

Encanto Potash selects pre-feasibility engineering firm and provides operational update

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VANCOUVER, April 18, 2012 /[CNW](#)/ - [Encanto Potash Corp.](#) ("Encanto" or the "Company") (TSXV: EPO) (OTCQX: ENCTF) is pleased to announce the appointment of Novopro Project Inc. ("Novopro") to provide engineering services for its pre-feasibility study ("PFS") on the Muskowekwan Potash Property in Saskatchewan. The PFS is the next level of evaluation following the very favourable PEA completed in August 2011 and will comprise an initial 2.5 million metric tonne per year (MMt/yr) solution mine utilizing the significantly increased potash resource that was released on March 26, 2012. The PFS is scheduled to be completed in Q4, 2012.

Encanto President and CEO James Walchuck commented, "By engaging Novopro, an experienced and respected engineering firm, to carry out a PFS, Encanto has evolved from a potash exploration company into a mine development company. Having established a large potash resource base, we're extremely pleased to have the expertise of Novopro to fast track the development of our property and enhance the value of the Company for its shareholders."

Novopro is a Canadian project-based company specializing in developing, engineering, and managing projects and related technologies as applied to the mining, metallurgical, mineral processing, chemicals and life sciences industries. Novopro's experience includes related projects in Saskatchewan, Canada, the United States, Turkey, Russia, and the Republic of Congo, Africa. They have assisted several potash clients to develop their projects from inception through feasibility, to financing, implementation, and production start-up. Novopro also has industry leading expertise in solution mining related projects, and the following activities will be provided to Encanto:

- Conceptual design
- Feasibility studies
- Project engineering
- Project management and control
- Capital and operating cost estimation
- Preparation of cash flow projections and financial models
- Project risk mitigation

Encanto has issued a contract to NG Consulting (Germany) for dissolution testing of cores to assist in determining the predicted solution mine composition. The Company has also retained IFG (Germany) and RESPEC (US) for testing cores for strength to determine cavern and pillar size. Encanto has also identified 3 sites for the possible plant and mine site location.

Financing and Corporate Development

The Company has sufficient funding for the PFS which is expected to be completed in Q4, 2012. Encanto is currently exploring domestic and international strategic partnerships for the financing, development, and sale of the potash production from our Muskowekwan Joint Venture property.

By increasing the Muskowekwan land package size by a factor of 3.5 times (from 15,500 to 58,300 acres) Encanto has been able to increase the Measured (26.9 MMt) and Indicated (103.8 MMt) resources totaling 130.7 MMt and the Inferred resources to 234.7MMt. The current resource supports a 52 year mine life based only on the Measured and Indicated resources at a 2.5 MMt/yr production rate. The Company plans on significantly increasing this resource life and potentially the production rate to 5 MMt/yr by converting the Inferred resource to Measured and Indicated.

The Measured and Indicated resource is expected to be increased by converting the Inferred resource and adding new tonnage through:

- Additional land acquisitions with our JV Partner, Muskowekwan Resources Ltd.
- Completion of further 3D seismic work on the remaining uncovered portions of the Muskowekwan property.

- Receipt of assay results from the 2 well drill program conducted in November 2011 which are currently being utilized for metallurgical engineering test work in Germany and the U.S.
- Additional drilling would increase the overall resource as existing drill holes only cover 80% of the current total property acreage.

Additional Properties

Encanto also has potash properties located on the Ochapowace and Chacachas First Nations lands and in addition owns 100% of the Spar Property. The Ochapowace/Chacachas First Nations property is approximately 55,000 acres in size and Encanto intends to initiate a drill program and perform seismic work on the property this year with the intention of establishing a resource. This property is approximately 25 km south west of three large potash producing mines owned by Mosaic (K1 &K2) and Potash Corp (Rocanville Mine).

The Company's Spar property is approximately 140,000 acres in size and is located just north of Saskatoon on provincial lands. Spar has an existing resource that can also be expanded.

The Company believes these projects are of merit and will allow Encanto to continue to expand our potash resources and increase our production capacity as demand requires.

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. The joint venture agreements with Muskowekwan Resources Limited on our flagship property, have been successful in adding a 3.5 fold increase to the project land package, which now totals approximately 58,300 acres. A Preliminary Economic Assessment (PEA), based solely on the Home Reserve Lands (15,500 acres), was released in August of 2011 and an 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 two additional potash properties in Saskatchewan: the Ochapowace/Chacachas and Spar projects.

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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