

Encanto Potash Corp. announces significantly increased potash resource

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VANCOUVER, March 26, 2012 /CNW/ - [Encanto Potash Corp.](#) ("Encanto" or the "Company") (TSXV: EPO or OTCQX: ENCTF) is pleased to release the resource results of a new NI 43-101 Technical Report being prepared by North Rim Exploration Ltd. ("North Rim") of Saskatoon, Saskatchewan on the Company's Muskowekwan project situated on the Muskowekwan First Nation ("MFN") Home Reserve and the MFN Treaty Land Entitlement lands ("TLE Lands") which in combination cover approximately 58,300 acres in Saskatchewan. North Rim has prepared the resource calculations based on the solution mining extraction method. Encanto has completed 7 drill holes and a 3D seismic program on both the MFN Home Reserve and on the TLE lands. A portion of the TLE lands located North East of the Home Reserve has only had a 2D seismic program but the Company plans to cover that portion with 3D seismic in order to further upgrade the resource.

North Rim has extensive experience in the resource characterization and preparation of NI 43-101 Technical Reports on potash resources having worked on Saskatchewan potash projects for Mosaic, Potash One, Athabasca Potash and Karnalyte Resources over the last several years. The resource for the proposed solution mining intervals (Patience Lake and Belle Plaine members excluding interbeds) are calculated as follows:

- Measured Resource: 272.6 MMt in place sylvinitic grading 29.6% KCl or 18.7% K₂O (26.9 MMt of recoverable KCl, or 17.0 MMt of recoverable K₂O) and
- Indicated Resource: 1,049.3 MMt in place sylvinitic grading 29.7% KCl or 18.8% K₂O (103.8 MMt of recoverable KCl, or 65.6 MMt recoverable K₂O) and
- Inferred Resource: 2,496.4 MMt in place sylvinitic grading 28.3% KCl or 17.9% K₂O (234.7 MMt of recoverable KCl, or 148.3 MMt of recoverable K₂O).

James Walchuck, President and CEO of Encanto commented, "By increasing the Measured and Indicated resources to 130.7MMt (+64%) and the Inferred resources to 234.7MMt (+290%) we have clearly established a substantial deposit on the Muskowekwan property. With our partner, Muskowekwan First Nation, we look forward to progressing this project into the first potash mine on First Nations' land. Clearly this is another significant milestone achievement for Encanto."

As illustrated in Table 1 below, annual potash solution production of 2.5MM TPY from the caverns on the Muskowekwan Property has the potential for a 52 year mine life based on the Measured and Indicated resource and upgrading Inferred resources has the potential to significantly extend the life of any potential mine.

Details of the solution mining scenario are presented below in Table 1:

Table 1: Solution Mining Scenario Measured, Indicated and Inferred Mineral Resource

Measured Resource Summary*
Member Weighted
Average
Thickness
(m) Average
K₂O Grade
(%)¹ Average
KCl Grade
(%)¹ In-Place
Sylvinitic
Tonnage
(MMT)² Net K₂O
Resource
(MMT)³ Net KCl
Resource
(MMT)³

Patience Lake 7.10 19.31 30.57 127.76 8.21 13.00

Belle Plaine 8.05 18.20 28.80 144.82 8.77 13.88

Total Excluding

Interbed 15.14 272.59 16.98 26.88

Weighted Average

Excluding Interbed 18.72 29.63

Indicated Resource Summary**

Member Weighted

Average

Thickness

(m) Average

K2O Grade

(%)¹ Average

KCl Grade

(%)¹ In-Place

Sylvinite

Tonnage

(MMT)² Net K2O

Resource

(MMT)³ Net KCl

Resource

(MMT)³

Patience Lake 6.91 19.45 30.79 484.81 31.38 49.67

Belle Plaine 8.04 18.21 28.82 564.52 34.20 54.15

Total Excluding

Interbed 14.95 1,049.32 65.58 103.82

Weighted Average

Excluding Interbed 18.78 29.73

Inferred Resource Summary***

Member Weighted

Average

Thickness

(m) Average

K2O Grade

(%)¹ Average

KCl Grade

(%)¹ In-Place

Sylvinite

Tonnage

(MMT)² Net K2O

Resource

(MMT)³ Net KCl

Resource

(MMT)³

Patience Lake 8.65 18.13 28.70 1,411.64 85.19 134.85

Belle Plaine 6.65 17.48 27.66 1,084.67 63.09 99.87

Total Excluding

Interbed 15.30 2,496.37 148.28 234.72

Weighted Average

Excluding Interbed 17.85 28.25

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The updated NI 43-101 includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.

