

NEWS RELEASE

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TSX-V: CLZ

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**Orex Reports Results of Preliminary Metallurgical Tests for the Boleras Main Zone
at the Sandra-Escobar Project in Durango, Mexico**

Vancouver, December 15, 2016 - Canasil Resources Inc. (TSX-V: CLZ, DB Frankfurt: 3CC, “Canasil” or the “Company”) announces that Orex Minerals Inc. (TSX-V: REX, “Orex”) has provided preliminary metallurgical test results for the Main Zone of the Boleras Silver Deposit at the Sandra-Escobar Project in Durango, Mexico. The project is being advanced by Orex under an option agreement with Canasil announced on September 15, 2015.

Results are now available for five composite samples, with increasing head grades, taken from across the Main Zone of the Boleras Silver Deposit. These results illustrate that recovery is grade dependent. A portion of the silver-bearing mineralogy is recoverable with leaching techniques, including hydrochloric acid (HCl) or sulphur dioxide (SO₂) pre-treatment before cyanidation, and a portion is refractory, requiring more investigation. An extra high-grade sixth sample was also prepared for mineralogical work and was tested by the same methods at the Kemetco Research Inc. (“KR”) laboratory.

Initial interpretation of the results suggests that there are three different hosts of silver: 1) a small amount of direct cyanide leachable silver (native silver and silver halides, cerargyrite and bromargyrite); 2) a varying amount of silver-bearing minerals leachable under pre-treatment conditions (argentiferous manganese and iron oxides, pyrolusite and aurorite); and 3) a portion within silicate minerals.

Table 1. – Boleras Deposit Main Zone – Metallurgy – HCl Pre-treatment

Preliminary HCl Leach Results		
Sample	Head Grade - Ag (g/t)	Recovery – Ag (%) – KR
1 #SE	54	6.1
2 #SE	98	14.5
3 #SE	143	26.8
4 #SE	192	29.4
5 #SE	361	63.3
6 #SE	1812	93.0

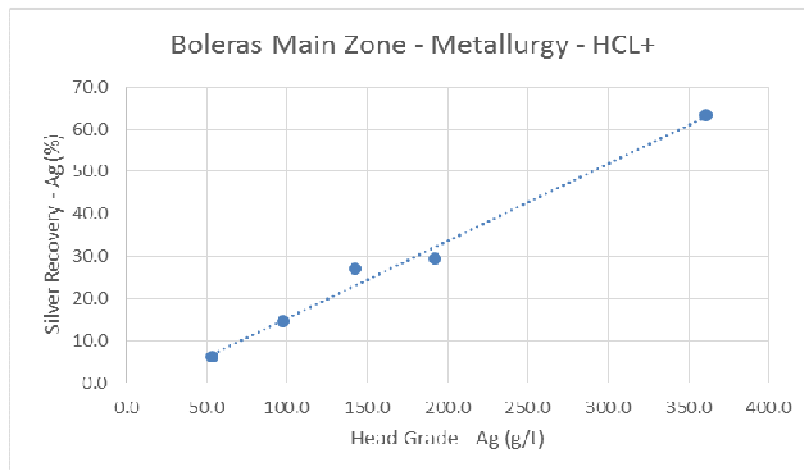
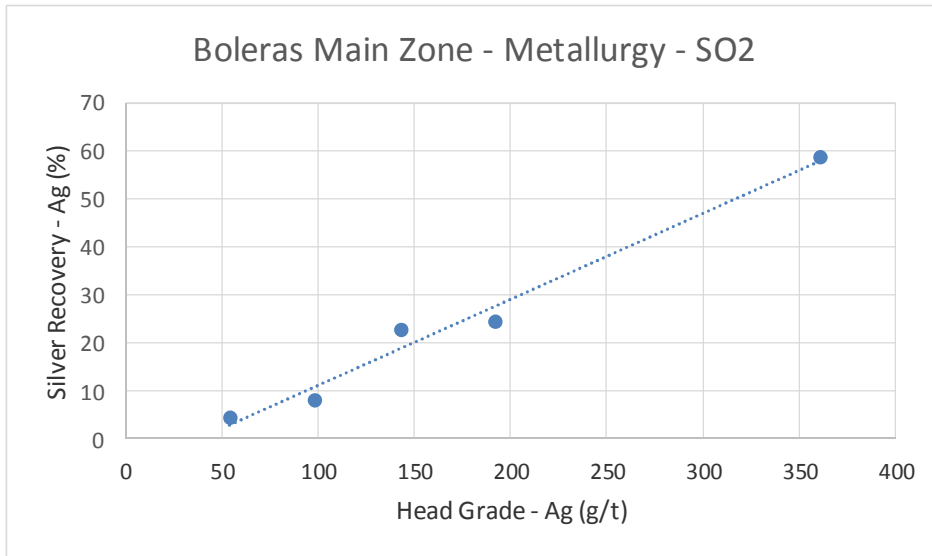


