

Form 45-106F6

British Columbia Report of Exempt Distribution

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution in British Columbia.

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

*Encanto Potash Corp.
Suite 450 – 800 West Pender Street
Vancouver, BC V6C 2V6
Tel: 604-683-2402
jwalchuck@encantopotash.com
www.encantopotash.com*

B. If an underwriter is completing this report, state the following:

- the full name of the underwriter;
- the underwriter's website address; and
- the address, telephone number and email address of the underwriter's head office.

Item 2: Reporting issuer status

A. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The Issuer is a reporting issuer in British Columbia, Alberta, Saskatchewan & Ontario.

B. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, name the investment fund manager and state the jurisdiction(s) where it is registered.

Item 3: Issuer's industry

Indicate the industry of the issuer by checking the appropriate box below.

☐ Bio-tech

Mining

Financial Services

☒ exploration/development

☐ investment companies and funds

☐ production

☐ mortgage investment companies

☐ Oil and gas

- ☐ Forestry
☐ Hi-tech
☐ Industrial

- ☐ Real estate
☐ Utilities
☐ Other (describe)
-

Item 4: Insiders and promoters of non-reporting issuers

If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter.

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)

Details of distribution

Item 5: Distribution date

State the distribution date. If this report is being filed for securities distributed on more than one distribution date, state all distribution dates.

May 4, 2015

Item 6: Number and type of securities

For each security distributed:

- describe the type of security;

Units, each unit consisting of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of \$0.17 per share expiring on May 4, 2016.

- state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

18,427,500 units, each unit consisting of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of \$0.17 per share expiring on May 4, 2016

- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.

Item 7: Geographical information about purchasers

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	11	\$0.12	\$1,267,500.00
Ontario	7	\$0.12	\$609,000.00
Quebec	4	\$0.12	\$294,000.00
Alberta	4	\$0.12	\$40,800.00
Total number of Purchasers	26		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$2,211,300.00

Note 1: If securities are issued at different prices, list the highest and lowest price for which the securities were sold.

Item 8: Information about purchasers*Instructions*

A. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

B. Information about the purchasers of securities under the distribution is required to be disclosed in different tables in this report. Complete

- the following table for each purchaser that is not an individual, and
- the tables in Schedules I and II of this report for each purchaser who is an individual.

Do not include in the tables information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report.

C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [*TSX Venture Exchange offering*] of National Instrument 45-106 *Prospectus and Registration Exemptions* may choose to replace the information in the

first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
AMK Consulting 1820 Glendale Avenue Oufremont, QC H2V 1B3 Aref Kanafani 514-944-8101	I	825,000 Units	\$99,000	<i>Section 2.3 of 45-106</i>	May 4, 2015
Catalytico – Ideas in Motion 1557 Larch Street Vancouver, BC V6K 3N6 Miro Certig 778-865-1557	N/A	187,500 Units	\$22,500	<i>Section 2.5 of 45-106</i>	May 4, 2015
CorCapital Inc. 3010 Woodland Park Dr. Burlington, ON L7N 1K0 Garett Prins 647-500-8223	N/A	875,000 Units	\$105,000	<i>Section 2.3 of 45-106</i>	May 4, 2015
8705224 Canada Inc. 11 Brittany Baie d'Urfe, H9X 3G1 Simon Desjardine 514-943-3573	N/A	600,000 Units	\$72,000	<i>Section 2.3 of 45-106</i>	May 4, 2015
Lester Asset Management Inc. 2102 – 1800 McGill College, Montreal, QC H3A 3J6 Kenneth Lester 514-849-5566	N/A	200,000 Units	\$24,000	<i>Section 2.3 of 45-106</i>	May 4, 2015
Jamie Seymour Family Trust Suite 610, 1414 8th St., SW Calgary, AB T2R 1J6 Eric M. Leslie 403-470-9900	N/A	85,000 Units	\$10,200	<i>Section 2.3 of 45-106</i>	May 4, 2015

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Jeffrey Seymour Family Trust Suite 610, 1414 8th St., SW Calgary, AB T2R 1J6 Eric M. Leslie 403-470-9900	N/A	85,000 Units	\$10,200	Section 2.3 of 45-106	May 4, 2015
Michael Seymour Family Trust Suite 610, 1414 8th St., SW Calgary, AB T2R 1J6 Eric M. Leslie 403-470-9900	N/A	85,000 Units	\$10,200	Section 2.3 of 45-106	May 4, 2015
Tom Seymour Family Trust Suite 610, 1414 8th St., SW Calgary, AB T2R 1J6 Eric M. Leslie 403-470-9900	N/A	85,000 Units	\$10,200	Section 2.3 of 45-106	May 4, 2015
Malaspina Consultants Inc. 880 – 580 Hornby St. Vancouver, BC V6C 3B6 Robert McMorran 604-639-4521	I	1,000,000 Units	\$120,000	Section 2.3 of 45-106	May 4, 2015
Marquest Asset Management Inc. for Endeavour Growth Fund 161 Bay Street, Ste. 4420 Toronto, ON M5J 2S1 Gerry Brockelsby 416-777-7353	N/A	750,000 Units	\$90,000	Section 2.3 of 45-106	May 4, 2015
Marquest Small/MidCap Fund by its investment manager Marquest Asset Management Inc. 161 Bay Street, Ste. 4420 Toronto, ON M5J 2S1 Gerry Brockelsby 416-777-7353	N/A	1,041,700 Units	\$125,004	Section 2.3 of 45-106	May 4, 2015

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Marquest Asset Management Inc. by its investment manager Marquest Asset Management Inc. 161 Bay Street, Ste. 4420 Toronto, ON M5J 2S1 Gerry Brockelsby 416-777-7353	N/A	208,300 Units	\$24,996	<i>Section 2.3 of 45-106</i>	May 4, 2015
Stabren Holdings Ltd. 3800 Yonge Street PH12, Toronto, ON M4N 3P7 Stanley Meek 416-543-5586	N/A	2,000,000 Units	\$240,000	<i>Section 2.3 of 45-106</i>	May 4, 2015
WDH Ltd. 1134 St. Catherine St. West Suite 502, Montreal, Quebec H3B 1H4 Stavros Daskos 514-948-8888	N/A	825,000 Units	\$99,000	<i>Section 2.3 of 45-106</i>	May 4, 2015

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

A. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include information about payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

B. If the securities being issued as compensation are or include convertible securities, such as warrants or options, add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Secutor Capital Management Corp. 1167 Caledonia Road Toronto, ON M6A 2X1	R	\$63,600				\$63,600
Haywood Securities Inc. 200 Burrard St., Suite 700, Vancouver, BC V6C 3L6	R	\$2,400				\$2,400
Richardson GMP Suite 500 – 550 Burrard Street Vancouver, BC V6C 2B5	R	\$1,500				\$1,500
						\$67,500.00

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: May 14, 2014

Encanto Potash Corp.

Name of issuer (please print)

Gordon Keep, Non-Executive Chairman & Director

(604) 609-6110

Print name, title and telephone number of person signing

"Gordon Keep"

Signature

Instruction

The person certifying this report must complete the information in the square brackets by deleting the inapplicable word. For electronic filings, substitute a typewritten signature for a manual signature.

Item 10: Contact information

State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The British Columbia Securities Commission collects and uses the personal information required to be included in this report for the administration and enforcement of the *Securities Act*. If you have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre

701 West Georgia Street

Vancouver, British Columbia V7Y 1L2

Telephone: (604) 899-6500

Toll free across Canada: 1-800-373-6393/Facsimile: (604) 899-6581