

FIRST IN HISTORY PROVINCIAL POTASH MINING REGULATIONS TO APPLY ON FEDERAL FIRST NATIONS RESERVE LAND

TSXV: EPO

VANCOUVER, Feb. 27, 2017 /CNW/ - [Encanto Potash Corp.](#) ("Encanto" or the "Company") (TSXV: EPO) is pleased to advise that, together with their project partners, the Muskowekwan First Nation, the successfully signed Tripartite Agreement is expected to lead to the First Nations Commercial and Industrial Development Act ("FNCIDA") being finalized this Spring. The Tripartite agreement was signed by Muskowekwan First Nation Chief Reginald Bellerose, the Honourable Minister of Indigenous and Northern Affairs, Carolyn Bennett on behalf of the Canadian Federal Government and the Honourable Provincial Minister for the Economy Bill Boyd on behalf of the Saskatchewan Provincial Government.

Muskowekwan First Nation Chief Reginald Bellerose commented that "by achieving this milestone, the first ever for such a planned large scale operation in Canada, we have been breaking entirely new ground and not only moving to ensure that we ourselves are a significant resource player in Canada for generations to come, but paving the way for other First Nations to achieve self-source revenues and a self-dictated future full of promise."

"There were many hands at all levels of government demonstrating an unprecedented level of cooperation and support between themselves and our own Nation. It took some time, but all involved wanted to ensure that we got this precedent setting process entirely right".

According to the FNCIDA website, the process enables a First Nation that has decided to pursue a large scale commercial or industrial on-reserve project to request the Government of Canada to develop regulations applying to a specific project on a specific piece of reserve land. FNCIDA works by essentially reproducing the provincial rules and regulations that apply to similar large-scale commercial or industrial projects off reserves and applying them to a specific on-reserve project. This approach, called incorporation by reference, ensures that both on and off-reserve projects are subject to similar regulatory regimes. It increases the certainty for investors, developers and the public while minimizing costs.

This case-by-case approach means that the unique needs and circumstances of each project can be respected, as can the Government of Canada's unique relationship with, and responsibilities toward, First Nations. Agreements between the Government of Canada, individual First Nations and the provincial government will be developed to enable the province to carry out the monitoring and enforcement of FNCIDA regulations for particular projects. In practice, this means that projects regulated under FNCIDA are required to meet similar standards as those that apply in the rest of the province and it gives investors and developers certainty by ensuring that they are dealing with regulations and regulators that are well known and understood.

The goal of FNCIDA is to enable First Nations to develop their economies, provide more tools to manage their resources, increase self-sufficiency and enhance their quality of life.

Notice of the intent to form these mining regulations was published by the Governor in Council in the Federal government online newspaper the Gazette (Canada Gazette ¶ 211; Part I) in June, 2016. The final step in this process would be a second publication (Canada Gazette ¶ 211; Part II) which the Company expects in the near term.

Encanto President, Stavros Daskos commented "I'd like to personally thank Chief Bellerose for his instrumental and tireless efforts particularly over the last 18 months in bringing this process to a successful conclusion. This was entirely a government (First Nation) to government (Canadian Federal Government) to government (Province of Saskatchewan) transaction which will result in a historic agreement between all parties. This represents another critical piece being in place to allow for the eventual development of the first potash mine on First Nation land in Canada and the first whatsoever to complete the FNCIDA process for such a major project."

ABOUT ENCANTO:

[Encanto Potash Corp.](#) is a TSX Venture Exchange listed and 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. 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 and Probable KCI Reserves totaling 162 MMt grading 28% (average) which supports primary and secondary mining for over 50 years at an assumed annual rate extraction rate of 2.8 million tonnes.

The technical content of this news release has been reviewed and approved by James Walchuck, a qualified person as defined by NI 43-101.

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.

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SOURCE Encanto Potash Corp.

Contact

Encanto Potash Corp., 3123 - 595 Burrard Street, Vancouver, BC V7X 1J1, Tel: (604) 609-6110; Gary Deathe, Corporate Development, Tel: (647) 728-7987