

Canada Silver Cobalt Works' New Gold Property Now Totals 810 Hectares with 610 Hectare Acquisition

written by Raj Shah | August 30, 2021

August 30, 2021 ([Source](#)) – A second property acquisition in the Eby-Otto Township increases the Company's land package to 810 hectares of prospective land south-west of Kirkland Lake Gold's Macassa Mine and is located within the most prolific gold-bearing area in Northern Ontario.

Canada Silver Cobalt Works Inc. (TSXV:CCW) (OTC:CCWOF) (Frankfurt:4T9B) (the "Company" or "Canada Silver Cobalt") is pleased to announce that it has entered into an Option Agreement dated August 15, 2021, to acquire the 610 hectares, known as the "Tinney" property (the "Property") from a group of highly renowned prospectors ("Claim Holders").

Acquisition Highlights:

- Property lies within the Abitibi Greenstone Belt in the prolific Kirkland Lake district and is located approximately 7 km south-west of the high-grade Macassa Gold Mine currently operated by Kirkland Lake Gold.
- In addition, the 610 hectares included in this acquisition are adjacent to the 200 hectares recently optioned on August 3, 2021, from geologist Doug Robinson and partners. This increases the total area of the land package four-fold to a grand total of 810 hectares.
- The acquisition provides further expansion of the Company's precious metals portfolio into the well-

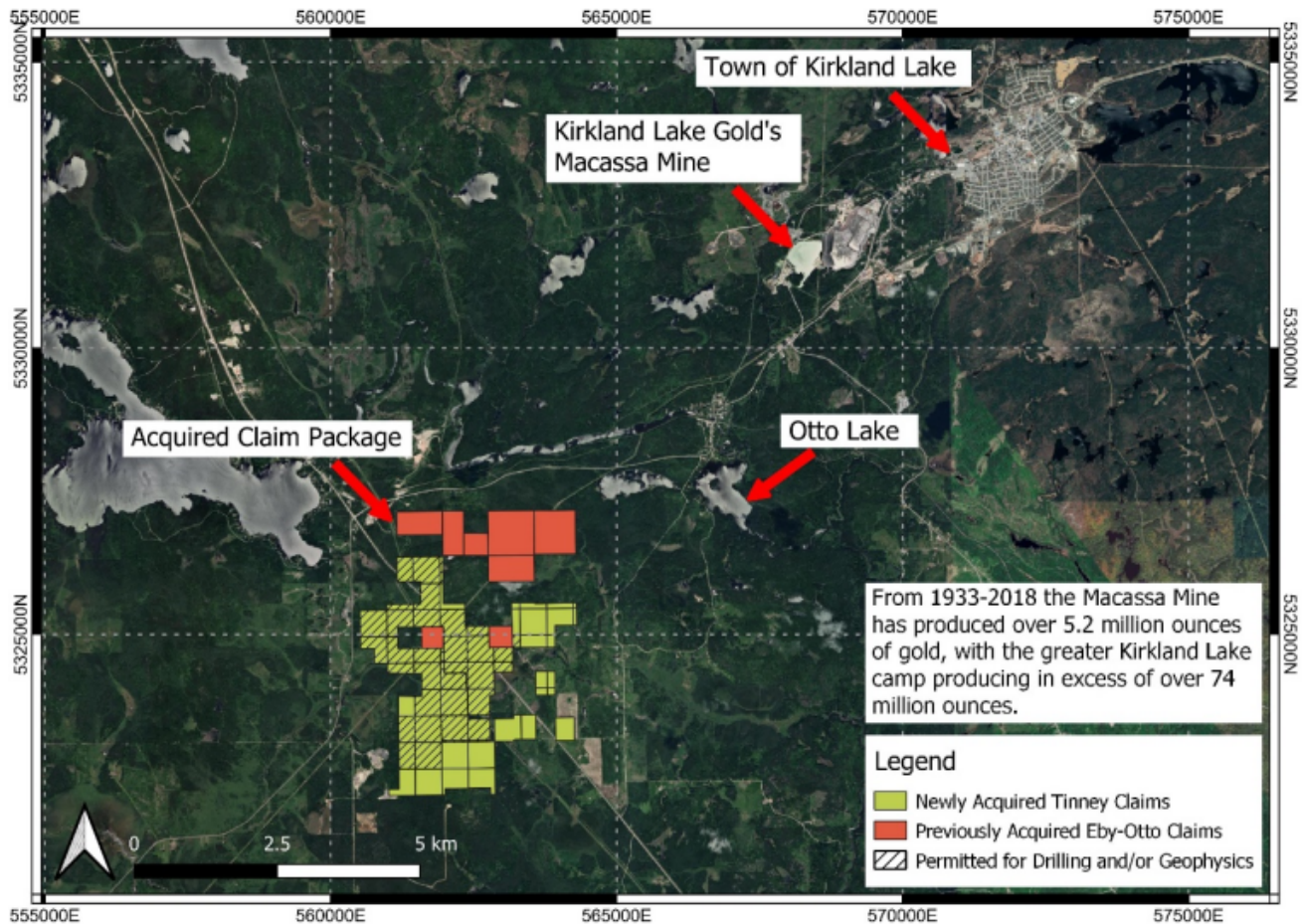
established Kirkland Lake Gold camp located on the prolific Larder Lake-Cadillac Break.

