

Encanto Potash Corp Successfully Reduces Projected Engineering Costs Significantly to Propel Mining Plan

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TSX-V: EPO

VANCOUVER, May 23, 2018 /CNW/ - [Encanto Potash Corp.](#) ("Encanto" or the "Company") (TSX-V: EPO) the TSX-V listed Potash development, Mining and Operating company announces its strategic plan to move the proposed potash solution mine project located on Muskowekwan First Nation land forward from today's current status to shovel ready. With the recent addition of Richard Lively, Encanto has value engineered and identified the expected costs to be incurred over the next 16 months to bring the project to a construction start. The projected engineering cost to finalize the EIS, Feasibility Study, and complex Front End Engineering & Design will be \$32 million, representing a 40% reduction versus previous estimates.

After Mr. Lively's experienced review of the upcoming work, while performing a deep comparison to recent domestic Potash projects over the last 5 years, the Company expects it can maintain a lower CAPEX cost than previously expected while protecting the project versus costly overruns and work duplication. Richard states "I have reviewed both classical and the newest of extraction technologies for solution mining and feel confident in the present strategy to deliver both a CAPEX and OPEX that will allow for margin elasticity." In addition to the proper solution mine design, we are actively reviewing the vital components of the project such as optimal power generation strategies, shipping logistics, as well as water infrastructure cost reductions through additional First Nation partnerships. For increased revenue streams, we are exploring the possibilities of exporting the expected salt by-product for various applications from consumer edible to industrial road salts.

The expected decreased CAPEX cost will allow our junior mining company to be flexible with the tight Potash market throughout, servicing the 20 year 5 million metric tons per year off take demand signed with the National Federation of Farmers' Procurement, Processing, and Retail Cooperatives of India Ltd. In addition, Encanto has an agreement to provide 2 million metric tons of Potash for global distribution with the Metals Minerals and Trading Company of India, owned by the Government of India's Ministry of Commerce.

About Encanto Potash Corp.

[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.

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