This is the form of a material change report required under section 85(1) of the *Securities Act* and section 151 of the *Securities Rules*

BC FORM 53-901F (Previously Form 27)
<u>SECURITIES ACT</u>

MATERIAL CHANGE REPORT

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: If this report is filed on a confidential basis, put at the beginning of the report in block capitals "CONFIDENTIAL – SECTION 85", and file in an envelope marked "Confidential – Attention: Supervisor, Financial Reporting.

1. <u>Reporting Issuer</u>

The full name and address of the principal office in Canada of the reporting issuer is:

Canasil Resources Inc.
200-1695 Marine Drive
North Vancouver, B.C. V7P 1V1

2. <u>Date of Material Change</u>

The date of the material change is December 31, 2003.

3. <u>Press Release</u>:

The date and place of issuance of the press release(s) issued under section 85(1) of the Act is/are as follows:

Date of Issuance:	January 7, 2004
Place of Issuance:	Vancouver, British Columbia

4. <u>Summary of Material Change</u>

The Issuer has closed a private placement financing of $1,125,000.

5. <u>Full Description of Material Change</u>

The Issuer has closed a private placement financing of $1,125,000 (the "Offering"). The Offering consisted of a private placement of 4,500,000 units (the "Units") at $0.25 per Unit, with each Unit consisting of one common share (a "Share") and one-half of one non-flow-through common share purchase warrant (a "Warrant"). One full Warrant entitles the holder to purchase one additional common share (a "Warrant Share") at a price of $0.35 per Warrant Share on or before December 31, 2004.

A finder's fee comprised of $60,725 and 520,500 non-transferable share purchase warrants is payable with respect to the placement of 3,470,000 Units.

In accordance with securities legislation currently in effect, the Shares, the Warrants, and the Warrant Shares will be subject to a "hold period" of four months plus one day expiring on May 1, 2004.

The proceeds from the private placement will be used to fund the Company's planned exploration and evaluation program at the Tres Marias and Cebollas projects in Durango, Mexico, for the evaluation and possible acquisition of other mineral properties in Mexico, and for working capital.

6. Reliance on Section 85(2) of the Act

Not applicable.

7. Omitted Information

No significant facts remain confidential and no information has been omitted in this report.

8. Senior Officers

The name and business telephone number of a senior officer of the Company who is knowledgeable about the material change and the report or an officer through whom the Commission may contact that senior officer is as follows:

Name:	Bahman Yamini, President
Bus. Tel:	(604) 709-0109

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, British Columbia, this 7th day of January, 2004.

"Bahman Yamini"

Bahman Yamini, President and CEO

$1,125,000 Non-brokered Private Placement
Fully Subscribed and Closed

Vancouver, January 7, 2004 - Canasil Resources Inc. (Canasil, TSXV: CLZ) is pleased to announce that the non-brokered private placement of 4,500,000 Units at a price of $0.25 per Unit announced on November 26, 2003, and December 8, 2003, has been fully subscribed and closed effective December 31, 2003, to net the treasury an aggregate of $1,125,000.

Each unit consists of one common share (a “Share”) and one-half share purchase warrant (a “Warrant”). Each whole Warrant entitles the holder to purchase one additional common share of the Company (a “Warrant Share”) at a price of $0.35 per Warrant Share for a period of one year following the closing date.

A finder's fee comprised of $60,725 and 520,500 non-transferable share purchase warrants is payable to Bolder Investment Partners, Pacific International Securities Inc., Golden Capital Securities Ltd. and Canaccord Capital Corporation with respect to the placement of a total of 3,470,000 Units

The proceeds from the private placement will be used to fund the Company’s planned exploration and evaluation program at the Tres Marias and Cebollas projects in Durango, Mexico, for the evaluation and possible acquisition of other mineral properties in Mexico, and for working capital.

In accordance with securities legislation currently in effect, the Shares, the Warrants and the Warrant Shares will be subject to a “hold period” of four months plus one day expiring on May 1, 2004.

For further information please contact:

Mr. Bahman Yamini
President and C.E.O.
Canasil Resources Inc.
604-709-0109
www.canasil.com