).

On behalf of the Board of Directors

“Rudy de Jonge”

Rudy de Jonge, CEO

Neither the OTCQX nor the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Statements in this press release other than purely historical information, including statements relating to the Company's future plans and objectives or expected results, are "Forward-Looking Statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended and Canadian securities laws. Forward Looking Statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in resource exploration and development. As a result, actual results may vary materially from those described in the Forward Looking Statements.

Key assumptions upon which the Company's forward-looking statements and information are based include: the price of potash will rise and not fall significantly; the Company's ability to secure new financing to continue its exploration and development activities; there being no significant changes in the ability of the Company to comply with environmental, safety and other regulatory requirements; the Company's ability to obtain regulatory approvals in a timely manner; and the Company's ability to achieve its growth strategy. These assumptions should be considered carefully by readers. Readers are further cautioned that the foregoing list of assumptions is not exhaustive. Although the Company believes that the assumptions on which the forward-looking statements or information are made are reasonable, based on the information available to the Company on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct.