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NEWS RELEASE

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Canasil Reports More Silver Intercepts including 65 Metres of 114 g/t Silver at the Sandra-Escobar Project in Durango State, Mexico

Vancouver, September 12, 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 reported that the Phase-3 core drilling program continues to intercept silver mineralization in the southeastern region of the Sandra-Escobar project in Durango State, Mexico. Results from drill holes SA-16-044 to SA-16-048 are reported in the table below. The project is being advanced by Orex under an option agreement with Canasil announced on September 15, 2015.

Highlights for this batch of drill holes include SA-16-047 and SA-16-048 in the Main Zone, which yielded **58.00 metres core length (46.00 m true thickness) grading 113 g/t silver** starting 8 metres below surface, and **65.00 metres core length (56.00 m true thickness) grading 114 g/t silver** starting 15 metres below surface, respectively. In the Burro Zone, 300 metres to the west of the Main Zone, hole SA-16-044 intersected **24.30 metres core length (24.00 metres true thickness) grading 144 g/t silver**, starting from surface.

Drill holes SA-16-047 and 048 expand the width of the silver mineralized envelope in the western end of the Main Zone, and SA-16-044 is a further indication of another area of silver mineralization 300 metres to the west of the Main Zone (as presently outlined). The system remains open for expansion by exploration drilling along strike, across its width, and to depth, and there is scope to expand the overall footprint of the mineralized systems.

Canasil President & CEO, Bahman Yamini, commented: *“The second batch of results from the Phase-3 drill program provides further confidence in the consistency of silver mineralization in the Main Zone as expected. There is also further indication of the potential for identifying more zones of silver mineralization in areas adjacent to the Main zone as well as potential at depth. Continuing systematic exploration in the southeast area of the Sandra-Escobar project remains a priority.”*

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-16-044 to 048 | | | | | |
|---|-----------------|---------------|------------------------|------------------------|-----------------|
| <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)</i> |
| BURRO ZONE | | | | | |
| SA-16-044 | 0.70 | 25.00 | 24.30 | 24.00 | 144 |
| Includes | 2.00 | 22.00 | 20.00 | 19.75 | 161 |
| Includes | 4.00 | 8.00 | 4.00 | 3.95 | 260 |
| Includes | 5.00 | 6.00 | 1.00 | 0.99 | 395 |
| SA-16-045 | 11.00 | 17.00 | 6.00 | 4.50 | 51 |
| Includes | 15.00 | 17.00 | 2.00 | 1.50 | 86 |
| Includes | 15.00 | 16.00 | 1.00 | 0.75 | 105 |
| SA-16-046 | 3.00 | 14.00 | 11.00 | 8.25 | 32 |
| Includes | 10.00 | 12.00 | 2.00 | 1.50 | 48 |
| MAIN ZONE | | | | | |
| SA-16-047 | 8.00 | 66.00 | 58.00 | 46.00 | 113 |
| Includes | 15.00 | 54.00 | 39.00 | 30.93 | 124 |
| Includes | 53.00 | 61.00 | 8.00 | 6.34 | 159 |
| Includes | 54.00 | 56.00 | 2.00 | 1.59 | 204 |
| SA-16-048 | 22.00 | 87.00 | 65.00 | 56.00 | 114 |
| Includes | 24.00 | 66.00 | 42.00 | 36.18 | 153 |
| Includes | 32.00 | 57.00 | 25.00 | 21.54 | 173 |
| Includes | 55.00 | 57.00 | 2.00 | 1.72 | 240 |
| (lower int.) | 102.00 | 106.00 | 4.00 | 3.45 | 32 |

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 Bureau Veritas. Silver was determined by fire assay with a gravimetric 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 and structures form a high level silver-gold-base metals system, 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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