

Canasil Reports Positive Progress On 2021 Drill Program at the Nora Silver-Gold-Copper-Zinc-Lead Project in Durango State, Mexico

Vancouver, July 29, 2021 - Canasil Resources Inc. (TSX-V: CLZ, DB Frankfurt: 3CC, “Canasil” or the “Company”) reports completion of three drill holes, NRC-21-09, NRC-21-10, and NRC-21-11, with a fourth drill hole, NRC-21-12, in progress and nearing completion at the Nora silver-gold project in north-central Durango State, Mexico. The targets of these four drill holes are below and between high-grade gold and silver intercepts from the 2020 drill holes NRC-20-04 and NRC-20-06 on the Candy vein structure, as previously reported in the news release dated July 06, 2021, announcing the start of the drill program. A total of 790 metres of core drilling has been completed since the start of the program in early July 2021.

All three holes completed to date have cut the Candy vein structure as projected. A total of 110 core samples from intercepts in the first two drill holes, NRC-21-09 and NRC-21-10, are currently being processed at ALS Chemex Labs in Zacatecas and North Vancouver; core samples from the third drill hole, NRC-21-11, are being prepared for assay. The fourth hole NRC-21-12 is expected to be completed shortly.

Canasil President and CEO, Bahman Yamini commented; *“The positive progress with the 2021 drill program at the Nora project and quick completion of successive drill holes is encouraging and a credit to the drill contractors and our operating team. The Candy vein structure is being intersected as projected in every drill hole and we look forward to the results from these drill holes.”*

The 2020 and 2021 drilling to date has intersected the Candy vein over a strike distance of 500 metres and to a depth of 200 metres. The four 2021 drill holes to date are targeted to test below and between the 2020 drill intercepts as shown on the Candy vein long section below.

About Nora Silver-Gold-Copper-Zinc-Lead Project, Durango State, Mexico:

The Nora project is located approximately 200 km north-west of the City of Durango, with good access and infrastructure. The geological setting is a Tertiary-aged volcanic flow-dome complex. Gold-silver mineralization is hosted within two structurally-controlled epithermal veins, Candy and Nora. Mineralization is typical of that found at many mines in the region, with gold and silver associated with galena, sulfosalt minerals and lesser pyrite, sphalerite and chalcopyrite. There is evidence of some historical mining activity on the Candy vein, which is exposed in discontinuous outcrops for over 900 metres. The fault structure hosting the Candy vein has been traced for a distance of over 3 km. Samples of

vein outcrop and mineral dumps from the Candy vein returned significant gold, silver, copper, zinc and lead values. The second vein, Nora, is found 600 metres northeast of the Candy vein and can be traced for 230 metres with widths of over 9.0 metres. Surface samples from this vein returned anomalous silver values associated with trace sulphides, with a geochemical signature typical of the higher levels of epithermal vein systems in the region. The 2020 drill program was the first drilling at the Nora project and returned encouraging intercepts with high gold, silver and copper values from the Candy vein.

Systematic grid soil sampling over an area of 3 km by 2 km covering the Candy and Nora veins and projected extensions, showed elevated silver, base metal (copper, lead and zinc) and pathfinder (antimony and arsenic) values. The combination of the vein outcrops with large areas of anomalous silver and base metal values in soil samples may indicate additional concealed mineral systems. Other major deposits in the region include SSR Mining's La Pitarrilla deposit located 50 km east of the Nora project.

The technical information herein has been reviewed and approved by Robert Brown (P. Eng.), a Qualified Person as defined by National Instrument 43-101. Mr. Brown 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.

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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.

Fig. 1: Canasil Nora Project, Candy Vein Long Section - 2020 and 2021 Drill Intercepts

