Canada Silver Cobalt Announces Intercepts of up to 2.22% Cobalt in Castle East Update

written by Raj Shah | August 23, 2021

August 23, 2021 (Source) – **The excellent cobalt assays associated with high-grade silver support Canada Silver Cobalt's goal of becoming a major producer of silver with significant cobalt by-product.**

Canada Silver Cobalt Works Inc. (TSXV: CCW) (OTCQB: CCWOF) (FSE: 4T9B) (the "Company" or "Canada Silver Cobalt") is pleased to announce major high-grade cobalt assays from its Castle East discovery where the Company has completed 42,000 meters of a 60,000-meter drill program aimed at significantly increasing its 43-101 resource estimate.

With additional results returned from backlogged assay labs, the Company is now able to provide select cobalt intercepts along with previously announced silver results for the Big Silver, 17M, and 50 West zones with grades ranging up to 2.22% cobalt and 89,853 grams/tonne silver (2,621 oz/ton Ag).

Table 1: Major Cobalt Intercepts for Big Silver, 17 M, and 50 West Zones

Hole ID	Zone	From (m)	To (m)	Length (m)	Co %	Ag g/tonne
CS-20-39	**B Silver**	**557.00**	**557.76**	**0.76**	**0.62**	**36,373.76**
Including	B Silver	557.00	557.46	0.46	0.00	1,496.00
Including	B Silver	557.46	557.76	0.30	1.56	89,853.00
CS-20-39W1	**B Silver**	**531.25**	**531.55**	**0.30**	**0.94**	**65.43**
CS-20-39W2	**17 M**	**540.00**	**541.00**	**1.00**	**0.33**	**74.92**

CS-20-39W2	**B Silver**	**561.73**	**562.14**	**0.41**	**0.92**	**51,612.00**
CS-20-39W4	**17 M**	**539.45**	**540.25**	**0.80**	**0.46**	**303.00**
Including	17 M	539.45	539.85	0.40	0.92	252.00
Including	17 M	539.85	540.25	0.40	0.00	354.00
CS-20-39W4	**B Silver**	**550.60**	**551.90**	**1.30**	**0.72**	**19,308.11**
Including	B Silver	550.60	551.08	0.48	0.00	2,097.00
Including	B Silver	551.08	551.50	0.42	2.22	53,739.00
Including	B Silver	551.50	551.90	0.40	0.00	3,809.00
CS-20-39W5	**17 M**	**500.30**	**500.60**	**0.30**	**0.44**	**11.30**
CS-21-50	**50 W**	**528.00**	**529.00**	**1.00**	**0.21**	**<10.00**
CS-21-50	**50 W**	**548.43**	**548.87**	**0.44**	**0.38**	**2,208.00**

These reported zones are separate from the Robinson Zone which was the basis of the existing May 2020 resource estimate. The Big Silver and 17M Zones are two different structures believed to be subparallel and are north to north-east trending with the Big Silver discovery hole CS-20-39 intercept located 60m south-east from the Robinson Zone discovery hole CA-11-08. The 50 West vein is another separate structure located 650m west of the Robinson Zone discovery hole CA-11-08.

“With the recent drilling, we have been seeing spectacular silver hits, notably as much as 89,853 g/t silver (almost 9% silver). However, this drill program has been very fruitful on the cobalt side as well. The cobalt grades we have been getting with Big Silver are even higher than our first resource released in May 2020. We believe that cobalt will remain a critical mineral in the future because of its role in creating high-range EV batteries, and we are in the process of ramping up our activities to capitalize on cobalt and our proprietary Re-2Ox extraction process in the coming years,” said Matt Halliday,

P.Geo., President, and COO.

Cobalt Activities

Cobalt demand has increased in recent years due to its use in batteries for the expanding electric vehicle sector. Research firm Roskill in a recent report forecast cobalt demand to grow at a compound annual growth rate (CAGR) of 7% in the period to 2030 – underpinned by the uptake of EVs globally and healthy medium-term demand from portable electronics amid the roll-out of 5G technology (Cobalt: Roskill's keynote speech at the 2021 Cobalt Conference – Roskill).

