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NEWS RELEASE

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**Orex Intercepts 46 Metres of 156 g/t Silver 350 Metres West of the Main Zone
at Canasil's Sandra-Escobar Project in Durango State, Mexico**

Vancouver, May 31, 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](http://www.orex.com), "Orex") has reported additional silver mineralized intercepts from the final 8 drill holes of the Phase-2 core drilling program in the southeastern region of the Sandra-Escobar project in Durango State, Mexico. Results from drill holes, SA-16-031 to SA-16-038 are reported in the table below. The project is being advanced by Orex under an option agreement with Canasil announced on September 15, 2015. These results complete reporting for the Phase-1 and Phase-2 drill programs for a total of 4,357 metres in 38 drill holes. As previously announced, the consulting firm Mining Plus has been engaged to prepare an initial resource estimate based on the drill results to date. The required field visit has been completed and the preparation of the initial resource estimate is in progress.

Two reconnaissance drill holes, SA-16-037 and 038 were drilled 350 metres west of the Main Zone, both of which returned significant silver grades over appreciable thicknesses. A highlight for this batch is SA-16-038, which returned **46 metres core length (26.0 metres true thickness) grading 156 g/t silver** starting from surface. Within this is a sub-interval of **8.0 metres (4.5 metres true thickness) grading 282 g/t silver**.

Another reconnaissance drill hole, SA-16-036, was drilled to test a mineralized outcrop 500 metres south of the Main Zone and returned a narrow intercept with anomalous silver values.

Five of the eight holes, SA-16-031 to 035, were located on the eastern end of the Main Zone. While these holes limit the eastern extension, the Main Zone is still open to the south and to the west.

Canasil President & CEO, Bahman Yamini, commented: *"The results from the reconnaissance holes located 350 metres west of the Main Zone are very encouraging and show a similar style and pattern of mineralization observed in the centre of the Main Zone. This presents an opportunity for further drilling to test this western target, as well as the extensions of the Main Zone to the west and south. These new developments highlight the potential to further expand the zones of silver mineralization in the southeast area of Sandra-Escobar during the next phase of exploration."*

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-16-031 to 038 | | | | | |
|---|---------------------------|---------------|------------------------|------------------------|--------------------|
| <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> |
| RECONNAISSANCE DRILL HOLES – 350 METRES WEST OF MAIN ZONE | | | | | |
| SA-16-037 | 2.60 | 17.00 | 14.40 | 13.50 | 101 |
| Includes | 8.00 | 17.00 | 9.00 | 8.44 | 129 |
| Includes | 13.00 | 15.00 | 2.00 | 1.88 | 212 |
| SA-16-038 | 1.85 | 48.00 | 46.15 | 26.00 | 156 |
| Includes | 12.00 | 24.00 | 12.00 | 6.76 | 235 |
| Includes | 12.00 | 20.00 | 8.00 | 4.51 | 282 |
| Includes | 12.00 | 15.00 | 3.00 | 1.69 | 404 |
| RECONNAISSANCE DRILL HOLE – 500 METRES SOUTH OF MAIN ZONE | | | | | |
| SA-16-036 | 13.00 | 17.00 | 4.00 | 2.83 | 43 |
| Includes | 14.00 | 16.00 | 2.00 | 1.41 | 54 |
| MAIN ZONE | | | | | |
| SA-16-031 | No Significant Intercepts | | | | |
| SA-16-032 | 67.00 | 80.50 | 13.50 | 11.48 | 23 |
| SA-16-033 | 46.00 | 55.00 | 9.00 | 7.65 | 51 |
| Includes | 51.00 | 53.00 | 2.00 | 1.70 | 128 |
| Includes | 52.00 | 53.00 | 1.00 | 0.85 | 169 |
| SA-16-034 | 52.00 | 84.00 | 32.00 | 29.00 | 52 |
| Includes | 70.00 | 79.00 | 9.00 | 8.16 | 83 |
| Includes | 77.00 | 78.00 | 1.00 | 0.91 | 189 |
| SA-16-035 | 46.00 | 70.00 | 24.00 | 22.00 | 36 |

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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