

VANCOUVER, March 27, 2015 /CNW/ - [Encanto Potash Corp.](#) ("Encanto" or the "Company") (TSXV: EPO and OTCQX: ENCTF) is pleased to announce that through its strategic advisor, Horgen Holdings Inc., that it has received an expression of interest from Fengate Capital Management Ltd. ("Fengate") to undertake the development, construction and financing of a 100-MW power generating station (the "Project") for the proposed new potash mine and processing plant to be built for the Company's Muskowekwan Project.

"Encanto is very pleased to be receiving significant interest and proposals to develop a co-gen plant for the Muskowekwan Project in anticipation of building our potash mine and plant" explained Encanto President and CEO James Walchuck. "Should we come to acceptable commercial terms for the cost of power, and we see no reason that we would not, the Capex as calculated in the Pre-feasibility would be reduced by \$250 million with the associated positive financial impact. It's a big win for Encanto and shows the confidence from the financial industry that we are committed to building this mine."

Fengate expects the Project will produce energy using natural-gas fired electricity generation technology that produces both heat for steam production and electricity (cogeneration). The technology is proven and highly efficient in respect of fuel consumption and air emission. The engineering, procurement and construction cost of the Project is expected to be in excess of \$250 million.

Fengate would undertake the Project with a development partner that would lead the technical scope of the project – Fengate has identified several qualified candidates. Fengate would lead the capital funding of the Project, including investing the equity capital and arranging the project debt. Fengate is experienced in power plant development and financing. Fengate is a private equity fund manager specializing in the development and funding of power and infrastructure projects.

Fengate's involvement with the Project, including the investment of capital and the application of professional resources, will rely on a high level of confidence that (i) the Potash Mine will be developed within a reasonable time period, and (ii) SaskPower is prepared to enter into an acceptable long-term power purchase agreement for the purchase of the electricity generated by the Project. Once the Project is completed it will make it possible for this region of Saskatchewan to be serviced by the new infrastructure and receive preferential electrical rates.

About Fengate Capital Management:

Fengate Capital Management is an investment management firm specializing in originating and managing investments in the infrastructure and real estate sectors. Fengate is a subsidiary of Fengate Corporation, which began operations in 1974. The Firm's operations encompass asset management, real estate and infrastructure development, and commercial property management across North America and international markets.

Fengate began its operations in 2000 with the launch of Northgate Properties Inc., a real estate fund established on behalf of a group of high net worth investors. In 2006, Fengate established its first infrastructure fund targeting investments in Canadian public-private partnerships and independent power projects.

For the past seven years, Fengate has been named one of Canada's 50 Best Managed Companies, a program sponsored by the National Post, Deloitte, CIBC and Queen's School of Business.

About Encanto:

[Encanto Potash Corp.](#) is a TSX Venture Exchange listed and OTCQX traded Canadian resource company engaged in the development of potash properties in the Province of Saskatchewan, Canada, the largest producing potash region in the world. Through a joint venture agreement with Muskowekwan Resources Ltd. ("MFN JV") on our flagship property, Encanto has a project land package which totals approximately 61,000 largely contiguous acres. A Pre-Feasibility Study dated February 28 2013 titled "[Encanto Potash Corp.](#) Technical Report Summarizing the Preliminary Feasibility Study for the Muskowekwan First Nations Home Reserve Project in South Eastern Saskatchewan, Canada" confirms the Proven & Probable KCI Reserves totaling 162 MMt grading 28% which supports primary and secondary mining for over 50 years at an assumed annual rate extraction rate of 2.8 million tonnes.

The Company has an interest in two additional potash properties in Saskatchewan: 20% interest in the 55,000 acre Ochapowace/Chacachas property and 100% interest in the 55,437 acre Spar property.

Encanto is currently exploring domestic & international strategic partnerships for the financing, development and sale of potash production from its MFN JV Property.

The technical content of this news release has been reviewed and approved by James Walchuck, a qualified person as defined by

For additional information about Encanto Potash Corp., please visit the Company's website at www.encantopotash.com or review the Company's documents filed on www.sedar.com.

ON BEHALF OF THE BOARD OF DIRECTORS

"James Walchuck"

Per:

James Walchuck
President and CEO

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SOURCE Encanto Potash Corp.

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