



Suite 1760 – 750 West Pender Street
Vancouver, BC
Canada V6C 2T8

Tel: 604-708 3788
Fax: 604-708 3728
Email: admin@canasil.com

NEWS RELEASE

January 18, 2017

[TSX-V: CLZ](http://www.canasil.com)
www.canasil.com

**Canasil Completes First Drill Hole, Begins Second Hole
at the La Esperanza Project in Durango and Zacatecas States, Mexico**

Vancouver, January 18, 2017 - Canasil Resources Inc. ([TSX-V: CLZ](http://www.canasil.com), DB Frankfurt: 3CC, “Canasil”) announces that the Company has completed the first hole, ES-16-12, of the 2016-17 core drilling program at the La Esperanza silver-lead-zinc project in Durango and Zacatecas States, Mexico. The hole was drilled to a downhole depth of 394.5 metres. This hole intersected an extended interval from 345 metres to 391 metres down hole, carrying banded quartz veins, veinlets and breccias hosted within fractured and brecciated volcanic rocks. Base metal sulphides including sphalerite, galena, and chalcopyrite have been noted. The core is being logged and prepared for assaying to determine base metal and possible silver content.

A second drill hole, ES-17-13, is now in progress. It is a step-out, collared 90 metres northwest of ES-16-12 along strike, and targeted to intersect the vein structure at a similar depth. The initial 2016-17 drill program is planned for 1,500 to 2,000 metres of core drilling in 4 or 5 drill holes.

Drill hole ES-16-12 was targeted to intersect the main La Esperanza vein approximately 75 metres below a previous drill hole, ES-12-03, which intersected a 10-metre structure at 266 metres down hole carrying a mineralized interval returning 189 g/t silver, 5.20% zinc and 2.22% lead over a true width of 3.24 metres, including 278 g/t silver, 5.8% zinc and 2.8% lead over a true width of 1.92 metres (reported in the news release dated February 22, 2012).

About La Esperanza

The La Esperanza silver-lead-zinc project covers 14,916 hectares, located 100 km SSE of the city of Durango on the border between Durango and Zacatecas States. The project site is easily accessible from Canasil’s operating base in Durango with excellent infrastructure. The project location in southern Durango and northern Zacatecas States is on the well-recognized world class Fresnillo silver belt, hosting a number of prominent silver mines such as San Martin-Sabinas mines of Grupo Mexico and Penoles, the La Colorada mine of Pan American Silver and La Parrilla and Del Toro mines of First Majestic Silver Corp and Fresnillo PLC’s Fresnillo mine.

A series of silver-lead-zinc epithermal veins are observed over a northwest-southeast striking zone extending over approximately 20 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 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. Past drilling on this vein was focused along an approximate strike length of 250 metres and to a relatively shallow depth of approximately 250 metres and returned consistent high-grade silver-lead-zinc intercepts from the main La Esperanza vein and an associated Hanging Wall vein at the upper levels. The average true width of intercepts from 8 drill holes on the main La Esperanza vein was 4.21 metres returning 330 g/t silver, 0.93% zinc and 1.57% lead. The average true width of drill intercepts from 5 drill holes which intersected the Hanging Wall vein was 1.53 metres returning 324 g/t silver, 1.37% zinc and 1.80% lead (details listed under the La Esperanza project profile on the Company’s website www.canasil.com, and previously reported in the news release dated November 6, 2006).

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.

For further information please contact:

Bahman Yamini
President & CEO
Canasil Resources Inc.
Tel: 604-709 0109

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.