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NEWS RELEASE

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TSX-V: CLZ

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Canasil Reports Filing of Technical Report on SEDAR for the First Inferred Resource Estimate at the Sandra-Escobar Project in Durango, Mexico

Vancouver, December 5, 2016 - Canasil Resources Inc. (**TSX-V: CLZ**, DB Frankfurt: 3CC, “Canasil” or the “Company”) announces that Orex Minerals Inc. (TSX-V: REX, “Orex”) has filed with the System for Electronic Document Analysis and Retrieval (“SEDAR”) a Technical Report in accordance with the rules of National Instrument 43-101 for the first Inferred Resource Estimate on the Boleras Silver Deposit at the Sandra-Escobar Project in Durango, Mexico. The project is being advanced by Orex under an option agreement with Canasil announced on September 15, 2015.

Orex has drilled 8,372 metres in 62 diamond drill holes in the southeastern region of the project. The first 59 diamond drill holes formed the basis for an initial Resource Estimate on the Boleras Silver Deposit. At a “Base Case” of 45 g/t Ag cut-off, the **Inferred Resource Estimate yielded 9.8 million tonnes grading 106 g/t Ag for a total of 33.3 million ounces of silver** (See Canasil and Orex news releases of October 31, 2016).

Note that Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the estimated Mineral Resources will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

The Technical Report containing the foregoing Resource Estimate is available on SEDAR (www.sedar.com). The report titled “Sandra Escobar Project Technical Report, Boleras Mineral Resource Estimate”, dated December 1, 2016, (effective date: October 25, 2016, the “Technical Report”) was commissioned and prepared for Orex by J.M. Collins, P. Geo., A. Fowler, MAusIMM CP (Geo), and S. Butler, P. Geo., of Mining Plus Canada Consulting Ltd. Msrs. Collins, Fowler and Butler are Qualified Persons as defined under National Instrument 43-101 of the Canadian Securities Administrators – *Standards of disclosure for Mineral Projects*. Mining Plus is a mining engineering consultancy, established in 2006, consisting of skilled experts specializing in mining engineering, geoscience and mining operation management.

Sandra Escobar Silver-Gold Project, Durango, Mexico

Sandra Escobar is located 200 km northwest of the city of Durango, Mexico, in the heart of the “Mexican Silver Trend”, with excellent access and infrastructure. This prolific trend hosts some of the world’s largest silver camps and deposits, with many past and present producing mines and significant silver-gold deposits. The project area covers over 6,333 hectares of mineral concessions and multiple mineralized epithermal quartz veins and breccia structures. These veins and structures form high level silver-gold-base metal systems, hosted in andesitic and rhyolitic rocks, and are centered on a large rhyolite dome complex in the north and silver-dominant systems around smaller rhyolite dome complexes to the southeast. Under the terms of the agreement dated September 15, 2015, Orex has an option to earn up to 65% interest in the project through total cash and share payments of \$1,000,000 and exploration expenditures of US\$4,000,000 over five years.

The Technical Report is available under the Company’s profile on SEDAR (www.sedar.com) and on the Company’s website at www.canasil.com.

The technical information contained in this news release is based upon the Technical Report and information released by Orex on December 5, 2016, and has been reviewed for accuracy and approved by J. Blackwell (P. Geo.), a technical advisor to Canasil and a "Qualified Person" as defined by National Instrument 43-101.

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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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.

This 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.