



Suite 915 – 700 West Pender Street
Vancouver, BC
Canada V6C 1G8

Tel: 604-708 3788

Fax: 604-708 3728

Email: admin@canasil.com

NEWS RELEASE

6 - 2014: May 27, 2014

TSX-V: CLZ
www.canasil.com

MAG Silver Completes Phase 2 Drill Program and First Anniversary Option Payment on Canasil's Salamandra Project in Durango State, Mexico

Vancouver, May 27, 2014 - Canasil Resources Inc. (**TSX-V: CLZ, DB Frankfurt: 3CC**, "Canasil" or the Company) announces that MAG Silver Corp. (TSX:MAG, NYSE MKT:MVG, "MAG") has completed the Phase 2 diamond drill program of 6,501 metres in 12 drill holes on Canasil's Salamandra Silver-Copper-Zinc-Lead Project in Durango State, Mexico. Together with the Phase 1 drill program of 3,609 metres in 5 drill holes reported previously on March 17, 2014, a total of 10,110 metres of drilling have now been completed in 17 drill holes by MAG under the option agreement. Results for the Phase 2 drill program are pending.

MAG has also made the required C\$150,000 first anniversary option payment, which is due on May 27, 2014. As of March 31, 2014, MAG reported a total of C\$2,677,519 in exploration expenditures on the Salamandra project under the option agreement.

Canasil-MAG Salamandra agreement:

Under the agreement, MAG has a first option to earn 55% interest in Salamandra by incurring C\$5,500,000 exploration expenditures and C\$750,000 cash payments to Canasil over four years. The first year expenditures of C\$1,000,000, which must include at least 3,000 metres of diamond drilling, will be a firm commitment. On completion of the first option, MAG will have a second option to earn an additional 15% interest, for a cumulative 70% interest, by either preparing and delivering a NI43-101 compliant feasibility study within four years, or by incurring an additional C\$20,000,000 in exploration expenditures over four years, with a minimum annual expenditure of C\$2,500,000.

About Salamandra:

The Salamandra project covers 14,719 hectares and is located 35 kilometres northeast of the city of Durango. Access is excellent from the city of Durango via paved and gravel roads. Exploration results to date at the Salamandra project indicate the potential for a large intrusive-related, carbonate-hosted massive sulphide skarn/manto replacement system (CRD). Salamandra lies 80 kilometres northwest of Mexico's largest known silver-lead-zinc CRD-skarn deposits in the Sabinas-San Martin mining camp. Prior drilling by Canasil cut high-grade zinc and silver mineralization within hornfels which is believed to overlie the same thick limestone that hosts the nearby San Martin-Sabinas, La Parilla and La Colorada mines. MAG's exploration program was designed to probe and develop a better understanding of the scope and size of the system and development of exploration vectors, so drilling focused on targets 200 to 2,000 metres from previous drilling. Targets included mineralized intrusive breccias, dike swarms and mineralized structures revealed by MAG's detailed geologic mapping, geochemical sampling, and reinterpretation of Canasil geophysics.

About Canasil:

Canasil is a Canadian mineral exploration company with a strong portfolio of 100% owned silver-gold-copper-lead-zinc projects in Durango, Sinaloa 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

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.