The Company's Castle Mine property, which is located within the high-grade cobalt embayment area surrounding the Town of Cobalt, Ontario, puts it in a prime position to capitalize on this trend. In 2018, bench-scale testing at SGS Canada showed that the Company's proprietary, closed-loop hydrometallurgical Re-2Ox extraction process can produce premium-grade cobalt sulphate (22.6% cobalt sulphate hexahydrate) that meets industry specifications for EV batteries. The process is environmentally compliant and does not need to use a smelting process that is commonly used by cobalt producers and battery recyclers. The Re-2Ox testing, using concentrate from the Castle Mine, demonstrated cobalt, nickel and manganese recoveries of 99%, 81%, and 84% respectively, in addition to removing 99% of the arsenic (news releases May 31 and August 15, 2018).

The Company is continuing with optimization testing of the Re-2Ox process for mined material and recycled batteries and to determine whether it can be used for rare earth extraction. In addition, work is underway at SGS Canada for the design and construction of a Re-2Ox pilot plant. The Company expects that the Re-2Ox process will be an integral part of its production of cobalt and other base metals for the expanding cobalt market.

Resource Update

Ongoing drilling in the Castle East area is geared toward identifying new veins to enable a significant expansion to the existing resource. The program has been very successful as drilling has discovered a total of seven new high-grade silver vein systems including Big Silver, which is even higher-grade than the original discovery Robinson Zone. These seven new vein systems, along with any new ones discovered during the remaining 18,000 meters of the drill program, will help expand the resource estimate that is scheduled for Q1 2022.

The Company's maiden Resource Estimate (reported in a news release May 28, 2020) identified two panels of what we call the "Robinson Zone" that contains an average silver grade of **8,582 g/t** (**250 oz/ton**) in a combined 27,400 tonnes of material for a total of **7.56 million Inferred ounces** of silver. This is using a cut-off grade of 258 g/t AgEq. Please note that mineral resources that are not mineral reserves do not have demonstrated economic viability. Report reference: Rachidi, M. 2020, *NI 43-101 Technical Report Mineral Resource Estimate for Castle East, Robinson Zone, Ontario, Canada*, with an effective date of May 28, 2020 and a signature date of July 13, 2020.

Location

The Castle Property is situated near the town of Gowganda, within the prolific Silver-Cobalt mining district (also known as the Cobalt Camp) in Ontario, Canada. The property is located 15 km east of Aris Gold Corp's Juby gold deposit, 30 km due south of Alamos Gold's Young-Davidson mine, 75 km southwest of Kirkland Lake Gold's Macassa Complex, and 100 km southeast of new gold discoveries in the Timmins West area.

Qualified Person

The technical information in this news release was prepared under the supervision of Mr. Matthew Halliday, P.Geo., (PGO) VP Exploration of Canada Silver Cobalt Works Inc., a qualified person in accordance with National Instrument 43-101.

About Canada Silver Cobalt Works Inc.

Canada Silver Cobalt Works Inc. recently discovered a major high-grade silver vein system at Castle East located 1.5 km from its 100%-owned, past-producing Castle Mine near Gowganda in the prolific and world-class silver-cobalt mining district of Northern Ontario. This discovery has the highest silver resource grade in the world, with recent drill intercepts of up to 89,853 grams/tonne silver (2,621 oz/ton Ag). A drill program is underway to expand the size of the deposit with an update to the resource estimate scheduled for Q1 2022.

In May 2020, based on a small initial drill program, the Company published the region's first 43-101 resource estimate that contained a total of 7.56 million ounces of silver in Inferred resources, comprising very high-grade silver (8,582 grams per tonne un-cut or 250.2 oz/ton) in 27,400 tonnes of material from two sections (1A and 1B) of the Castle East Robinson Zone, beginning at a vertical depth of approximately 400 meters. Note that mineral resources that are not mineral reserves do not have demonstrated economic viability. Please refer to Canada Silver Cobalt Works Press Release May 28, 2020, for the resource estimate. Report reference: Rachidi, M. 2020, NI 43-101 Technical Report Mineral Resource Estimate for Castle East, Robinson Zone, Ontario, Canada, with an effective date of May 28, 2020, and a signature date of July 13, 2020.

Canada Silver Cobalt's flagship silver-cobalt Castle mine and 78 sq. km Castle Property feature strong exploration upside for silver, cobalt, nickel, gold, and copper. With underground

access at the fully owned Castle Mine, an exceptional high-grade silver discovery at Castle East, a pilot plant to produce cobalt-rich gravity concentrates on site, a processing facility (TTL Laboratories) in the town of Cobalt, 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 Silver Cobalt is strategically positioned to become a Canadian leader in the silver-cobalt space.

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