Canada Cobalt Drills into High-Grade Gold, Cobalt, Silver and Nickel at Castle Mine

written by Raj Shah | January 3, 2020

January 3, 2020 (Source) – Canada Cobalt Works Inc. (TSXV: CCW) (OTC: CCWOF) (Frankfurt: 4T9B) (the "Company" or "Canada Cobalt") is pleased to announce that initial assay results from multi-directional and very short underground drill holes on the western side of the Castle mine have revealed unexpected high-grade gold in addition to more high-grade cobalt, silver and nickel. This is now considered an emerging new discovery area open for considerable potential expansion with easily accessible mineralization from the first level near the adit entrance.

With Canada Cobalt soon to be vertically integrated through its pending acquisition of the only facility in the Northern Ontario Silver-Cobalt district that combines bullion pouring, bulk sampling, commercial assaying and e-waste processing, these latest results support the Company's enhanced strategic options to fully unlock the value of the 11-level Castle mine and very prospective material left in the stopes and adjacent to the mine as a result of historic production. Silver was the primary focus of previous operators who used a very high silver cut-off grade and bypassed cobalt-rich veins with less apparent silver while gold and nickel potential were ignored.

Highlights:

- **22.7** g/t Au and **1.03**% Co in drill hole C-U-19-016 from 3.3m to 3.6m within a broader 2.4-m core interval grading **5.8** g/t Au and 0.78% Co (2.4m to 4.8m, drilled upward toward the surface);
- **10.8 g/t Au** and **3.4**% Co in drill hole C-U-19-005 from 0.67m to 1m within 1.33m (0.67m to 2.0m) grading 3.7 g/t Au and 1.3% Co (drilled down into the floor, collared approximately 4m west and 4.3m south of C-U-19-016);
- **4,970** g/t Ag (**144.9** oz/ton) and 0.40% Co (1.2m to 1.8m), **1.6**% Co and **1.1**% Ni (1.8m to 2.4m) and **2.9**% Co, **3.7**% Ni and **0.89** g/t Au (4.8m to 5.4m), all in drill hole C-U-19-006 (drilled down into the floor from the same set-up as C-U-19-005 but intersecting a different part of the vein);
- **3.2**% Co, 102 g/t Ag and **3.0**% Ni from 0.9m to 1.2m in drill hole C-U-19-002 within 1.5m (0m to 1.5m) grading **1.7**% Co and **1.6**% Ni (drilled down into the floor from the same set-up as holes #5 and #6 but at a different angle);
- Cobalt mineralization was intersected in 13 out of the 16 holes included in this release with 7 of those short test holes returning intervals >1% cobalt. Cobalt grades reported from the first level of the Castle mine, previously only exploited for its native silver, are considered very high in a global context.

Matt Halliday, Canada Cobalt VP-Exploration, commented: “The presence of gold in gabbro (diabase) vein structures, open toward the surface and at depth, is extremely intriguing. Through some immediate lab work we will better understand what this gold is associated with in preparation for aggressive follow-up. Gold content bodes very well for our underground model. Also, this gives fresh impetus to our drive to find a high-grade gold system in the heavily under-explored Archean

rocks, a very favorable host for gold, adjacent to our new high-grade silver discovery at Castle East 1.9 km from Shaft #3. These are exciting times for our geological team.

“We eagerly anticipate updating shareholders with respect to the Castle East discovery where drilling is scheduled to resume Monday, January 6, with a second and larger batch of assays expected from the lab during this first half of the month,” Halliday concluded.

This news release includes highlights of significant results from the first 16 holes of 47 completed to date (228.5 meters) that have further tested parts of a large vein exposed over 80 meters on the mine’s first level, associated with at least three sub-parallel veins. Assays are core lengths (true widths unknown at this time) and show good continuity of mineralization (refer to **CanadaCobaltWorks.com** for assay table). The depth extension of this major vein has yet to be determined while other mineralized vein structures on the expansive first level (365 meters east-west and 360 meters north-south) are also a priority during this second phase of drilling to follow up on the success of the first-ever underground program in 2018. More assay results will be released after they are received, verified and interpreted.

Quality Control/Assurance

The underground drilling program and sampling protocol are being managed by geologists from GoldMinds Geoservices. Holes were drilled from eight setups using AQ diameter drill core. Samples were collected using a 0.3-meter average length, 1.5-meter maximum length. Drill core recovery averaged 95%. Two quality control samples (blank and standards) were inserted into each batch of around 20 samples. The drill core was separated into two parts using the hydraulic splitter with one half of the

split core placed in a plastic bag with the sample tag and sealed, while the second half was returned to the core box for storage on site.

All AQ core assays reported were assayed at ALS laboratory at Rouyn-Noranda by crushing 70% <2mm then pulverized to 85% passing 75 micrometers. Au, Pt and Pd determination was by fire assay on a 30-gram sample of the pulverized sample and ICP-AES. The high-grade Au samples were determined with a gravimetric finish. All samples were also analyzed for multi-elements, using an Aqua Regia digestion and ICP-AES method (Co, Ni and Ag). Ag samples returning over limit values were re-run using a gravimetric finish.

Qualified Person

The technical information in this news release was prepared under the supervision of Mr. Merouane Rachidi, Ph.D., P.Geo., (APGO, APEGNB and OGQ) of GoldMinds Geoservices, a qualified person in accordance with National Instrument 43-101.

About Canada Cobalt Works Inc.

Canada Cobalt has 100% ownership of the Castle mine and the 78 sq. km Castle Property with strong exploration upside in the prolific past producing Gowganda high-grade Silver Camp of Northern Ontario. With underground access at Castle, a pilot plant to produce cobalt-rich gravity concentrates on site, and a proprietary hydrometallurgical process known as Re-2OX for the creation of technical grade cobalt sulphate as well as nickel-manganese-cobalt (NMC) formulations, Canada Cobalt is strategically positioned to become a vertically integrated North American leader in cobalt extraction and recovery while it also exploits a powerful new silver-gold market cycle.

“Frank J. Basa”

Frank J. Basa, P. Eng.
President and Chief Executive Officer

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