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NEWS RELEASE

June 28, 2019

TSX-V: CLZ

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Canasil Signs Definitive Agreement Providing for Pan American to Acquire Canasil's Interest in the Sandra-Escobar Project and Closes Transaction for CDN \$2 Million and 2% NSR Interest

Vancouver, June 28, 2019 - Canasil Resources Inc. ([TSX-V: CLZ](http://www.canasil.com), DB Frankfurt: 3CC, "Canasil" or the "Company") announces that the Company and Pan American Silver Corp. (TSX: PAAS, NASDAQ: PAAS), through its subsidiary Plata Panamericana SA de CV ("Pan American"), have signed the definitive agreement providing for Pan American to acquire Canasil's interest in the Sandra-Escobar project in Durango, Mexico (the "Definitive Agreement"), and closed the transaction for a payment of CDN \$2 million and grant of a 2% net smelter returns royalty interest on Pan American's interest in the project ("NSR Royalty Interest"). Pan American retains the right to reduce the NSR Royalty Interest to 1% at any time by paying the Company CDN \$4 million. The Definitive Agreement supersedes all prior agreements and arrangements between Canasil and Pan American with respect to the Sandra-Escobar project.

Canasil CEO, Bahman Yamini, commented: *"We are pleased to have concluded the sale of Canasil's interest in Sandra-Escobar to Pan American. This arrangement provides significant non-dilutive funding to maintain and advance our project portfolio, which includes drill ready high grade silver-gold-base metal projects in Mexico and prospective gold-copper exploration projects in British Columbia, Canada. In addition to the cash payment Canasil will retain exposure to the upside potential of the Sandra-Escobar project through the retained NSR Interest."*

Sandra and Escobar Silver-Gold Properties, Durango, Mexico

The Sandra and Escobar Properties are located 200 km northwest of the city of Durango, Mexico, in the heart of the "Mexican Silver Trend". The combined properties cover over 6,970 hectares of mineral concessions hosting multiple mineralized structures with zones of disseminated silver mineralization as well as quartz veins and breccia structures. Excellent infrastructure exists in the Sandra Escobar area, including paved road access, electrical power, water and manpower from nearby communities.

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.

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.

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This news release includes certain statements that may be deemed to be “forward-looking statements”. All statements in this release, other than statements of historical facts are forward looking statements, including statements that address future mineral production, reserve potential, exploration drilling, exploitation activities and events or developments. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, changes in commodities prices, exploration successes, continued availability of capital and financing, and general economic, market or business conditions. The reader is referred to the Company’s filings with the Canadian securities regulators for disclosure regarding these and other risk factors. There is no certainty that any forward looking statement will come to pass and investors should not place undue reliance upon forward-looking statements.