Table 2. – Boleras Main Zone – Metallurgy – SO2 Reduction Pre-treatment

Preliminary SO2 Leach Results		
Sample	Head Grade - Ag (g/t)	Recovery – Ag (%) – KR
1 #SE	54	4.6
2 #SE	98	8.1
3 #SE	143	22.7
4 #SE	192	24.5
5 #SE	361	58.7
6 #SE	1812	83.0



Geological comparisons have been drawn between the mineralization styles at Sandra-Escobar and the La Pitarrilla project of Silver Standard Resources Inc., located 75 km to the east. At La Pitarrilla, the Cordon Deposit is also an iron and manganese oxide hosted silver resource, within a rhyolite host rock unit, and is part of a much larger volcanoclastic complex. Structural and stratigraphic controls to mineralization are present in both locations. The Cordon Deposit has been shown to be a peripheral deposit to a much larger sulphide silver and base metals resource at depth.

The Boleras Deposit appears geologically similar to the Cordon deposit at la Pitarrilla. It is also a small part of the many mineralized zones and structures observed at Sandra-Escobar over a large area. The comparisons between the Sandra-Escobar geology and the neighbouring La Pitarrilla project will be used by Orex to guide further exploration to investigate potential for a larger mineralized system at Sandra-Escobar.

Guidance for the metallurgical test work has benefited by the consulting services of Blue Coast Metallurgy of Parksville, BC, Canada.

Sandra Escobar Silver-Gold Project, Durango, Mexico

Sandra-Escobar 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 project area covers over 6,333 hectares of mineral concessions and multiple mineralized epithermal quartz veins and breccia structures. These veins and structures form high level silver-gold-base metal systems, hosted in andesitic and rhyolitic rocks, and are centered on a large rhyolite dome complex in the north and 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.

Orex has drilled 8,372 metres in 62 diamond drill holes in the southeastern region of the project. The first 59 diamond drill holes formed the basis for an initial Resource Estimate on the "Bolerias Silver Deposit." At a "Base Case" of 45 g/t Ag cut-off, the **Inferred Resource Estimate yielded 9.8 million tonnes grading 106 g/t Ag for a total of 33.3 million ounces of silver** (See Orex and Canasil news releases of 31 October 2016). This Inferred Resource Estimate can be sub-divided into a high-grade domain of 0.7 million tonnes grading 288.4 g/t Ag, representing approximately 20% of the contained silver, plus an average-grade domain of 9.1 million tonnes grading 91.7 g/t Ag, representing approximately 80% of the contained silver.

Note: Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the estimated Mineral Resources will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

The technical information contained in this news release is based upon the technical information provided by Orex and has been reviewed and approved by J. Blackwell (P. Geo.), a technical advisor to Canasil and a "Qualified Person" as defined by National Instrument 43-101.

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.

For further information please contact:

Bahman Yamini
President and C.E.O.
Canasil Resources Inc.
Tel: (604) 709-0109
www.canasil.com

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