- Select claims have valid exploration permits that will allow a combination of mechanized drilling and/or surface geophysics (shown on Figure 1 and Figure 2). A well-organized exploration plan is currently being developed for the 2022 field season which may include geological mapping, the stripping of outcrops, and channel sampling. Results of this field season will dictate the drill program to follow on the property.

Company President, Matt Halliday, P.Geo. stated "These new gold properties have our geologists very excited about the 2022 field season. There are multiple geological features that are of extreme interest including three major fault structures: the Larder Lake Cadillac Deformation Zone (also referred to as Break or Fault Zone) 1km to the north, the Amikougami Creek Fault 5km to the east, and over 2km of the Eby-Otto Fault trending north-easterly through the property. The property is permit ready, we just need to put in the work."

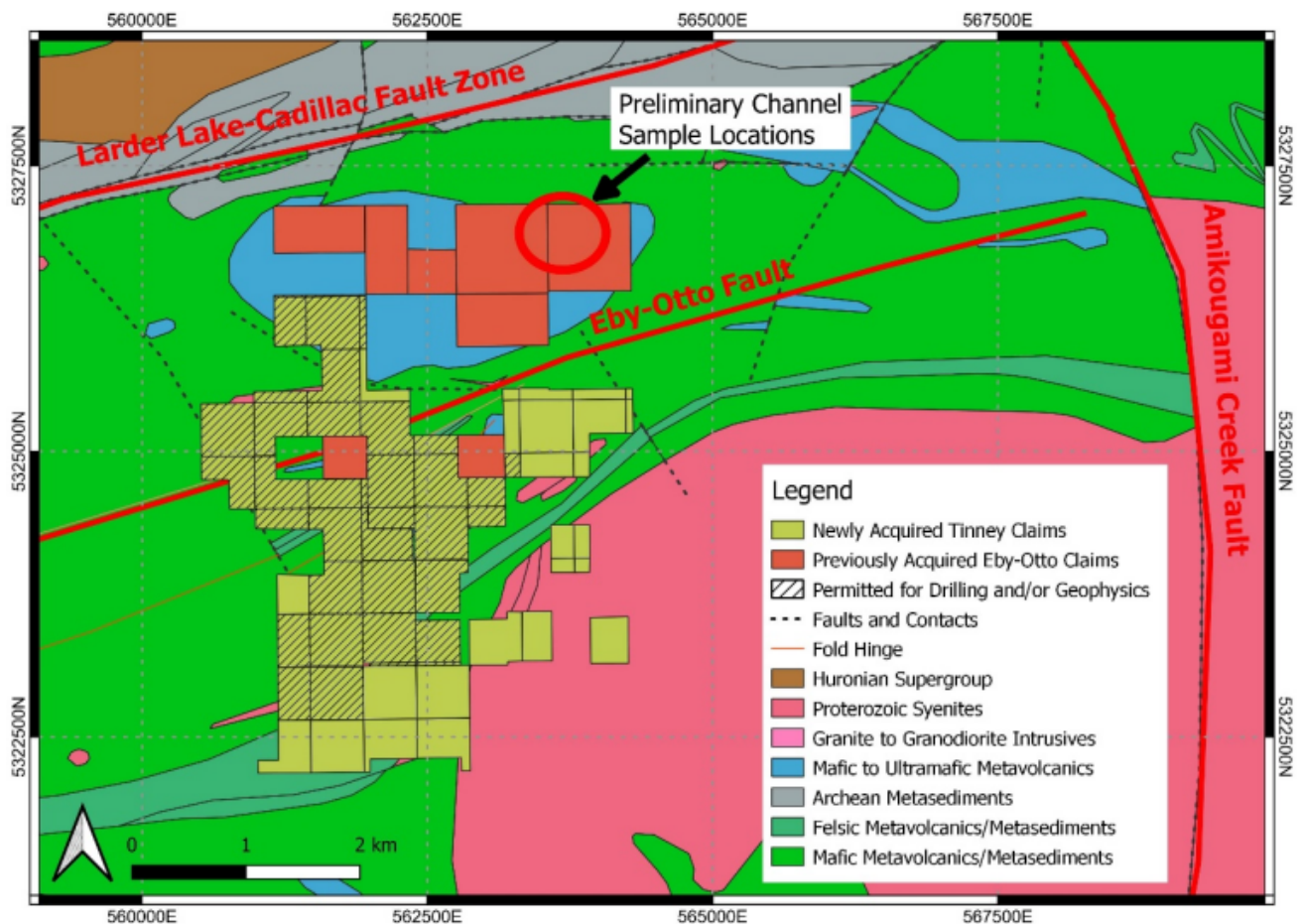
The structural zone surrounding the Eby-Otto Fault is marked by iron carbonate, silicification, chloritization, and large pyrite-mineralized zones up to 200 meters wide. According to OGS open file report OFR6184 quoting Meyer et al 2005, there are several gold deposits in the area that show similarities such as the Holloway Mine "Lightning Zone", the Kerr Mine "Flow Ore", and the "D Zone" at the Cheminis Mine. While these orebodies are not significant at surface, the evidence exists in the form of carbonatization, silicification, pyrite mineralization, and sporadic gold mineralization similar to what is encountered on these claims. In addition, geochemically anomalous gold and copper values have been recorded along the length of the Eby-Otto Fault as showings, pits, and small-scale shafts with values up to 5.8 g/t Au over 1.5m (0.17 oz/ton over 5', AFRI 2.57388

