Channel Resources Announces Maiden Resource Estimate for Fox Creek Mineral Brine Project in Alberta

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VANCOUVER, March 19, 2012 - Channel Resources Ltd. ("Channel" or the "Company") (TSX VENTURE: CHU) is pleased to announce a maiden resource estimate for its Fox Creek mineral brine project (the "Fox Creek Project"), located near the town of Fox Creek in Alberta, Canada.

Channel is assessing the Fox Creek Project for its potential to produce a package of industrial mineral products including salt, potash, calcium, magnesium, boron, bromine, and lithium carbonate from deep saline formation water that is currently being produced as a waste by-product of natural gas production. The Fox Creek Project encompasses an area of 369 square kilometres, situated over aquifers associated with producing oil and gas pools hosted in the Devonian-age Beaverhill Lake and Woodbend/Leduc formations at a depth of approximately 3,200 metres below surface (together, the "BHL Aquifer System"). These aquifers are believed to contain some of the highest concentrations of lithium in Alberta formation waters, with the most favorable porosity and permeability characteristics in the region. Channel has a right to acquire 100% interest, subject to a purchasable 2% NSR royalty, in the metallic and industrial minerals claims comprising the Fox Creek Project.

The Company engaged APEX Geoscience Ltd. to conduct the resource estimate in accordance with National Instrument 43-101 standards for the BHL Aquifer System on the Fox Creek Permits (the "Resource Estimate"). This Resource Estimate is based on: 1) a compilation of publicly available stratigraphic and formation water data from oil and gas well databases; 2) the results of Channel's 2009-2010 formation water sampling program; and, 3) a review of saline formation water availability at the Fox Creek Project by Hydrogeological Consultants Ltd. The Resource Estimate has required an evaluation of the total in-place resources, achieved by multiplying the average grade of the elements of interest by the total estimated volume of formation water present within the boundaries of the Fox Creek Property, which was obtained by multiplying the total rock volume of the BHL Aquifer System with the estimated porosity and percentage of formation water based on historical well data (1961 to 2010).

This Resource Estimate reports an Inferred total In-Place volume of brine of 4.1 billion cubic metres from which contained industrial minerals are calculated (Table 1).

A baseline estimate of the Inferred Recoverable volume of brine of 47.7 million cubic metres (Table 2), represents the maximum calculated deliverability to lower the aquifer fluid level by 100% of the available drawdown within the Fox Creek Project over 20 years. This recoverable yield of approximately 1.2% of the Inferred total in-place volume is estimated using transmissivity (permeability x aquifer thickness) and storativity (the volume of water expelled per unit surface area as a result of a change in head pressure) estimates of 0.5 square metres per day and 1.3 x 10-5 respectively, based on calculated water levels and pressure survey levels reported in 1994 and 1997.

However, data is available from drill-stem tests and core analyses that indicate a potential range of regional transmissivity in the BHL Aquifer System of between 0.18 m^2/day to 18.2 m^2/day. Utilizing these values in calculating the volumes of formation water that could be pumped over a 20-year period would result in a range from 23.8 million m3 (0.6% of the resource in place, represented in Table 3) to 671.5 million m3 (16.5% of the resource in place, represented in Table 4).

Recoverable yield values will be subject to change when further data from the Fox Creek project is collected, and can be influenced by a number of factors including the redefinition of transmissivity and storativity through advanced aquifer pressure tests, recovery methodology, regulatory extraction policies and the reinjection of treated formation water back in to the reservoir, which would limit the expansion of a hydraulic depression caused by pumping such that a much greater recovered yield could be achieved.

Table 1 provides the total in-place inferred** Resource Estimate for selected elements within the BHL Aquifer System at the Fox Creek Project based on the total in-place volume of 4.1 billion cubic metres of brine.***

Sodium

(Na) Potassium
(K) Calcium
(Ca) Magnesium
(Mg) Boron
(B) Bromine
(Br) Lithium
(Li)
Concentration (mg/L) 59,815 4,596 13,354 2,818 169 326 88
Total In-Place Resource (Tonnes) 245,000,000 18,800,000 54,800,000 11,600,000 694,000 1,330,000 362,000
Equivalent End-Product Salt
(NaCl) Potash
(K2O) Calcium
(CaO) Magnesium
(MgO) Boron
(B2O3) Bromine
(Br2) Lithium Carbonate (Li2CO3)
Total In-Place Equivalent End-Product (Tonnes)* 623,000,000 22,700,000 76,600,000 19,200,000 2,230,000 1,330,000 1,930,000

Table 2 provides details of the total recoverable inferred** Resource Estimate using an applied 20 year yield of 1.2%, or 47.7 million cubic metres of brine:***

