Canada Silver Cobalt Repurchases Back-in Option From Granada Gold Mine

written by Raj Shah | July 3, 2020

July 2, 2020 (Source) – Canada Silver Cobalt Works Inc. (TSXV: CCW) (OTC: CCWOF) (Frankfurt: 4T9B) ("Canada Silver Cobalt") has entered into a Purchase and Sale Agreement with Granada Gold Mine Inc. (TSXV: GGM) ("Granada Gold") pursuant to which Canada Silver Cobalt will repurchase from Granada Gold a back-in option on five mining leases at Castle East, forming part of the Castle mine property near Gowganda, Ontario.

In payment, Canada Silver Cobalt will issue 2,941,000 common shares to Granada Gold at a deemed price of $0.51 per share, for total deemed consideration of approximately $1,500,000. Each of the shares will be accompanied by one common share purchase warrant. Each warrant will entitle GGM to acquire one additional common share of Canada Silver Cobalt for $0.55 for a period of five years.

This Purchase and Sale Agreement was completed in order to accelerate development of the Castle mine property (refer to June 30, 2020, CCW news release). In 2017 Canada Silver Cobalt acquired Granada Gold's 50% interest in the five mining leases to hold a 100% interest in the property which now encompasses 78 sq. km. Canada Silver Cobalt acquired the 50% interest in the five mining leases in lieu of a $500,000 debt which Granada Gold owed to it. As part of the 2017 transaction, Granada Gold retained a back-in option to repurchase the 50% interest in the five mining leases for $500,000.

Closing of the transaction is expected to take place within the

coming days. The shares and warrants issued by Canada Silver Cobalt at closing will be subject to a four-month hold period under applicable securities regulations and the policies of the TSX Venture Exchange.

About Canada Silver Cobalt Works Inc.

Canada Silver Cobalt's flagship Castle mine and 78 sq. km Castle Property features strong exploration upside for silver, cobalt, nickel, gold and copper in the prolific past producing Gowganda high-grade Silver-Cobalt District of Northern Ontario. With an important new discovery at Castle East, underground access at the Castle mine, a processing facility (TTL Laboratories) in the nearby town of Cobalt, a proprietary hydrometallurgical process known as Re-2OX, and the Beaver and Violet properties, CCW is strategically positioned to become a Canadian leader in the silver-cobalt space.

"Frank J. Basa"
Frank J. Basa, P. Eng.
Chief Executive Officer

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