Canada Silver Cobalt Retains SGS for Re-2OX Pilot Plant for Battery Metals Production

written by Raj Shah | January 16, 2021

January 15, 2021 (Source) – Canada Silver Cobalt Works Inc. (TSXV: CCW) (OTCQB: CCWOF) (Frankfurt: 4T9B) (the "Company" or "Canada Silver Cobalt") is pleased to announce it has signed an agreement with SGS Canada Inc. to proceed with the Re-2OX pilot plant. This critical step will allow the Company to accelerate the production of client-specific battery metals for the North American electric vehicle (EV) market, a key strategy for the Company.

Highlights of SGS Work

- Bench-scale optimization program
- Pilot plant flowsheet design
- Stage 1 Pilot plant, build and operate at Lakefield, Ontario

In 2018 SGS Lakefield used the environmentally friendly Re-2OX process to recover 99% of the cobalt and 81% of the nickel from a composite of gravity concentrates while also removing 99% of the arsenic, a long-time issue in this cobalt-rich Cobalt Camp. The gravity concentrates graded 9.25% cobalt, 5.65% nickel, 49.9% arsenic and 9,250 g/t silver. The Re-2OX process was used at SGS to produce a technical grade cobalt sulphate hexahydrate at 22.6%, directly from cobalt-rich gravity concentrates produced from the first level of the Castle mine. The 22.6% cobalt sulphate compound exceeded the specifications required by

battery manufacturers at that time.

The plan calls for SGS to design and build the Stage 1 pilot plant at Lakefield, Ontario. Feed material for this test work will come from the underground at the Castle mine, the high-grade silver discovery Robinson Zone, Beaver and Castle tailings, recycled batteries, and from newly acquired properties.

Temiskaming Testing Laboratories (TTL) is an analytical facility the Company acquired in 2020 and, as a prominent Silver-Cobalt explorer in the region, we are taking all the necessary steps to become a producer of both silver and battery metals for the EV market, while fully developing all of our assets. Feed material will be North American, with production specifically designed for the North American EV market.

Management sees the Re-2OX pilot plant as a long-term strategic advantage that will facilitate the production of battery metals for the EV market for many years. More importantly, production can be certified as ethically sourced within stringent Canadian environmental standards and traceable verification of a closed-loop supply chain that will ensure this product is highly sought-after and could even possibly garner a premium due to source verification. The cobalt ore will come from the Cobalt region including from the Castle property currently being aggressively drilled for high-grade silver and battery metals.

Frank Basa, CEO and Director commented, “back in the day, in the Cobalt Camp, the approach was simple; they followed the high-grade silver veins and discarded all the other material which was in fact battery metals that graded over 10 percent cobalt equivalent in base metals. The economics of harvesting both the base metals and silver, then adding value by processing it into premium EV battery metals will provide the Company with two

solid income streams and we are excited for the future as the High-Grade and Technology Leader in Canada's Silver Cobalt Heartland."

The Company has also retained the services of ONSite Labs as an independent contract operator of the TTL facility. ONSite are commercial analytical lab operators. Over the next four months, ONSite Labs will process samples to prove the ability to produce viable data with the highest standards of quality control. It is anticipated that the lab will be fully operational and open for business by the summer of 2021. CEO Frank Basa notes that "adding ONSite is a huge plus and turn-around times should be much shorter than what we have been experiencing. The key here is that although they will be operating in TTL, they will be independent which allows us to use their services in an arms-length relationship."

Although electric vehicles have been increasingly in the news and can been seen on the roads with increasing regularity, the reality is that the EV megatrend is just starting. Each month another country, state, province or jurisdiction goes on record stating the date after which it will no longer permit the sale of combustion engine powered vehicles. EV industry analysts have noted that once the price for a new electric vehicle is equal to a new gas-powered vehicle, adoption will go fully mainstream and demand will go vertical. The main source of power for EV's continues to be Lithium-Ion batteries where cobalt's role in the chemistry ensures stability and enhances range.

Cobalt is a strategic metal due to its wide range of applications aside from battery technology which includes medical devices but is also important in defence and military applications. North America is in dire need of a secure supply, especially the United States. This deficiency and unintended reliance on external sources fully came to light when,

on January 9, 2020, a joint press release between the United States and Canada was issued titled “Canada and the U.S. Finalize Joint Action Plan on Critical Metals Collaboration”. There are other battery metals that will also be in demand such as nickel and manganese, so the Company has been staking additional properties that have the potential for these and other battery metals. Several properties have either been acquired or staked mainly in Quebec with the goal of creating a portfolio of properties.

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, 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., (APGO) President 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 released the first-ever resource in the Gowganda Camp and greater Cobalt Camp. In May 2020. 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 Robinson Zone beginning at a vertical depth of approximately 400 meters. The discovery remains open in all directions (1A and 1B are approximately 800 meters from the east-trending Capitol Mine workings) (mineral resources that are

not mineral reserves do not have demonstrated economic viability) (refer to Canada Silver Cobalt Works Press Release May 28, 2020. 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 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.
Chief Executive Officer

 This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such

statements.