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NEWS RELEASE

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**Orex Drills More Silver Mineralization, Including 46 Metres of 218 g/t Silver,
at Canasil's Sandra-Escobar Project in Durango State, Mexico**

Vancouver, May 24, 2016 - Canasil Resources Inc. ([TSX-V: CLZ](http://www.canasil.com), DB Frankfurt: 3CC, "Canasil" or the "Company") is pleased to announce that **Orex Minerals Inc. (TSX-V: REX, "Orex")** has reported that the Phase-2 core drilling program continues to intersect silver mineralization in the southeastern region of the Sandra-Escobar project. Results from eight additional drill holes, SA-16-023 to SA-16-030, are reported in the table below. The project is being advanced by Orex under an option agreement with Canasil announced on September 15, 2015. Eight further drill holes, SA-16-031 to SA-16-038 have also been completed in the Phase-2 program and results will be reported as they are received and analyzed.

A highlight for this batch of Phase-2 drill holes is SA-16-023, which returned **46 metres core length (40.5 metres true thickness) grading 218 g/t silver**, starting 25 metres vertically below surface. Within this is a sub-interval of **4.0 metres (3.5 metres true thickness) grading 820 g/t silver**. Five of the eight holes, SA-16-023 to 027 are located in the main silver mineralized zone outlined to date ("Main Zone"), and all intersected mineralization that returned internally consistent silver grades over significant thicknesses. Continuity of near-surface mineralization within this zone is impressive.

Separately, drill holes SA-16-028 and 029 are test reconnaissance holes in the Cerro Chato Target, an area identified by prior surface sampling and located on a hillside northwest of the Main Zone. These holes returned silver mineralized intercepts over appreciable core lengths, and indicate a favourable target for a potentially new zone of silver mineralization. Drill hole SA-16-030 is located in the eastern extremity of the Main Zone and did not intersect significant silver mineralization. This hole may help define the eastern edge of the Main Zone. More mapping and drilling is being planned for several new zones, including Cerro Chato, in the next phase of exploration.

Canasil President & CEO, Bahman Yamini, commented: *"The continuity of silver grades over significant intervals in the Main Zone is a positive factor for the initial resource estimate, and suggests that the initial estimate will be reliable based on drill holes drilled so far in this zone. The identification of silver mineralization in a number of surrounding targets will be the focus of the next phase of exploration to expand the silver mineralized zone."*

Drilling of silver-bearing mineralization to date has been focused on the north side of a rhyolite volcanic dome. In this area an altered and highly permeable volcanoclastic unit contains disseminations of silver bearing minerals and broadly spaced stockwork veinlets. The current working model has a porphyritic rhyolite unit as an impermeable cap, which may have focused mineralizing fluids into the host volcanoclastic unit.

Sandra-Escobar Project – 2015-2016 Diamond Drilling Program – Holes SA-16-023 to 030					
<i>Hole</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Core Length (m)</i>	<i>True Thick. (m)</i>	<i>Ag (g/t) FA</i>
MAIN ZONE					
SA-16-023	44.00	90.00	46.00	40.50	218
Includes	52.00	86.00	34.00	29.93	270
Includes	55.00	59.00	4.00	3.52	820
Includes	56.00	57.00	1.00	0.88	1,966
SA-16-024	23.00	68.00	45.00	38.50	143
Includes	32.00	48.00	16.00	13.69	202
Includes	32.00	35.00	3.00	2.57	384
Includes	33.00	34.00	1.00	0.86	719
SA-16-025	37.00	57.00	20.00	19.00	133
Includes	39.00	47.00	8.00	7.60	247
Includes	45.00	47.00	2.00	1.90	503
Includes	45.00	46.00	1.00	0.95	673
SA-16-026	9.00	58.00	49.00	34.65	46
Includes	25.00	44.00	19.00	13.44	61
Includes	35.00	42.00	7.00	4.95	84
Includes	35.00	36.00	1.00	0.71	255
SA-16-027	12.00	43.00	31.00	28.54	73
Includes	15.00	31.00	16.00	14.73	88
Includes	19.00	24.00	5.00	4.60	117
Includes	22.00	23.00	1.00	0.92	142
SA-16-030	3.00	6.00	3.00	2.12	51
Includes	4.00	5.00	1.00	0.71	93
CERRO CHATO ZONE					
SA-16-028	10.00	46.00	36.00	25.46	39
Includes	39.00	44.00	5.00	3.54	119
Includes	41.00	43.00	2.00	1.41	179
Includes	42.00	43.00	1.00	0.71	238
SA-16-029	1.00	31.00	30.00	22.98	32
Includes	17.00	31.00	14.00	10.72	36
Includes	29.00	31.00	2.00	1.53	86
Includes	30.00	31.00	1.00	0.77	123

True thicknesses are estimated based on structural and stratigraphic interpretations. An updated drill-hole location map and cross sections are available on the Canasil website.

The drill program is being managed by Orex and the above results were prepared by and provided by Orex. Orex maintains a QA/QC sampling protocol for the diamond drilling program, including the insertion of commercial analytical standards and blank samples. Analytical testing was performed by SGS Mineral Services and Bureau Veritas. Silver was determined by fire assay with an atomic absorption finish. Multi-element analyses are also determined using a 4-acid digestion and ICP-MS (Inductively Coupled Plasma Mass Spectrometry).

The technical information in this news release is based on data supplied by Orex. The technical information herein has been reviewed and approved by J. Blackwell (P. Geo.), a Qualified Person as defined by National Instrument 43-101. Mr. Blackwell is a technical advisor to Canasil.

Sandra-Escobar Silver-Gold Project, Durango, Mexico:

The Sandra-Escobar project is located 200 km northwest of the City of Durango, Mexico, in the heart of the “Mexican Silver Trend”, with excellent access and infrastructure. This prolific trend hosts some of the world’s largest silver camps and deposits with many past and present producing mines and significant silver-gold deposits. The Sandra-Escobar project area covers over 6,976 hectares of mineral concessions with multiple mineralized epithermal veins and breccia structures. These veins formed in high level silver-gold-base metals systems, hosted in andesitic and rhyolitic rocks, and are centered on a large rhyolite dome complex in the north with silver-dominant systems around smaller rhyolite dome complexes to the southeast. Under the terms of the agreement dated September 15, 2015, Orex has an option to earn up to 65% interest in the project through total cash and share payments of \$1,000,000 and exploration expenditures of US\$4,000,000 over five years.

About Canasil:

Canasil is a Canadian mineral exploration company with a strong portfolio of 100% owned silver-gold-copper-lead-zinc projects in Durango and Zacatecas States, Mexico, and in British Columbia, Canada. The Company’s directors and management include industry professionals with a track record of identifying and advancing successful mineral exploration projects through to discovery and further development. The Company is actively engaged in the exploration of its mineral properties, and maintains an operating subsidiary in Durango, Mexico, with full time geological and support staff for its operations in Mexico.

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