Canasil Signs Option Agreement with La Cuesta International to Acquire 100% Interest in Candelaria Silver-Gold-Copper Claims

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Vancouver, January 21, 2011 - Canasil Resources Inc. (Canasil, TSX-V: CLZ) announces that the Company has finalized an option agreement with La Cuesta International Inc. (LCI) providing for Canasil to acquire 100% interest in LCI's Candelaria Silver-Gold-Copper claims in northern Durango State, Mexico. Canasil will pay LCI $30,000 and issue 200,000 stock options at $0.35, followed by semi-annual lease/option payments starting on November 27, 2011, at $5,000 and increasing by November 27, 2014, to a maximum of $20,000. These payments will be credited towards a 1% Net Smelter Return production royalty on the Candelaria claims, which is capped at a total of $3,000,000 for buy-out of 100% interest in the claims.

LCI"s Candelaria claims cover 7,192 hectares, surrounding Canasil's 608 hectare Nora project claims in the El Oro district of the Guanacevi and Inde municipalities, which is a highly productive silver-gold mining district. The project hosts the historic Candelaria mine with two vein outcrops over a strike length of 750 metres. The veins can be traced at surface over a distance of 3 kilometres. Twenty test samples from the veins and shallow underground workings have returned encouraging silver, gold, copper, lead and zinc grades. The sample with the highest precious metal content from the Candelaria vein (No. 2503) assayed 1.98 g/t gold, 514 g/t silver, 1.03% copper, 4.45% lead and 3.28% zinc over 1.0 metre. The geologic environment and structures observed in the project area indicate the potential for a large mineralized system.

This agreement adds another major strategically located project to Canasil's strong silver-gold project portfolio on the highly prospective silver-gold belt in Durango State, Mexico. Bahman Yamini, President of Canasil commented: "Following the option and joint venture agreements with MAG Silver and Pan American Silver on three of our key projects in Durango and Zacatecas States, Mexico, Canasil is actively pursuing opportunities to acquire other high potential projects. We are very pleased with this agreement with LCI, which expands the area covered by our Nora project to 7,800 hectares, with the potential for discovery of a large silver-gold-copper mineralized system".

The principals of LCI are Perry Durning and Bud Hillemeyer, who were awarded the 2010 Thayer Lindsley Award for International Discoveries at the Prospectors and Developers Association of Canada convention, in Toronto. They have been responsible for a number of major discoveries in the Durango-Zacatecas silver-gold belt, including the La Pitarrilla and St. Agustin deposits of Silver Standard Resources, and the Camino Rojo deposit of Canplats Resources, which was bought by Goldcorp in February 2010 in a transaction valued at over $300 million. They have been recognized for their prospecting and geological modeling skills and experience, successfully identifying projects with potential for hosting large silver and gold mineralized systems.

Preliminary geological mapping and systematic surface sampling data provided by LCI indicates a favourable geologic setting with geochemical signatures over an area of six square kilometres. In LCI's opinion, the project has the potential to host large-scale disseminated mineralization as well as the high-grade silver-gold-copper mineralization observed in the epithermal veins.

About Canasil:

Canasil is a Canadian mineral exploration company with interests in precious and base metal projects in Durango, Sinaloa 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. The Company is actively engaged in the exploration of its mineral properties.

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