2016). Further anomalous showings of gold, copper, and platinum occur within the mafic metavolcanics, mafic metasediments, and syenite intrusions scattered across the combined property.



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Figure 1: Location of newly acquired Tinney claims and previously acquired Eby-Otto claims in addition to showing proximity to Kirkland Lake Gold's Macassa Mine.



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Figure 2: A closer look at the total property package showing the simplified regional geology, location of preliminary channel samples (news releases August 3, 2021), as well as three major faults of interest.

Details of the Property

The Eby-Otto and Tinney area was originally discovered by silver prospectors originating from the town of Cobalt prospecting for silver. But instead of silver, they found occurrences of gold near the shore of Otto Lake in 1906. This kickstarted the discovery of many gold mines in the area. Since then, there has been sporadic activity by various prospectors, geologists, and exploration companies exploring primarily for gold. Over the years there has been small scale trenching, pits, shafts, and

small mining operations with low grade to anomalous values identified. This work has helped define the nature of the iron carbonate, silicification, chloritization, and large pyrite mineralized zones.

As previously mentioned, the rocks in this claim package show certain parallels at surface to the Holloway Mine, the Kerr Mine, and the Cheminis Mine. But it also shows similarities to the style of veins and host rocks encountered at the Macassa Mine, which is characterized by finely disseminated pyrite, wide alteration zones, and multiple generations of quartz veining and/or flooding. The Macassa Mine, which commenced operations in 1933, has produced more than 5.2 million ounces of gold, has benefited from new discoveries within its property over the years and still has one of the highest reserve grades in the world. The greater Kirkland Lake camp, situated along the Larder-Lake Cadillac Break, has collectively produced over 74 million ounces of gold.

The property contains three large faults that are of interest. The Larder Lake Cadillac Deformation Zone is one of the major gold-bearing deformation zones in the southern Abitibi subprovince. It hosts many gold mines such as the Cheminis and Kerr Addison and has many gold-bearing subsidiary faults (or splays) such as the "Main Break" (the dominant gold-bearing fault at the Macassa Mine) and the Eby-Otto Fault cutting through the Eby-Otto and Tinney claim package. The Amikougami Creek Fault is an important structural feature because it offsets certain gold-bearing faults including the '04 Break at the Macassa Mine. To date, there has been no major discovery to the west of the Amikougami Creek Fault. The Eby-Otto Fault is another splay off the Larder Lake Cadillac Deformation Zone and there is strong potential for gold mineralization to exist along strike and at depth when considering the major alteration zones, sulphides, and quartz

veins encountered on the property.

In addition, the adjacent Eby-Otto property was optioned to the company on August 3, 2021, from Doug Robinson and partners. Doug is a highly respected geologist with an exceptional record of precious metal discoveries over the past 50 years. He served as underground mine geologist for Agnico Eagle Mines in the Greater Silver-Cobalt Camp in the 1980s and more recently as a geological consultant for Canada Silver Cobalt Works' Castle property. His work for us led to the major discovery of the exceptionally high-grade silver veins at Castle East which led to the company's first resource estimate. He will continue to work with the Company as a consultant to further the exploration work on the properties.

Terms of the Acquisition

The Claim holders grant the option to Canada Silver Cobalt Works Inc. to acquire, over a period of 5 years, 100% of the Property in return for cash payments totalling \$182,000, the issuance of 400,000 common shares of Canada Silver Cobalt Works and incurring a total of \$1.2 million in exploration expenditures on the Property. In addition, the Claim Holders will retain a 3% royalty if Canada Silver Cobalt Works completes the entire option. Canada Silver Cobalt Works will be the operator and will manage all exploration work throughout the term of the option.

All shares issued are subject to a 4 month plus a day hold period in accordance with applicable securities laws.

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-20x (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”

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Chief Executive Officer

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