

TRADING SYMBOL: TSXV:EPO

VANCOUVER, Aug. 27, 2015 /CNW/ - [Encanto Potash Corp.](#) ("Encanto" or the "Company") (TSXV: EPO) announces a private placement of 8,333,333 common shares at a price of \$0.12 per share for gross proceeds of \$1,000,000. The Company intends to use the proceeds for general working capital for the Company.

The shares are being purchased by Hamad M. Al-Wazzan, a director of the Company, who will also be assigned a 15% interest in the potash rights of Encanto on the Ochapowace Reserve Lands. Encanto holds a 20% interest in the potash rights to those lands pursuant to an exploration participation agreement with the Ochapowace First Nation of which Encanto will retain 5%. The private placement and assignment constitute a related party transaction pursuant to the provisions of Multilateral Instrument 61-101 ("MI 61-101"). Encanto is exempt from the formal valuation requirements of MI 61-101 pursuant to section 5.5(b) of MI 61-101 on the basis that no securities of Encanto are listed or quoted on a market specified in that section. Encanto is exempt from the minority approval requirements of MI 61-101 pursuant to section 5.7(a) of MI 61-101 on the basis that the fair market value of the transaction does not exceed 25% of Encanto's market capitalization.

Completion of the private placement remains subject to the acceptance for filing of the TSX Venture Exchange. The securities issued by the Company in connection with this Offering are subject to a 4-month "hold period" as prescribed by the TSX Venture Exchange and applicable securities laws.

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. ("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 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.

ON BEHALF OF THE BOARD OF DIRECTORS

Per: "James Walchuck"
James Walchuck
President and CEO

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SOURCE [Encanto Potash Corp.](#)

Contact

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