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NEWS RELEASE

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[TSX-V: CLZ](http://www.canasil.com)
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**Canasil Mobilizes Drill and Starts Drill Program
At the La Esperanza Silver-Lead-Zinc Project in Durango and Zacatecas States, Mexico**

Vancouver, December 20, 2016 - Canasil Resources Inc. ([TSX-V: CLZ](http://www.canasil.com), DB Frankfurt: 3CC, "Canasil") is pleased to announce that the Company has received the required drill permit and mobilized a drill rig which is currently on site at the La Esperanza silver-lead-zinc project in Durango and Zacatecas States, Mexico. Drilling started on December 17, 2016, with the aim of completing the first drill hole before the year-end holidays. Drilling will then resume early in the New Year for a planned initial program of 1,500 metres to 2,000 metres in 4 to 5 drill holes.

Drilling will be targeted to investigate the La Esperanza vein along strike and at depth. Past drilling on this vein along an approximate strike length of 250 metres and to a relatively shallow depth of approximately 200 metres has returned consistent high-grade silver-lead-zinc intercepts. The La Esperanza vein structure is made up of the Main vein and an associated Hanging Wall vein at the upper levels. The average true width of intercepts from 8 drill holes on the Main La Esperanza vein was 4.21 metres returning 330 g/t silver, 0.93% zinc and 1.57% lead. The average true width of drill intercepts from 5 drill holes which intersected the Hanging Wall vein was 1.53 metres returning 324 g/t silver, 1.37% zinc and 1.80% lead (details listed under the La Esperanza project profile on the Company's website www.canasil.com, and previously reported in the news releases dated November 6, 2006). Three later drill holes on a blind section to explore this vein approximately 100 metres northwest along strike returned increasing widths and grades with depth, with the deepest intercept returning 189 g/t silver, 5.20% zinc and 2.22% lead over a true width of 3.24 metres, including 278 g/t silver, 5.8% zinc and 2.8% lead over a true width of 1.92 metres (reported in the news release dated February 22, 2012). The current drill program will be targeted to investigate extensions of this vein at depth, approximately 50 metres to 100 metres below previous intercepts, as well as by 100-metre step outs to the northwest and southeast along strike.

About La Esperanza

The La Esperanza Silver-Zinc-Lead project covers 14,916 hectares, located 100 km SSE of the city of Durango on the border between Durango and Zacatecas States. The project site is easily accessible from Canasil's operating base in Durango with excellent infrastructure. The project location in southern Durango and northern Zacatecas States is on the well-recognized world class Fresnillo silver belt, hosting a number of prominent silver mines such as San Martin-Sabinas mines of Grupo Mexico and Penoles, the La Colorada mine of Pan American Silver and La Parrilla and Del Toro mines of First Majestic Silver Corp and Fresnillo PLC's Fresnillo mine. A series of silver-lead-zinc epithermal veins are observed over a northwest-southeast striking zone extending over approximately 20 kilometres hosted in the Lower Volcanic Group. Mineralization occurs in low to intermediate sulphidation veins, primarily striking northwest and dipping southwest. The main La Esperanza vein is a banded and cockade white to grey quartz breccia epithermal vein with silver, lead and zinc mineralization associated with argentiferous galena, silver sulfosalt minerals and sphalerite.

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.

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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