

TRADING SYMBOL: TSXV: EPO

VANCOUVER, April 28, 2016 /CNW/ - [Encanto Potash Corp.](#) ("Encanto" or the "Company") (TSXV: EPO) is pleased to announce that they have now secured written interest from an existing potash producer to supply potash to a trading company currently being formed, a key step in its plan to become a supplier of potash to Metals and Minerals Trading Company of India (MMTC) <http://mmtclimited.gov.in>.

The expanded terms for the Memo of Understanding (MOU) between Encanto and MMTC (press released April 13, 2016) provided the provision for Encanto to facilitate the immediate supply of potash to MMTC. Encanto now confirms that they have secured an agreement from an existing producer of muriate of potash (MOP) to be able to facilitate its first delivery of potash to MMTC. Specifications for the product have been supplied and approved.

Encanto is currently focused on creating the trading company in cooperation with the Muskowekwan First Nation (MFN) and MMTC to become an active potash supplier while concurrently developing the flagship Muskowekwan project. The ability to supply future potash sales to MMTC would provide a forthcoming revenue stream as well strengthen our working relationship with MMTC and the Government of India. These future potash sales will supplement Encanto's goal of producing a minimum of 2,000,000 metric tonnes of potash per annum (approximately US\$600 million at current prices) from the Company's Muskowekwan Project, in Saskatchewan to MMTC.

"The ability to deliver potash immediately is an extreme rarity for a junior potash development company and has become possible due to long established international trade relationships that I have developed over an extensive period of time," stated Encanto President Stavros Daskos. "We're executing on our plan to evolve into Canada's newest supplier of potash to one of the world's largest buyers."

A Pre-Feasibility Study dated February 28, 2013 referenced below confirms Proven and Probable KCI Reserves on the Muskowekwan Project totalling 162 MMt grading 28%, which supports primary and secondary mining for over 50 years at an assumed annual extraction rate of 2.8 million tonnes.

Once in production, Encanto and MMTC have agreed that MMTC will also act as Encanto's worldwide distributor of potash on an exclusive basis for their full mine capacity, which is expected to provide access to additional markets beyond the primary market in India.

MMTC, established in 1963, is a Government of India Public Sector Undertaking ("PSU"), India's Largest International Trading Company is one of the two highest foreign exchange earners for the country with a turnover of ~US \$10 billion annually. MMTC is the first PSU to be accorded the status of "FIVE STAR EXPORT HOUSE" by the Government of India for long standing contribution to exports and, most importantly, is one of the world's largest buyers of fertilizers. MMTC is owned by the Ministry of Commerce that is also responsible for the Export Credit Guarantee Corporation of India Limited.

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 Muskowekwan Project, 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 totalling 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 tons.

The Company also has a 5% interest in the 55,000 acre Ochapowace/Chacachas property also located in Saskatchewan.

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"

Chief Executive Officer

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SOURCE [Encanto Potash Corp.](#)

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