

TRADING SYMBOL: TSXV:EPO

VANCOUVER, June 3, 2016 /CNW/ - [Encanto Potash Corp.](#) ("Encanto" or the "Company") (TSXV: EPO) is pleased to announce that, further to its news release of May 16, 2016, it has closed its private placement of non-flow-through units ("Units") and flow-through shares. A total of 24,503,000 Units were issued at a price of \$0.105 per Unit for gross proceeds of \$2,572,815. Each Unit consists of one common share and one warrant, each warrant entitling the holder to purchase one common share at a price of \$0.16 per share on or before December 3, 2018. Additionally, a total of 3,125,000 flow-through common shares were issued at a price of \$0.16 per share for gross proceeds of \$500,000. Finders' fees of \$25,210 were paid in connection with the private placement.

The proceeds from the private placement will allow Encanto to discharge its accounts payable, will provide working capital, and will provide funds for work on the Muskowekwan Project and to establish the potash trading company.

Insiders purchased an aggregate of 11,715,500 Units.

The shares and warrants comprising the Units issued in connection with the private placement are subject to a hold period expiring October 4, 2016, and the flow-through shares are subject to a hold period expiring September 25, 2016.

The Company also announces that, subject to receipt of final acceptance for filing of the TSX Venture Exchange, it is issuing 20,000,000 bonus shares in consideration for consulting services, of which 8,000,000 shares will be subject to a four month hold period from the date of issuance and the balance of 12,000,000 shares will be held in escrow and subject to release as follows:

- (a) 6,000,000 escrow shares upon receipt by the escrow agent of written confirmation from Encanto, that Encanto or a trading company in which Encanto has a commercial interest, has successfully delivered its first shipment of potash to Metals and Minerals Trading Company of India ("MMTC") pursuant to a Memorandum of Understanding with MMTC dated October 9, as amended March 10, 2016, or has successfully delivered its first shipment of potash to any public sector undertaking of the Government of India; and
- (b) 6,000,000 escrow shares or, if 6,000,000 escrow shares have not been released pursuant to (a) above, then 12,000,000 escrow shares, upon receipt by the escrow agent of written confirmation from Encanto that Encanto or an affiliate has entered into a definitive off-take agreement with MMTC or a party arranged by MMTC or by the holders of the escrow shares for the long term supply of potash.

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 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 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

"James Walchuck"
Per: James Walchuck
CEO

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THE FOREGOING INFORMATION MAY CONTAIN FORWARD-LOOKING INFORMATION RELATING TO THE FUTURE PERFORMANCE OF THE COMPANY. FORWARD LOOKING INFORMATION IS SUBJECT TO A NUMBER OF KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE ANTICIPATED IN OUR FORWARD LOOKING STATEMENTS. SUCH RISKS AND OTHER FACTORS INCLUDE, AMONG OTHERS, THE ACTUAL RESULTS OF EXPLORATION ACTIVITIES, CHANGES IN WORLD COMMODITY MARKETS OR EQUITY MARKETS, THE RISKS OF THE MINING INDUSTRY INCLUDING, WITHOUT LIMITATION, THOSE ASSOCIATED WITH THE ENVIRONMENT, DELAYS IN OBTAINING GOVERNMENTAL APPROVALS, PERMITS OR FINANCING OR IN THE COMPLETION OF DEVELOPMENT OR CONSTRUCTION ACTIVITIES, TITLE DISPUTES, CHANGE IN GOVERNMENT AND CHANGES TO REGULATIONS AFFECTING THE MINING INDUSTRY, AND OTHER RISKS AND UNCERTAINTIES DETAILED FROM TIME TO TIME IN THE COMPANY'S FILINGS WITH THE CANADIAN SECURITIES ADMINISTRATORS (AVAILABLE AT WWW.SEDAR.COM). FORWARD-LOOKING STATEMENTS ARE MADE BASED ON VARIOUS ASSUMPTIONS AND ON MANAGEMENT'S BELIEFS, ESTIMATES AND OPINIONS ON THE DATE THE STATEMENTS ARE MADE. SHOULD ONE OR MORE OF THESE RISKS AND UNCERTAINTIES MATERIALIZE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED IN THE FORWARD-LOOKING INFORMATION CONTAINED HEREIN. THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE FORWARD-LOOKING STATEMENTS IF THESE ASSUMPTIONS, BELIEFS, ESTIMATES AND OPINIONS OR OTHER CIRCUMSTANCES SHOULD CHANGE, EXCEPT AS REQUIRED BY APPLICABLE LAW.

SOURCE [Encanto Potash Corp.](#)

Contact

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