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NEWS RELEASE

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TSX-V: CLZ

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**Canasil Reports Awarding of Metallurgical Testing Contract
at the Sandra-Escobar Project in Durango State, Mexico**

Vancouver, June 27, 2016 - Canasil Resources Inc. (TSX-V: CLZ, DB Frankfurt: 3CC, “Canasil” or the “Company”) is pleased to announce that **Orex Minerals Inc. (TSX-V: REX, “Orex”)** has awarded to SGS Minerals Services a contract for initial metallurgical testing on composite core samples from the recent drill programs in the southeastern region of the Sandra-Escobar project in Durango State, Mexico. The project is being advanced by Orex under an option agreement with Canasil announced on September 15, 2015. Phase-1 and Phase-2 drill programs for a total of 4,357 metres in 38 drill holes have been completed to date with all results already announced in news releases from January to May 2016. As previously announced, the consulting firm Mining Plus is in the process of completing an initial resource estimate based on the drill results to date, which is expected towards the end of July or early August 2016.

The metallurgical testing will include bottle roll tests on five composite samples of varying head grades and at three separate crushing particle sizes. The samples will cover the grade ranges of approximately 50 g/t, 100 g/t, 150 g/t, 200 g/t and 250 g/t silver, and particle sizes of approximately 80% less than 75, 106 and 150 microns. Sample readings will be taken after 4, 8, 12, 24, 48, 72 and 96 hours to determine leach time performance. The objective of this initial metallurgical test is to gain a preliminary understanding of silver recovery in the mineralized zone.

Canasil President & CEO, Bahman Yamini, commented: *“The progression from completion of the first two phases of drilling in the southeastern area of the Sandra-Escobar project to an initial resource estimate and initial metallurgical testing is extremely encouraging. We look forward to the results from these significant steps in advancing the project.”*

SGS Minerals Services is a certified international analytical services company with over 50 years of metallurgical testing experience. SGS has a metallurgical testing laboratory in the city of Durango, Mexico, operated by SGS since 2006.

Drilling of silver-bearing mineralization to date has been focused on the north side of a rhyolite volcanic dome in the southeastern region of the Sandra-Escobar project. 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.

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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