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NEWS RELEASE

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TSX-V: CLZ

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**Canasil Closes \$1,565,500 Over-subscribed Non-brokered Private Placement
To Fund Drill Programs on Mexican Silver-Gold Projects**

Vancouver, August 4, 2020 - Canasil Resources Inc. (TSX-V: [CLZ](#), DB Frankfurt: [3CC](#), “Canasil” or the “Company”) announces closing of a non-brokered private placement (the “Placement”) of 7,827,500 units (the “Units”) at a price of \$0.20 per Unit for total gross proceeds of \$1,565,500. The Placement was initially announced for \$1,000,000 on July 17, 2020, and subsequently increased to \$1,500,000 through announcements on July 21 and July 22, 2020. The closing of the Placement is subject to final acceptance by the TSX Venture Exchange. The securities issuable in connection with the private placement are subject to a hold period expiring four months and one day after the date of issuance. A finder’s fee of 6% for \$21,900 is payable on part of the proceeds of the Placement.

Bahman Yamini, President and CEO, commented; *“We are very pleased to close this Placement in a short time after it was announced, and thank all the participating subscribers and welcome our new shareholders. We are now fully funded for the planned 2,500-metre drill programs at each of our Nora and La Esperanza silver-gold projects in Durango and Zacatecas States, Mexico, for a total of up to 5,000 metres during the second half of 2020. Drilling is currently in progress at Nora, and will be followed by La Esperanza in September/October 2020.”*

Each Unit consists of one common share of the Company and one-half of one non-transferable share purchase warrant. Each whole warrant (a “Warrant”) entitles the purchase of one common share of the Company at a price of \$0.25 during the first year, increasing to \$0.30 in the second year following the closing of the Placement. 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 proceeds of the Placement will be used to fund drill programs on the Company’s silver-gold exploration projects in Mexico and for working capital.

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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