*Search Radius: 0.8km (between drill holes); MMt = million tonnes; Specific Gravity used 2.08; KCl = 1.58303 K2O

**Search Radius: 0.8km inner radius and 2.0km outer radius (between drill holes); MMt = million tonnes; Specific Gravity used 2.08; KCl = 1.58303 K2O

***Search Radius: 2.0km inner radius and 5.0km outer radius (between drill holes); MMt = million tonnes; Specific Gravity used 2.08; KCl = 1.58303 K2O

1 "Average K2O Grade" and "Average KCl Grade" refer to the weighted averages.

2 "In-Place Sylvinit Tonnage" refers to Volume of Rock*Density of Sylvinit in the project area.

3 "Net K₂O Resource" and "Net KCl Resource" refer to total amount of extractable K₂O and KCl resource in the project area.
(Volume of Rock*Density of Sylvinit*Grade*Deductions). Deductions include 10% for inside 3D and 25% for outside 3D seismic area for unknown anomalies, a 41.6% extraction ratio, and 20% for cavern and plant losses.

The resource estimate was prepared in accordance to the NI 43-101 guidelines of the Canadian securities regulators. As required by NI 43-101, a technical report to support the resource estimate will be filed on SEDAR and be publically available within 45 days following the date of this new release.

Tabetha Stirrett, P. Geo., of North Rim, is the Qualified Person (as defined by NI 43-101) for having prepared the mineral resource estimates and scientific and technical information in this press release and has reviewed the results as reported in the tables above. Tabetha Stirrett was the person responsible for the supervision of data collection used to calculate the resource and adhered to strict QA/QC protocol.

Encanto also wishes to announce that it has retained Venture Liquidity Providers Inc. ("VLP") to initiate its Market Making Service to provide assistance in maintaining an orderly trading market for the Company's common shares. The Market Making Service will be undertaken by VLP through a registered broker, W.D. Latimer Co. Limited, in compliance with the guidelines of the TSX Venture Exchange. VLP is a specialized consulting firm based in Toronto, Ontario providing a variety of services focused on TSX Venture Exchange listed issuers. In consideration for their services, Encanto has agreed to pay VLP \$7,500 per month for a period of 12 months. The agreement may be terminated at any time by Encanto or VLP. Encanto and VLP are at arm's length, and VLP has no present interest, directly or indirectly, in Encanto or its securities. VLP is owned and operated by John C. Cunningham. The agreement is subject to regulatory approval.

About Venture Liquidity Providers Inc.

VLP is a Specialized Consulting Firm based in Toronto providing a variety of services focused on Exchange listed stocks. VLP's exclusive Market Making Service is provided by W.D. Latimer Co. Limited, Canada's premier Market Making Firm. For further information on VLP, contact JC Cunningham, Vice President at 416-891-4349 or email jc@ventureliquidityproviders.com.

About W.D. Latimer Co. Limited

W.D. Latimer Co. Limited is one of Toronto's most active broker-dealers. With more than 40 proprietary traders and specialists for the Toronto Stock Exchange, an institutional agency desk and private client services, W.D. Latimer Co. Limited is one of Canada's largest proprietary trading firms. For further information on W.D. Latimer Co. Limited, contact Bill Seaward, Venture Market Making Specialist at 416-707-3131 or email bill@wlatimer.com.

About Encanto:

[Encanto Potash Corp.](#) is a TSX Venture Exchange listed and OTCQX traded Canadian resource company engaged in the exploration and development of potash properties in the Province of Saskatchewan, Canada, the largest producing potash region in the world. With recent agreements announced with Muskowekwan Resources Limited on our flagship property, Encanto has been successful in adding a 3.5 fold increase to the project land package, now totalling approximately 58,300 acres. A Preliminary Economic Assessment (PEA), based solely on the Home Reserve Lands, was released in August of 2011 and a further updated increase to the NI 43-101 compliant resource estimate was released on March 26, 2012.

Encanto's Muskowekwan First Nation property has a current NI 43-101 resource estimate containing Measured and Indicated resources of 130.7MMt KCl grading 29.6% KCl or 18.7% K₂O and Inferred resources of 234.7MMt grading 28.3% KCl or 17.9% K₂O.

The company has 100% interest in several further properties prospective for potash in Saskatchewan. These include the Ochapowace/Chacachas and Spar project.

The technical content of this news release has been reviewed by Ross Moulton, VP of Exploration for Encanto, 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"

James Walchuck, President and CEO

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