Sodium
(Na) Potassium
(K) Calcium
(Ca) Magnesium
(Mg) Boron
(B) Bromine
(Br) Lithium
(Li)
Recoverable Resource (Tonnes) 2,850,000 219,000 638,000 135,000 8,070 15,500 4,210
Recoverable End-Product Salt
(NaCl) Potash
(K2O) Calcium
(CaO) Magnesium
(MgO) Boron
(B2O3) Bromine
(Br2) Lithium
Carbonate
(Li2CO3)
Recoverable End-Product Equivalent (Tonnes)* 7,250,000 263,000 892,000 224,000 26,000 15,500 22,400

Table 3 illustrates the sensitivity of the Fox Creek resource to changes in the applied yield quotient, using a an applied 20 year yield of 0.6%, or 23.8 million cubic metres of brine.***

Sodium
(Na) Potassium
(K) Calcium
(Ca) Magnesium
(Mg) Boron
(B) Bromine
(Br) Lithium
(Li)
Recoverable Resource (Tonnes) 1,420,000 109,000 318,000 67,000 4,030 7,700 2,100
Recoverable End-Product Salt
(NaCl) Potash
(K2O) Calcium
(CaO) Magnesium
(MgO) Boron
(B2O3) Bromine
(Br2) Lithium
Carbonate
(Li2CO3)
Recoverable End-Product Equivalent (Tonnes)* 3,610,000 131,000 445,000 112,000 12,900 7,700 11,200

Table 4 illustrates the sensitivity of the Fox Creek resource to changes in the applied yield quotient, using a an applied 20 year yield of 16.4%, or 671.5 million cubic metres of brine.***

Sodium
(Na) Potassium
(K) Calcium
(Ca) Magnesium
(Mg) Boron
(B) Bromine
(Br) Lithium
(Li)
Recoverable Resource (Tonnes) 40,100,000 3,080,000 8,980,000 1,900,000 114,000 218,000 59,300
Recoverable End-Product Salt
(NaCl) Potash
(K2O) Calcium
(CaO) Magnesium
(MgO) Boron
(B2O3) Bromine
(Br2) Lithium
Carbonate
(Li2CO3)
Recoverable End-Product Equivalent (Tonnes)* 102,000,000 3,710,000 12,560,000 3,150,000 366,000 218,000 316,000

** Equivalent tonnages were calculated using the following standard conversion rates as determined by the chemical composition of the final product, and are independent of price and extraction processes: Na x 2.542 = NaCl, K x 1.2046 = K2O, Ca x 1.3992 = CaO, Mg x 1.6582 = MgO, B x 3.2202 = B2O3, Li x 5.323 = Li2CO3.*

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

**** Figures may not sum due to rounding. Significant figures do not indicate added level of precision. Values represent 100% recovery of the elements of interest from the formation water and do not reflect process recoverability, which ongoing studies are currently addressing.*

Production and operating agreements and permits have yet to be put in place governing a brine processing facility at Fox Creek however it is anticipated that such an operation would be able to capitalize on the existing infrastructure within the permit boundaries including access to existing wells, pipelines, an operating gas plant, grid-connected electricity, and rail lines. The project may also benefit from nearby fresh water sources, as well as the tapping of the geothermal potential in the brine itself. Preliminary metallurgical testwork has indicated that existing processing technologies can be deployed on the brine to recover saleable industrial minerals (see interim results reported in a news release of November 17, 2010). The Company is currently finalizing a process-flowsheet that would maximize overall economic recovery of each of the mineral products.

The independent brine resource estimated by APEX Geoscience is consistent with the standards set out in Canadian Securities Administrators' National Instrument 43-101 and the Company is treating the inferred brine resource estimate as a National Instrument 43-101 resource estimate. The Company anticipates that a report consistent with the format of a National Instrument 43-101 Technical Report, which will incorporate the brine resource estimate will be filed on the SEDAR within 45 days. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by geology, environment, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

The resource model and brine resource estimate was completed and/or supervised by Mr. Michael B. Dufresne, M.Sc., P.Geol., President of APEX Geoscience Ltd. of Edmonton, Alberta, who is an 'Independent Qualified Person' as defined in the instrument and who has reviewed and approved of the contents of this news release.

Channel Resources Ltd. is a Canadian TSX.V listed mineral exploration Company which has a 90% interest in the Tanlouka Gold Project in Burkina Faso, West Africa and an option to earn 100% in the Fox Creek Lithium / Potash Brine Project in Alberta. At Tanlouka, Channel has recently discovered multiple mineralized zones that are now being explored and expanded through a 15,000 metre core drilling program, with a maiden resource estimate for the Mankarga 5 deposit expected in the spring of 2012. At Fox Creek, a bulk

sample of brine sourced from producing natural gas wells is undergoing process testing to determine the most efficient method of producing various industrial minerals from the brine, including lithium carbonate, potash, bromine and borates. The Company is financed to advance both projects through their current programs, and is actively searching for additional opportunities to expand its project portfolio.

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.

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