VANCOUVER, Oct. 10, 2017 /CNW/ - Encanto Potash Corp. (TSX-V: EPO) ("Encanto" or the "Company") an emerging potash development, Mining and Operating company that is advancing the Muskowekwan property in Saskatchewan in partnership with the Muskowekwan First Nation, announced the closing of its $100 million equity facility with GEM Investments America, LLC and GEM Global Yield LLC SCS. The first drawdown under the facility agreement is expected by Oct 15th, 2017 which will fund engineering studies for the proposed potash mine.

Features of the Muskowekwan Project

- 100% mineral rights on 61,400 largely contiguous acres with potential to expand
- First Nations partnership provides a critical advantage it reduces permitting and production timelines
- Pre-Feasibility study completed and results released February 4, 2013
-
    - Proven & Probable Reserves – 162 MMt @ 27.92% KCl
    - Indicated Resources – 31.3 MMt @ 28.12% KCl
    - Inferred Resources – 158.7 MMt @ 29.53% KCl
- Planned solution extraction methodology will have a low environmental footprint
- Existing resource supports long life operation together with production expansion opportunities
- 20-year offtake agreement in place with the National Federation of Farmers' Procurement, Processing, and Retailing Cooperatives of India Ltd., ("NACOF") registered under the Ministry of Agriculture, Government of India to provide five million tonnes of potash annually

Taylor-DeJongh Ltd, acted as financial advisor to the Company. Its extensive track record in financing large-scale infrastructure projects, along with specific experience in the mining sector, enabled Taylor-DeJongh to design an innovative financing structure to meet Encanto's needs.

"We are very pleased to act as Financial Advisor to Encanto Potash on this transaction," stated Ibrahim Mardam-Bey, CCO of Taylor-DeJongh. "We were supported by a great Encanto team and are confident that they are now able to begin executing on their business plan in this exciting sector. Taylor-DeJongh is also very proud to be a part of the positive social impact this project will provide to First Nations communities."

"Meeting this financing milestone means that we will be able to continue to advance the Muskowekwan mine," added Stavros Daskos, CEO of Encanto. "This is a significant opportunity for the Company and our First Nations partners and we thank everyone for helping us get here."

About the historic tripartite agreement:

The tripartite agreement was signed by Muskowekwan First Nation Chief Reginald Bellerose, the Minister of Indigenous and Northern Affairs Carolyn Bennett on behalf of the Canadian federal government and the Provincial Minister for the Economy Bill Boyd on behalf of the Saskatchewan provincial government. 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. The milestone pact is expected to lead to the first-ever First Nations Commercial and Industrial Development Act (FNCIDA) legislation that applies existing provincial rules to significant projects on first nations owned reserve lands.

About Taylor-DeJongh

Taylor-DeJongh is an energy and infrastructure investment banking firm that has ranked as a Top 10 Financial Advisor every year since 1996. The firm provides independent strategic and financial advisory services to a global clientele in the development, structuring, negotiating and financing of major capital investments in energy and infrastructure. The firm has over 30 years of experience in structuring complex transactions in more than 110 countries, with an aggregate value of over US$250 billion.

About Encanto Potash

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, Encanto has secured a project land package which totals approximately 61,000 largely contiguous acres. 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 KCl Reserves totaling 162 Mt grading 28% KCl (average) which supports primary and secondary mining for over 50 years at an assumed annual rate extraction rate of 2.8 Mt of MOP. The PEA dated May 24, 2017 titled " NI 43-101 Technical Report on a Preliminary Economic Assessment and Preliminary Feasibility Study of the Muskowekwan Potash Project, South-Eastern Saskatchewan, Canada" summarizes an alternative development option that supports primary and secondary mining of the Mineral Resources for 48 years at an annual extraction rate of 3.4 Mt of MOP. On December 30, 2016, Encanto signed a 20-year off-take agreement with the National Federation of Farmers' Procurement, Processing, and Retailing Cooperatives of India Ltd., (NACOF) registered under the Ministry of Agriculture, Government of India to supply 5 million metric tons a year of potash.

SOURCE Taylor-DeJongh

Contact
Jeffrey Brown, Jeffrey@encantopotash.com, 518-522-4732.