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NEWS RELEASE

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**Canasil Announces \$1,000,000 Non-Brokered Private Placement
to Expand Drill Programs on Mexican Silver-Gold Projects**

Vancouver, July 17 2020 - Canasil Resources Inc. (**TSX-V: CLZ, DB Frankfurt: 3CC**, "Canasil" or the "Company") announces a non-brokered private placement (the "Placement") of up to 5,000,000 units (the Units") at a price of \$0.20 per Unit for total gross proceeds of up to \$1,000,000 to fund drill programs on the Company's silver-gold projects in Mexico. A finder's fee may be paid with respect to all or part of this Placement. The terms of the Placement are subject to acceptance by the TSX Venture Exchange.

Each Unit will consist of one common share of the Company and one half of one non-transferable share purchase warrant. Each whole warrant (a "Warrant") will be exercisable to purchase one additional common share of the Company at a price of \$0.25 during the first year, increasing to \$0.30 in year two following the closing of the offering. If, commencing after the fourth month after closing, the closing price of the Company's shares exceeds \$0.50 per share for a period of 20 consecutive trading days (the "Acceleration Trigger Date"), the Company will have the right to accelerate the expiry date of the Warrants to 30 days after the Acceleration Trigger Date by the issuance of a news release announcing such acceleration within three trading days of the Acceleration Trigger Date. The Placement is expected to close by mid-August, 2020.

The proceeds of the Placement will be used to fund expanded drill programs on the Company's silver-gold exploration projects in Mexico. The Company has just started a 1,500-metre drill program on the Candy vein at the Nora silver-gold project in northern Durango State. This Placement will allow the program to increase to 2,500 metres and to include drill testing of a second prospective epithermal vein target, the Nora vein, at this project (see details below). In addition the Company plans to start a 2,500 metre drill program at the La Esperanza silver-gold project in Durango and Zacatecas States in September/October 2020, following completion of the Nora drill program in August 2020. Proceeds of this Placement will mean that both these additional programs are fully funded and will result in 5,000 metres of drilling on the two projects between now and December 2020. Overviews of both projects are included below for reference.

Canasil President and CEO, Bahman Yamini, commented: *"We look forward to the possibility of expanding this phase of drill funding, which will result in a very active program of discovery drilling on two projects in the heart of the Mexican silver belt. Drilling is already in progress on the Candy vein at the Nora project, and the possibility to expand the program to include testing of the Nora vein significantly increases the discovery potential of this prospective silver-gold epithermal vein system, which has not been previously drill tested. Planned drilling at La Esperanza will focus on step outs from previously drilled and identified silver-gold ore shoots on the main La Esperanza vein to expand the envelope along strike and to depth, as well as to test new targets. Both projects present exciting discovery potential which merit active and continued drill programs."*

About Nora Silver-Gold-Copper-Zinc-Lead Project, Durango State, Mexico:

The Nora project is located approximately 200 km north-west of the City of Durango, with good access and infrastructure. The geological setting is a Tertiary-aged volcanic flow-dome complex. Gold-silver mineralization is hosted within two structurally-controlled epithermal veins, Candy and Nora. Mineralization is typical of that found at many mines in the region, with gold and silver associated with galena, sulfosalt minerals and lesser pyrite, sphalerite and chalcopyrite. There is evidence of some historical mining activity on the Candy vein, which is exposed in discontinuous outcrops for over 900 metres. The fault structure hosting the Candy vein has been traced for a distance of over three kilometres. Samples of vein outcrop and mineral dumps from the Candy vein returned significant gold, silver, copper, zinc and lead values. The second vein, Nora, is found 600 metres northeast of the Candy vein and can be traced for 230 metres with widths of over 9.0 metres. Surface samples from this vein returned anomalous silver values associated with trace sulphides, with a geochemical signature typical of the higher levels of epithermal vein systems in the region.

Historical systematic grid soil sampling over an area of three kilometres by two kilometres covering the Candy and Nora veins and projected extensions, showed elevated silver, base metal (copper, lead and zinc) and pathfinder (antimony and arsenic) values. The combination of the vein outcrops with large areas of anomalous silver and base metal values in soil samples may indicate additional concealed mineral systems. Other major mines and deposits in the region include SSR Mining's La Pitarrilla deposit located 50 km east of the Nora project.

About La Esperanza Silver-Gold-Zinc-Lead Project, Durango and Zacatecas States, Mexico

The La Esperanza silver-gold-zinc-lead project covers 14,916 hectares, located 100 km SSE of the city of Durango in southern Durango and northern Zacatecas States. The project is easily accessible from Canasil's operating base in Durango with excellent infrastructure. The project is located on the well-recognized world class Fresnillo silver belt, hosting a number of prominent silver mines such as the La Colorada mine of Pan American Silver, La Parrilla and Del Toro mines of First Majestic Silver, the San Martin-Sabinas mines of Grupo Mexico and Peñoles, and Fresnillo PLC's Fresnillo mine and Juanicipio joint venture with MAG Silver.

A series of silver-zinc-lead epithermal veins are observed over a northwest-southeast striking zone extending over approximately 15 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, located in the southeast of the project area, is a banded and cockade white to grey quartz breccia epithermal vein with silver, gold, zinc and lead mineralization associated with argentiferous galena, silver sulfosalt minerals and sphalerite. Drilling to date on this vein has outlined a mineralized envelope over a strike distance of 425 metres and to a depth of 350 metres that is open in both directions to the northwest and southeast along strike and to depth defined by mineralized intercepts over appreciable widths and high silver-gold-zinc-lead grades. Alteration of the volcanic host rocks extending along strike from the La Esperanza vein outcrop, the spatial association with a discrete broad magnetic anomaly (possibly an igneous intrusion at depth), as well as local drainage patterns has outlined a target extending for over 5 kilometres in this area.

Further details regarding both projects are listed under the La Esperanza and Nora project profiles on the Company's website www.canasil.com, and have been previously reported in the company's news releases.

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 exploration 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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