TSX-V: CLZ

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VANCOUVER, Sept. 28, 2016 /CNW/ - Canasil Resources Inc. (TSX-V: CLZ, DB Frankfurt: 3CC, "Canasil" or the "Company") is pleased to announce that Orex Minerals Inc. (TSX-V: REX, "Orex") has reported that the Phase-3 core drilling program continues to intercept silver mineralization in the southeastern region of the Sandra-Escobar project in Durango State, Mexico. Results from drill holes SA-16-049 to SA-16-053 are reported in the table below. The project is being advanced by Orex under an option agreement with Canasil announced on September 15, 2015.

Highlights for this batch of holes, all located on the northern side of the Main Zone, include SA-16-050, which yielded 57.00 metres core length (46.00 m true thickness) grading 118 g/t silver, starting from surface, and SA-16-049, which yielded 41.00 metres core length (35.00 m true thickness) grading 106 g/t silver, also starting from surface. These results extend the mineralized envelope delineated in the central portion of the Main Zone a further 50 to 100 metres to the North.

In addition, these drill holes have identified a second, deeper horizon, similar in texture to the upper horizon of the Main Zone, lying stratigraphically below the Main Zone on several sections. Intercepts from this lower horizon are marked as "Lower Interval" in the drill results table. This lower horizon may constitute a bifurcation of the Main Zone, or a new target.

Canasil President & CEO, Bahman Yamini, commented: "The third batch of results from the Phase-3 drill program continues to expand the mineralized envelope of near-surface silver mineralization delineated in the Main Zone in the southeast area of the Sandra-Escobar project. There are also indications of the potential to identify more silver mineralization at depth and in surrounding targets through both step-out and deeper exploration drilling."

Silver mineralization is hosted in a rhyolite volcanic dome. In this area an altered and highly permeable crystal lithic tuff unit contains disseminations of silver bearing minerals and broadly spaced stockwork veinlets. The current working model has a porphyritic rhyolite unit as an impermeable cap, which may have focused mineralizing fluids into the host permeable volcanoclastic unit.

Sandra-Escobar Project – 2015-2016 Diamond Drilling Program – Holes SA-16-049 to 053					
Hole	From (m)	To (m)	Core Length (m)	True Thick. (m)	Ag (g/t)
MAIN ZONE					
SA-16-049	1.00	42.00	41.00	35.00	106
Includes	8.00	34.00	26.00	22.20	118
Includes	8.00	20.00	12.00	10.24	142
Includes	17.00	18.00	1.00	0.85	283
Lower Interval	82.00	107.00	25.00	21.00	63
Includes	91.00	105.00	14.00	11.76	81
Includes	100.00	102.00	2.00	1.68	109
SA-16-050	2.00	59.00	57.00	46.00	118
Includes	13.00	56.00	43.00	34.70	137
Includes	23.00	34.00	11.00	8.88	178
Includes	24.00	28.00	4.00	3.23	233
Lower Interval	109.00	132.50	23.50	18.00	48
Includes					

120.00

126.00

6.00

4.60

SA-16-051	0.70	36.00	35.30	31.00	88
Includes	0.70	9.00	8.30	7.29	128
Includes	6.00	9.00	3.00	2.63	189
Includes	8.00	9.00	1.00	0.88	317
Lower Interval	75.00	81.00	6.00	5.50	26
Includes	75.00	77.00	2.00	1.83	35
SA-16-052	4.00	40.00	36.00	29.00	40
Includes	19.00	28.00	9.00	7.25	65
Includes	23.00	28.00	5.00	4.03	74
Includes	26.00	27.00	1.00	0.81	107
Lower Interval	104.00	106.00	2.00	1.75	28
Includes	104.00	105.00	1.00	0.88	37
SA-16-053	1.00	51.00	50.00	32.00	40
Includes	1.00	28.00	27.00	17.28	51
Includes	1.00	9.00	8.00	5.12	107
Includes	6.00	7.00	1.00	0.64	200
Lower Interval	97.00	103.00	6.00	5.00	16
Includes	100.00	101.50	1.50	1.25	24

True thicknesses are estimated based on structural and stratigraphic interpretations. An updated drill-hole location map and cross sections are available on the Canasil website.

The drill program is being managed by Orex and the above results were prepared by and provided by Orex. Orex maintains a QA/QC sampling protocol for the diamond drilling program, including the insertion of commercial analytical standards and blank samples. Analytical testing was performed by Bureau Veritas. Silver was determined by fire assay with a gravimetric finish. Multi-element analyses are also determined using a 4-acid digestion and ICP-MS (Inductively Coupled Plasma Mass Spectrometry).

The technical information in this news release is based on data supplied by Orex. 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.

Sandra-Escobar Silver-Gold Project, Durango, Mexico:

The Sandra-Escobar project is located 200 km northwest of the City of Durango, Mexico, in the heart of the "Mexican Silver Trend", with excellent access and infrastructure. This prolific trend hosts some of the world's largest silver camps and deposits with many past and present producing mines and significant silver-gold deposits. The Sandra-Escobar project area covers over 6,976 hectares of mineral concessions with multiple mineralized epithermal veins and breccia structures. These veins and structures form a high level silver-gold-base metals system, hosted in andesitic and rhyolitic rocks, and are centered on a large rhyolite dome complex in the north with silver-dominant systems around smaller rhyolite dome complexes to the southeast. Under the terms of the agreement dated September 15, 2015, Orex has an option to earn up to 65% interest in the project through total cash and share payments of $1,000,000 and exploration expenditures of US$4,000,000 over five years.

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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