

Form 45-106F6
British Columbia Report of Exempt Distribution

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution in British Columbia.

Issuer/underwriter information

Item 1. Issuer/underwriter name and contact information

A. State the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed, the issuer's website address and the address and telephone number and email address of the issuer's head office.

Canasil Resources Inc.

Name of Issuer (include former name if name has changed since last report filed)

www.canasil.com

Issuer's website address

#750, 625 Howe Street, Vancouver, BC V6C 2T6

Issuer's Address

604. 708-3788

Telephone number

admin@canasil.com

E-Mail Address

B. If an underwriter is completing this report, state the full name of the underwriter, the underwriter's website address and the address, telephone number and email address of the underwriter's head office.

Item 2. Reporting Issuer Status

A. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The Issuer is a reporting issuer in the provinces of British Columbia and Alberta.

Item 3. Issuer's Industry

Indicate the industry of the issuer by checking the appropriate box below.

☐ Bio-tech

Financial Services

☐ Investment companies and funds

☐ Mortgage investment companies

☐ Forestry

☐ Hi-tech

☐ Industrial

Mining

☒ exploration/development

☐ production

☐ Oil and gas

☐ Real estate

☐ Utilities

☐ Other (describe)

Item 4. Insiders and promoters of non-reporting issuers

If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter.

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of the voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
N/A			

Details of Distribution

Item 5. Distribution Date

State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

February 20, 2012

Item 6. Number and type of securities

For each security distributed:

- describe the type of security,

Units

- state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

3,000,000 Units at a price of \$0.225 per Unit. Each Unit is comprised of one common share and one-half share purchase warrant, each whole warrant entitles the holder thereof to purchase one additional common share of the Issuer for a period of 12 months from the date of issuance at a price of \$0.35 per share.

- If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.

N/A

Item 7. Geographical information about purchasers

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	12	\$0.225	\$192,375.00
Switzerland	2	\$0.225	\$150,750.00
Malta	1	\$0.225	\$50,625.00
Mexico	1	\$0.225	\$225,000.00
Ontario	1	\$0.225	\$11,250.00
United States of America	3	\$0.225	\$45,000.00
Total number of Purchasers	20		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$675,000.00

Note 1: If securities are issued at different prices list the highest and lowest price for which the securities were sold.

Item 8. Information about purchasers

Instructions

A. If the issuer is an investment funds managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

B. Information about the purchasers of securities under the distribution is required to be disclosed in different tables in this report. Complete

- The following table for each purchaser that is not an individual, and
- The tables in Schedules I and II of this report for each purchaser who is an individual.

Do not include in the tables information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report.

C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) of National Instrument 45-106 *Prospectus and Registration exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Essec Enterprises Ltd. Attention: Shahryar Yamini 548 Keith Road West Vancouver, BC V7T 1L7 Telephone: 604-922 9211		150,000 Units*	\$33,750	NI 45-106 s.2.5	2012-02-20

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Greenshields Services Ltd. Attention: Jacques Bally 40 Rue des Jordils 1025 Saint Sulpice, Switzerland Telephone: 41-79 5493103		445,000 Units*	\$100,125	NI 45-106 s.2.3	2012-02-20
HSBC Bank Malta PLC As Custodian Of The Sierra Madre Gold and Silver Venture Capital Fund PLC Attention: Stephen Spiteri Custody Unit, 80 Mill Street QORMI, QRM 3101 MALTA Telephone: 604-630 1399		225,000 Units*	\$50,625	NI 45-106 s.2.3	2012-02-20
A.B. Korelin & Associates Inc. Defined Benefit Pension Plan Attention: A. Korelin 5650 Sanderling Way Blaine, WA 98230 USA Telephone: 360-392 0493		100,000 Units*	\$22,500	NI 45-106 s.2.3	2012-02-20
Malcolm Gissen/Judith Cohen Trust Attention: Malcolm Gissen, Trustee #335 - 1700 California Street San Francisco, CA 94109 USA Telephone: 415-749 6565		50,000 Units*	\$11,250	NI 45-106 s.2.3	2012-02-20

NI = National Instrument

* Each Unit is comprised of one common share and one-half of one share purchase warrant, where each whole warrant entitles the holder to purchase one additional common share of the Issuer for a period of 12 months from the date of issuance, at a price of \$0.35 per share. The Units were sold at \$0.225 each.

Commissions and finder's fees

Item 9. Commissions and Finder's Fees

Instructions

A. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

B. If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities,

including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Pi Financial Corp. Vancouver, BC	R	\$6,142.50				\$6,142.50
Dundee Securities Ltd. Vancouver, BC	R	\$1,732.50				\$1,732.50
Global Market Development San Diego, CA USA		\$11,250.00				\$11,250.00
Bally Capital Advisory SA Saint Sulpice, Switzerland		\$10,068.75				\$10,068.75

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: February 20, 2012

Canasil Resources Inc.
Name of issuer (please print)

Bahman Yamini, President, 604. 708-3788
Print name, title and telephone number of person signing

"Bahman Yamini"
Signature

Instruction

The person certifying this report must complete the information in the square brackets by deleting the in applicable word. For electronic filings, substitute a typewritten signature for a manual signature.

Item 10. Contact information

State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

Brenda Grieser, Paralegal, VECTOR Corporate Finance Lawyers, 604.683.1102

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The British Columbia Securities Commission collects and uses the personal information required under this report for the administration and enforcement of the *Securities Act*. If you have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre

701 West Georgia Street

Vancouver, British Columbia V7Y 1L2

Telephone: (604) 899-6500

Toll Free across Canada: 1-800-373-6393

Facsimile: (604) 899-6581