Canada Silver Cobalt Resumes Drilling at Castle East High-Grade Silver Discovery

written by Raj Shah | May 29, 2020



May 29, 2020 (Source) – Canada Silver Cobalt Works Inc. (TSXV: CCW) (OTC: CCWOF) (Frankfurt: 4T9B) (the "Company" or "Canada Silver Cobalt") is pleased to announce a major reinterpretation of the Gowganda Silver Camp as a new round of diamond drilling begins (Phase 2) at the Castle East high-grade silver discovery, open in all directions.

Highlights:

- Diamond drilling aims to build and upgrade the maiden Inferred mineral resource (see May 28, 2020 news release) that includes **7.56** million ounces of silver in zones 1A and 1B of the Robinson Zone (27,400 tonnes @ **8,582 g/t Ag** or **250 oz/ton** at an average cut-off grade of **258** g/t AgEq);
- Only a fraction of Castle East has been drill-tested. Historically, the area received little exploration attention due to extremely limited diabase outcrop (unlike the western side of the Camp);
- The past producing Castle, Capitol and O'Brien mines, all within a 2-km radius of the Robinson Zone, are interpreted to comprise a large silver-rich system of abundant vein networks that follow the dip of the diabase toward Castle East in the heart of the Miller Lake Basin;
- Very high-grade silver extends more to depth in the

Gowganda Camp (toward/near the lower contact) than previously recognized;

- Sub-horizontal and sub-vertical fault structures are key controls on mineralization and they extend throughout the Gowganda Camp;
- The Nipissing diabase, the primary host of very high-grade silver mineralization in the Gowganda Camp, is now known to thicken in a higher temperature system at Castle East;
- Total volume of the diabase at Castle East is estimated to range from **970 million** to **1.45 billion** cubic meters, vs. an estimated **69** million cubic meters for the Castle mine. The extent of actual mineralized diabase at Castle East is still unknown, and it is too early in the exploration stage to determine potential quantity and grade of the broader Castle East exploration target.

Matt Halliday, VP-Exploration, commented: “We’re excited to continue drilling numerous remaining exploration targets. We’re seeing some phenomenal grades at Castle East, consistent with historical discoveries in the broader district going back to the early 1900’s. We see strong potential to expand and upgrade the known Inferred resource estimate, including higher up in the diabase, given the multiple targets we have.

“Importantly, such a high concentration of metal in zones 1A and 1B of the Robinson Zone provides a bull’s eye target for a ramp strategy aimed at accessing these pods of extremely high-grade material while also creating underground exploration platforms that can efficiently follow the vein structures,” Halliday added. “That’s how Agnico Eagle (Castle mine) and others succeeded in this district – they went straight to the accumulations of native silver. We will incorporate that strategy while also taking advantage of new technology to ensure that Canada Silver Cobalt’s exploration toolbox is the most modern and effective in the Camp.”

Vision For Castle East

Canada Silver Cobalt has launched the permitting process, under Ontario's "Advanced Exploration Permit" structure, to construct a ramp to the rich Robinson Zone which will also provide underground exploration platforms to greatly enhance new discovery opportunities targeting both high-grade silver and the new gold zone (refer to March 2, 2020, news release) located within Archean rocks overlying the diabase several hundred meters southwest of the Robinson Zone. This streamlined process, which doesn't require any federal approvals, includes environmental baseline studies for air and water permits in addition to a closure plan for Castle East. CCW has already met with Ministry officials and has engaged a leading engineering firm to help spearhead the process.

District Model

The deposit model and history of the Gowganda Camp, and the broader Northern Ontario Silver-Cobalt District which officially produced nearly half a billion ounces of silver last century, show that unusually rich, narrow vein shoots (generally half an inch to six inches in true width and, in rare cases, up to approximately 12 inches in true width) can extend for tens or even hundreds of meters (pinching and swelling, moving in and out of very high-grade mineralization). These veins may be surrounded by strongly mineralized wall rock and they're often within a network of closely spaced parallel veins and veinlets in addition to silver-filled fractures.

Phase 2 Drilling

The current program is designed to test the vertical extension of the mineralized zones to surface and to increase quantity and confidence of the mineral resources. Phase 2 will also include follow-up on a new high-grade vein discovery (CS-20-22)

approximately 95 meters below the Robinson Zone in the lower half of the Nipissing diabase near the contact with the Archean volcanics. CS-20-22 is interpreted to have intersected a second potential major vein structure with an assay of **8,338.41** g/t Ag or **243** oz/ton over 0.35 meters (true width estimated at 50% to 70%). This native silver vein, discovered at a vertical depth of approximately 500 meters, does not form part of the maiden Inferred resource for Castle East released May 28, 2020.

Significantly, vein intersections at Castle East exist in both the upper and lower parts of the Nipissing diabase contact with the Archean volcanics, greatly enhancing the deposit potential of the area with implications for the broader Camp where historic production was predominantly on the upper half of the diabase. Geologists are also exploring the possibility that rich silver veins at Castle East could potentially extend into rock packages outside of the diabase.

Investors are cautioned that mineral resources which are not mineral Reserves do not have demonstrated economic viability.

Property Map

Visit the Canada Silver Cobalt website at **www.CanadaSilverCobaltWorks.com** for an updated Castle Property Map, or click on the following link:

https://www.canadacobaltworks.com/projects/maps/

Location

The Castle Property is 15 km east of Pan American Silver'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, 80 km west of CCW's Temiskaming Testing Lab/processing facility in the town of Cobalt, and 100 km

southeast of new gold discoveries in the Timmins West area.

Quality Assurance/Quality Control

Castle East core samples were collected using a 0.3-meter minimum length and a 1-meter maximum length. Drill core recovery averaged 95%. Two quality control samples (blank and standards) were inserted into each batch of 20 samples. The drill core was sawn with one half of the sawn 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. For the high-grade intercepts, only one-quarter of the core has been sent for assaying to Swastika Laboratories in Swastika, Ontario. Where silver was visually and significantly present, a pulp-metallic analysis was requested for the silver and gold assays where the entire sample is dried, weighed and crushed over 95% then fully pulverized and passed through 200-mesh screen to create a plus 200-mesh fraction (metallics) and a minus 200-mesh fraction (pulp). The minus 200-mesh fraction (fines) was run using geochemical analysis with AA finish for Ag, Au, Cu, Ni, and Co. The entire +200 mesh (coarse) fraction was analyzed using gravimetric processes (fire assay) for both Ag and Au to provide a weighted average assay for the entire sample.

Swastika Laboratories is an ISO 17025 certified lab independent of Canada Cobalt.

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 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 District of Northern Ontario. With underground access at Castle, 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.

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

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