Encanto Potash announces filing of NI 43-101 on SEDAR

10.05.2012 | CNW

VANCOUVER, May 10, 2012 /CNW/ - Encanto Potash Corp. ("Encanto" or the "Company") (TSXV: EPO and OTCQX: ENCTF) is pleased to announce the filing on SEDAR of the NI 43-101 May 9, 2012 Technical Report titled 2012 Potash Resource Assessment for The Muskowekwan First Nations Home Reserve Project prepared by North Rim Exploration Ltd. ("North Rim") of Saskatoon, Saskatchewan on the Company's Muskowekwan project situated on the Muskowekwan First Nation ("MFN") lands in Saskatchewan.

The Company filed an updated NI 43-101 compliant Mineral Resource Estimate first announced on March 26, 2012, prepared based on the solution mining extraction method. The resource for the proposed solution mining intervals (not including the Interbed Salt) has been calculated as follows:

• Measured Resource: 272.6 MMt in place sylvinite 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 sylvinite 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 sylvinite grading 28.3% KCl or 17.9% K2O (234.7 MMt of recoverable KCl, or 148.3 MMt of recoverable K2O).

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 and adding new tonnage as detailed in the March 26, 2012 release. The Company has filed a PEA dated September 27, 2011 based solely on the Muskowekwan First Nation Home Reserve of 15, 500 acres. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Encanto has hired Novopro Projects of Montreal, Canada to provide engineering services for its pre-feasibility study ("PFS") on the Muskowekwan Potash Property in Saskatchewan. The Company is in receipt of the PFS Study Schedule and plans to release further information as future milestones are met.

About Encanto:

Encanto Potash Corp. is a TSX Venture Exchange listed and OTCQX 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 the joint venture agreements with Muskowekwan Resources Limited on our flagship property, Encanto has 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 NI 43-101 report describing the increase to the compliant resource estimate was filed on May 10, 2012.

Encanto's Muskowekwan First Nation property has a current NI 43-101 resource estimate containing Measured and Indicated resources of 130.7MMt 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

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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.

For further information:

James Walchuck
President and CEO
Tel: 604-683-2402

Martin Gagel CFA,MBA
Vanguard Shareholder Solutions
Tel: 604-608-0824
Toll Free: 1-866-918-0824