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NEWS RELEASE

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MAG Silver Reports Phase 2 Drill Results from La Esperanza Silver Project in Durango and Zacatecas States, Mexico

Vancouver, January 23, 2013 - Canasil Resources Inc. (Canasil, **TSX-V: CLZ** “Canasil”) announces that MAG Silver Corp. (TSX: MAG, NYSE-A: MVG, “MAG”) has reported drill results from the recently completed Phase 2 drill program at Canasil’s La Esperanza silver-lead-zinc project in Durango and Zacatecas States, Mexico. 12 diamond drill holes were completed for a total of 3,049.50 metres – 9 drill holes on 5 sections along a total strike length of 835 metres to test the Fatima vein and 3 drill holes on 2 sections 350 metres apart to test the San Pascual vein, both located in the northwest of the project area.

The best intercept from the San Pascual vein was from drill hole SP12-01 at a core depth of 79.00 metres with 4.93 metres (true width 2.19 metres) of 0.19 g/t gold, 104.2 g/t silver, 2.57% lead and 7.88% zinc, including 2.77 metres (true width 1.23 metres) of 0.23 g/t gold, 162.2 g/t silver, 3.91% lead and 13.39% zinc. The best intercept from the Fatima vein was from drill hole FA12-05 at a core depth of 155.55 metres with 4.15 metres (true width 2.76 metres) of 0.07 g/t gold, 92.4 g/t silver, 0.98% lead and 0.11% zinc, including 2.76 metres (true width 1.84 metres) of 0.07 g/t gold, 111.5 g/t silver, 1.04% lead and 0.14% zinc. Detailed results for all drill holes are included in the table below. The results are currently being reviewed with regards to plans for future exploration programs on the project.

About La Esperanza:

The La Esperanza project covers 68,954 hectares, located in the Mexican Silver Belt in northern Zacatecas and southern Durango States. This recognized world-class silver belt hosts some of the world’s largest and highest grade silver deposits and operating mines. The La Esperanza project is close to a number of active mines such as Pan American Silver’s La Colorada and First Majestic Silver’s La Parrilla mines. The project covers multiple vein occurrences and alteration zones over a 20 kilometre strike length along a prospective SE-NW trend where the results of an airborne geophysical survey conducted by MAG and drilling to date by MAG and Canasil indicate potential for hosting a large mineralized system.

The project is under an option agreement whereby MAG can earn a 60% interest by completing CAD\$ 5,000,000 in cumulative exploration expenditures by September 1, 2014, (CAD\$ 1,885,788 completed to September 30, 2012) and making a further CAD\$ 200,000 cash payment to Canasil by September 1, 2013.

Qualified Person: Dr. Peter Megaw, Ph.D., C.P.G., Director of MAG, has acted as the qualified person as defined in National Instrument 43-101 for this disclosure and supervised the preparation of the technical information in this release. Dr. Megaw has a Ph.D. in geology and more than 20 years of relevant experience focused on silver and gold mineralization, and exploration and drilling in Mexico. He is a certified Professional Geologist (CPG 10227) by the American Institute of Professional Geologists and an Arizona registered geologist (ARG 21613). Dr. Megaw is not independent as he is a Director and Shareholder of MAG. Dr. Megaw is satisfied that the results are verified based on an inspection of the core, a review of the sampling procedures, the credentials of the professionals completing the work and the visual nature of the silver and base metal sulphides within a district where he is familiar with the style and continuity of mineralization.

About MAG Silver and Canasil:

MAG is a leading silver exploration and emerging development company in Mexico, with considerable experience and a very successful track record of high-grade silver discoveries in epithermal vein systems of the Fresnillo Silver Trend, as well as a number of other large development stage and exploration projects in Mexico.

Canasil is a Canadian mineral exploration company with interests in precious and base metal 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. The Company is actively engaged in the exploration of its mineral properties.

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MAG Silver Phase 2 Drill Program at Canasil's La Esperanza Silver Project,
Durango and Zacatecas States, Mexico

Hole ID	From (metres)	To (metres)	Interval (metres)	True Width (metres)	Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)
<i>Fatima Vein</i>								
FA12-01	144.41	147.31	2.90	2.53	0.00	1.0	0.06	0.38
and	149.73	150.03	0.30	0.26	0.93	4.5	0.05	0.26
FA12-02	245.86	247.39	1.53	1.33	0.36	57.7	3.23	3.89
FA12-03	157.30	157.95	0.65	0.52	0.02	21.7	0.52	0.62
and	163.69	164.30	0.61	0.49	0.58	9.1	0.07	0.61
FA12-04	268.71	269.19	0.48	0.23	0.12	1.7	0.03	0.11
and	280.42	284.25	3.83	1.90	0.32	10.9	0.21	0.21
including	281.11	282.17	1.06	0.53	0.54	15.5	0.51	0.24
FA12-05	155.55	159.70	4.15	2.76	0.07	92.4	0.98	0.11
including	155.55	158.26	2.76	1.84	0.07	111.5	1.04	0.14
including	157.65	158.26	0.61	0.41	0.27	135.0	4.57	0.18
and	175.57	180.04	4.47	3.15	0.07	1.8	0.03	0.07
and	192.47	192.72	0.25	0.17	0.00	5.3	0.01	1.25
FA12-06	65.26	65.96	0.70	0.30	0.01	14.7	0.01	0.04
and	282.66	286.21	3.55	1.50	0.12	17.7	0.08	0.09
Including	284.14	285.35	1.21	0.51	0.28	35.3	0.16	0.12
Including	286.81	287.91	1.10	0.46	0.00	16.7	0.00	0.14
FA12-07	279.13	280.48	1.35	1.26	0.02	11.3	0.17	0.26
FA12-08	202.39	205.51	3.12	2.87	0.15	51.8	2.45	0.04
including	202.39	204.26	1.87	1.72	0.23	89.2	3.88	0.05
and	235.14	236.03	0.89	0.82	1.67	37.7	11.45	0.11
FA12-09	259.13	262.13	3.00	1.89	0.08	1.1	0.02	0.05
<i>San Pascual Vein</i>								
SP12-01	79.00	83.93	4.93	2.19	0.19	104.2	2.57	7.88
including	79.00	81.77	2.77	1.23	0.23	162.2	3.91	13.39
including	79.00	79.80	0.80	0.44	0.07	270.0	7.98	23.00
including	81.00	81.77	0.77	0.34	0.71	286.0	5.62	24.00

There were no significant intercepts in drill holes SP12-02 and SP12-03 on the San Pascual vein.