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NEWS RELEASE

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[TSX-V: CLZ](#)
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**Canasil Drilling Intercepts 14-metre (True width 12.15 Metres) Vein Structure
at La Esperanza Silver-Gold-Zinc-Lead Project**

Vancouver, July 05, 2018 - Canasil Resources Inc. (TSX-V: [CLZ](#), DB Frankfurt: 3CC, “Canasil”) announces that while drilling progress has been slowed by adverse weather conditions and mechanical problems, drill hole ES-18-21 has been completed to a downhole depth of 347 metres. This hole intersected the La Esperanza vein, located in the SE of the project area, as projected at 315 metres downhole, returning a vein intercept over a core length of 14 metres with strong epithermal vein signatures made up of banded quartz textures with disseminated sulphide minerals. The true width of the intercept is approximately 12.15 metres. The core is currently being inspected and prepared for sampling in order to be sent for assay.

This vein intercept is at a vertical depth of approximately 225 metres below surface, located 50 metres below and 25 metres step-out to the SE from the higher intercept in drill hole ES-17-16 from the 2017 drill program. It is encouraging to intercept a wide vein structure as planned 50 metres below the vein intercept from the previous drill program. Due to the current weather conditions and rainfall in the area the drill program has been suspended until conditions improve.

About La Esperanza

The La Esperanza silver-lead-zinc 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 San Martin-Sabinas mines of Grupo Mexico and Peñoles, the La Colorada mine of Pan American Silver and La Parrilla and Del Toro mines of First Majestic Silver and Fresnillo PLC’s Fresnillo mine.

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, lead and zinc 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 400 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 are listed under the La Esperanza project profile 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 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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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.