

CANASIL RESOURCES INC.

[CLZ-V] 7,724,842 SHS.

BC ASSAYS RECEIVED - Paul J. Weishaupt, president of Canasil Resources Inc. reports the 1996 exploration program consisting of diamond drilling on the Brenda property and trenching and channel sampling on the Granite property has been completed.

The 1996 exploration program on the Brenda property, located 28 km north of the Kemess South gold-copper porphyry deposit and 200 km north of Smithers under development by Royal Oak Mines, consisted of diamond drilling to investigate further the mineralization in the White Pass and East Creek zones. Regional geology, geophysical and geochemical surveys and drilling to date have indicated this area may host a potential gold-copper porphyry deposit. Seven drill holes for 706.83 metres were completed.

Holes 96-02 (131.97 metres), 96-03 (75.89 metres), 96-04 (41.75 metres), 96-05 (146.60 metres), 96-06 (80.16 metres) and 96-07 (99.66 metres) were drilled in the White Pass zone with the results printed overleaf P.3. The objective of the drill program was to determine two sectional profiles of the porphyry gold-copper mineralization previously encountered, and to test further the average grades of gold, copper and silver occurring in this zone. The mineralization identified on section 10550N has a width of 58.0 metres (between DD93-03 and DD96-04) and depth of 65.0 metres (DD93-03). Drilling on section 10500N confirmed gold and copper bearing mineralization to a depth of 121 metres (DD96-02).

Over these two sections, located in the centre of a geochemically anomalous zone about 900 metres in length and 200 metres wide, the average grade found in 261 metres of drill core recovered from six drill holes on section 10550N and 152.7 metres of drill core from three drill holes on section 10500N compare favourably with average grades of proven porphyry mineralization found in the Kemess South, Kemess North and Pine deposits:

AVERAGE GRADES:	GOLD GR/T	COPPER %	SILVER GR/T
BRENDA, White Pass zone			
Section 10550N	0.71	0.14	2.92
Section 10500N	.74	.11	2.97
Kemess South	.63	.23	
Kemess North	.37	.18	
Pine	.57	.15	

Three deep intersections of porphyry mineralization have been found consistently in past drill holes (93-01, 93-02 and 93-04) at vertical depths of about 250 to 280 metres below known anomalous gold outcrops located 300 to 400 metres east of these intersections. The best intersection occurred at a depth of 234 to 266 metres for a length of 32 metres carrying 0.62 grams gold/tonne and 0.116% copper. These indicate the possibility for another system of gold-copper bearing mineralization lying parallel to the current zone being investigated and significantly increasing the potential volume of deposits on this property.

Hole 96-01 (130.75 metres) was drilled along Jock Creek, two km east of the White Pass zone, to explore a strong IP anomaly. The hole intersected 121.5 metres of pyrite mineralization with anomalous copper and gold values. The best section, 7.5 metres in length, intersected 0.58 grams gold/tonne and 0.11% copper. The extensive mineralization encountered confirms this area is a further potential gold bearing porphyry warranting further exploration.

The 1996 exploration program on the Granite property consisted of further trenching and channel sampling to test possible grades and extent of previously identified gold-silver anomalous zones. The property is located about 200 km northeast of Smithers and 80 km east of Williston Lake. The property is host to a gold-

silver anomalous structure which outcrops in two areas, an eastern zone (Zone 1) and a western zone (Zone 2) separated by 350 metres. A third zone (Zone 3) is 250 metres up slope from Zone 2, and could be part of the same structure.

Zone 2 has a confirmed strike length of at least 240 metres in an east-west direction. The relationship between the eastern and western zones is still unknown. If these zones connect at depth, the strike length of the shear hosted gold-silver deposit becomes at least 600 metres. Results of the sampling program over the three shear zones are printed overleaf P.3. Canasil is of the view the above sample results indicate potential for an economic shear hosted gold-silver deposit on the Granite property.

The company plans to raise funds for an exploration and diamond drilling program on the two properties. (SEE GCNL NO.158, 15Aug96, P.2 FOR PREVIOUS PROJECT REVIEWS)

94C 9
P. 1 of 2

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CANASIL RESOURCES INC.

BRENDA PROPERTY
200 KM NORTH OF SMITHERS
NORTH-CENTRAL BC

Hole	From m	To m	Width m	Gold gpt	Copper %	Silver gpt
96-02	5.18	72.23	67.05	0.74	0.10	2.40
incl.	41.75	72.23	30.48	0.61	0.18	2.00
	83.51	121.00	37.49	0.51	0.10	1.50
96-03	15.54	41.75	26.21	0.92	0.10	2.25
	47.85	75.89	28.04	0.45	0.18	2.90
96-04	13.10	41.75	28.65	Pyrite mineralization only		
96-05	117.65	120.39	2.74	1.14	0.12	4.30
96-06	10.97	33.73	22.76	0.46	0.06	3.45
96-07	7.30	69.80	62.50	0.84	0.14	3.40
incl.	22.30	69.80	47.50	0.93	0.17	3.50

GRANITE PROPERTY
200 KM NORTHEAST OF SMITHERS
NORTH-CENTRAL BC

Shear zone	Trench	Width - m	Gold - gpt	Silver - gpt
1	1	3.50	6.11	19.87
1	2	3.00	9.44	43.10
1	3	7.30	6.77	-
1	1940 Adit	12.00	6.80	-
2	1	5.00	6.05	-
2	DDH 95-02	3.00	8.90	28.40
		6.10	1.21	4.20
2	DDH 95-02 av.	9.10	3.36	12.18
2	Grab sample	1.00	10.22	274.60
2	Grab sample	1.00	16.99	492.00
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3	1	5.00	3.80	23.00
3	2	11.00	1.82	-

P. 2052
94C9