Encanto Potash Closes Private Placement With Long Term Investor

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TSXV: EPO

VANCOUVER, Aug. 17, 2018 - Encanto Potash Corp. ("Encanto" or the "Company") (TSXV: EPO) announces that it has closed its private placement of 1,666,666 units at a price of $0.30 per unit for gross proceeds of $500,000 (the "Private Placement"). Each unit consists of one common share of the Company and one share purchase warrant ("Warrant"), with each Warrant entitling the holder to purchase one common share of the Company at a price of $0.18 per share for a period of 2 years from closing. The securities issued pursuant to the Private Placement are subject to a hold period until December 18, 2018.

Encanto arranged and will use this funding to further its strategy to lower the Capex and engineering costs through the present studies that are being carried out, as well as for operating capital. This funding will enable Encanto to move through this present stage into the 4th quarter. At that time the Company will have the results from the Environmental Gap Analysis, Water Study and Value Engineering Studies.

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. 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.]