

WELCOMING COMMENT

March 2006

Canasil Resources Inc.

(TSXV-CLZ : closing price Mar 22-C\$0.21)



It is about one year ago that I discovered Canasil Resources and met its President Bahman Yamini. Although I was quite familiar with the activities of Canadian mining and exploration companies in Mexico, Canasil was not on my radar screen. Now that I can welcome Canasil as a new Member Company, after having followed the company more closely, I realize why that was. Management was building the company, its property holdings and its expertise; in their own quiet, modest but serious and friendly manner. And they still are. What they are creating is a still small but solid exploration company with an interesting project base and a team of reputable mining specialists -

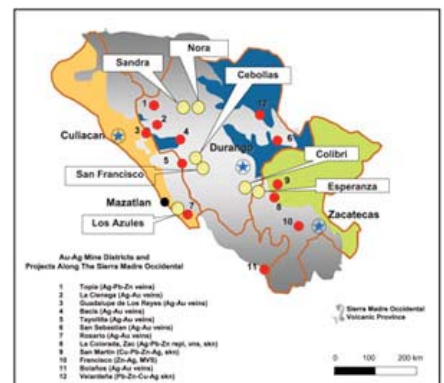
Directors Alvin Jackson, Gary Nordin and Michael McInnis plus several highly experienced consultants- who assist management in taking the right and timely steps. Having set its focus on **Mexico and British Columbia**, Canasil Resources has assembled a diversified portfolio of gold, silver, copper, lead and zinc projects, most of which are now the subject of management's focus of reviewing, mapping, sampling and test exploration for the purpose of fully understanding their potential. It is the company's objective to target and prepare selected properties for drilling and advanced exploration, either funded directly by Canasil or by entering into joint venture agreements with major partners to share the costs and risks of mineral exploration and development and maximize the scope of the company's financial and technical resources.

Of the four projects in Canada, the 100% owned **Brenda gold-copper project in BC** is the most advanced. Extensive exploration programs have been completed, including geochemical surveys, satellite, airborne & ground geophysical surveys and over 8,000 meters of drilling in 58 holes with over \$3 million in exploration expenditures. The project, located 25 km north-west of Northgate Minerals' Kemess mine (over 2 million ounces gold with 300,000 ounces gold production per year) is **ready for the next stage of development**. Canasil is evaluating this next step which comprises investigation of the significant gold-copper target zones defined by previous exploration and extending the confirmed gold-copper porphyry mineralized zone of 500x200m. The choices would be to seek a joint-venture with a major company or to continue exploration on its own, provided that financing would be possible at a higher price level than today's.

In my observation, it is likely that Canasil will devote significant attention and resources towards its interests in Mexico. The property mix is spreading out over several states, with the Colibri, the Sandra, the Nora, the San Francisco and the Tres Marias & Cebollas projects in Durango, the Los Azules project in Sinaloa and the La Esperanza project in Zacatecas. Just at the beginning of this month, another acquisition was announced: an option to purchase 100% of the Salamandra silver-zinc project in Durango. Judging from the locations, Canasil apparently is abiding by the old rule that "if you want to go to find the gold and silver, go where you know it is". **All of the properties are situated in the heart of renowned mining districts, some of them even very close and adjacent to successful operations of well-known companies such as the Tayoltita/San Dimas Mine of Goldcorp/Luismin, the La Parilla Mine of First Majestic, the La Colorada Mine of Pan American Silver, the San Martin Mine of Grupo Mexico and the La Pitarrilla project of Silver Standard and others.**

In itself, being close to something successful does not necessarily guarantee being evenly successful, but it does mean that the ingredients are there, especially in those mining regions in Mexico. A good example is the Sandra property where six veins have been identified over an area of 2500x750 meters, and surface samples returned up to 645g/t silver, 9.74g/t gold, 2.46% copper and 20.1% lead or the La Esperanza property where dump samples returned up to 1820g/t silver, 10.25% lead and 8.25% zinc. As said, the 2006 exploration program is designed to evaluate the projects and define drill targets, which will provide the information to set out the next steps of development, both for the individual properties and for Canasil as a company.

Canasil Resources is surely on the right way to build a solid base for its future development. They are not in a hurry and they take one step at a time. But they have the vision and I am confident their strategy will lead to promising choices. The selected property base represents good quality and good judgement, in British Columbia and certainly in Mexico. The results of the ongoing exploration programs will be worthwhile to follow closely. They could include clearer indications as to where the company will be heading. Whether it will be the Sandra, the La Esperanza, the Colibri or the new Salamandra, it is more than likely that Canasil's management team will come up with an excellent and promising selection to focus on. As a result of its modesty and non-promotional attitude, not too many market watchers know the company, which is reflected in the current market capitalization. Given the outlook and the favourable market circumstances, that is bound to change as results from the current working programs will come forward.



Henk J. Krasenberg