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NEWS RELEASE

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TSX-V: CLZ

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Canasil Closes \$2,072,000 Second and Final Tranche of Non-brokered Private Placement

Vancouver, July 5, 2016 - Canasil Resources Inc. (**TSX-V: CLZ**, **DB Frankfurt: 3CC**, "Canasil" or the "Company") announces the closing on June 29, 2016, of the second and final tranche of 6,475,000 units for proceeds of \$2,072,000 in the non-brokered private placement (the "Placement") of total 8,000,000 units (the "Units") at a price of \$0.32 per Unit, previously announced on 7th and 20th June 2016, for total gross proceeds of \$2,560,000. The TSX Venture Exchange has accepted for filing documentation with respect to this tranche of the Placement and all shares issued pursuant to this tranche are subject to resale restrictions for a period of four months from the closing date to October 30, 2016.

Each Unit consisted of one common share of the Company and one-half of one non-transferable share purchase warrant. Each whole warrant (a "Warrant") entitles the purchase of one common share of the Company at a price of \$0.50 within two years of closing, to June 29, 2018, for warrants issued under this tranche. If, commencing after the fourth month after closing, the closing price of the Company's shares exceeds \$0.80 per share for any period of 20 consecutive trading days (the "Acceleration Trigger Date"), the Company will have the right to accelerate the expiry date of the Warrants to the 20th trading day after the Acceleration Trigger Date by the issuance, within three trading days of the Acceleration Trigger Date, of a news release announcing such acceleration.

Finder's fees of \$38,400 and 60,000 finder warrants was paid to Sprott Private Wealth LP, and \$85,920 and 134,250 finder warrants was paid to Sprott Global Resource Investments, Ltd. Finder's warrants have the same terms as the Unit Warrants. The proceeds of the Placement will be used for continuing exploration programs on the Company's mineral exploration projects and for working capital.

About Canasil:

Canasil is a Canadian mineral exploration company with a strong portfolio of 100% owned silver-gold-copper-lead-zinc exploration 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 news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.