Step-out drilling confirms new discovery east of Canada Cobalt's Castle mine

written by Raj Shah | December 15, 2018

December 14, 2018 (Source) – Canada Cobalt Works Inc. (TSXV: CCW) (OTC: CCWOF) (Frankfurt: 4T9B) (the "Company" or "Canada Cobalt") is pleased to announce that two widely-spaced drill holes have intersected an apparent syenite hosted gold system with nearby cobalt potential in a previously undrilled area of the Castle Property near Gowganda, a past producing high-grade silver camp approximately 75 kilometers from Kirkland Lake. Meanwhile, underground drilling on the first level of the Castle mine, 1.5 kilometers west-northwest of the new discovery, has continued to identify cobalt-silver-rich vein structures occasionally also mineralized with gold and nickel.

Highlights:

- An expanded drill program east of the mine continues and is targeting high-grade gold zones, associated with a newly-discovered major fault structure, in addition to potential cobalt-silver vein networks below the Archean sulphides;
- A new drill hole (CS-18-17, the fifth of this 2018 exploratory program) has just commenced and is designed to expand the system by intersecting gold mineralization parallel to hole CS-18-16 and above a fault that appears to have provided a pathway for mineralizing fluids;
- Canada Cobalt is preparing to commence a second, expanded phase of underground drilling through an amended advanced exploration permit – the Company eagerly anticipates providing shareholders with a major batch of Phase 1

underground drill results in the near future following receipt and interpretation of all data.

Castle East Discovery

Doug Robinson, Canada Cobalt's consulting geologist, commented: "The Archean rocks at Gowganda have never been systematically explored as previous work in the area focused on exploiting the silver-rich Nipissing diabase while bypassing the cobalt. Drill holes CS-18-15, CS-18-16 and CS-18-16-W (wedge hole) east of the mine are a very important breakthrough and now have us seriously investigating an apparent gold system with appropriate sulphide and quartz veining in association with a major fault that may be the controlling fault for the zones we've encountered. Oriented core drilling will allow us to identify critical sub-horizontal and sub-vertical structures associated with this fault and the IP anomalies we're drilling into."

Robinson added, "We're also in a fertile environment for the discovery of classic cobalt-silver mineralization near zones of weakness at depth below the Archean sulphides in Nipissing diabase."

Drill Holes CS-18-16 And CS-18-16-W

Following up on CS-18-15 (see October 24, 2018, news release), drill hole CS-18-16 was collared 112 meters to the northwest and was drilled in the opposite direction toward the south. CS-18-16 intersected much more quartz veining in several broad mineralized zones containing moderate to strongly disseminated pyrite (often associated with gold in the district) and occasional traces of chalcopyrite. Multiple alteration styles included green carbonate, sericite and fuchsite. This hole encountered a fault at a vertical depth of approximately 200 meters. A 37-meter zone of extensive multi-generational quartz veining with abundant fine-grained plus blebby pyrite and traces

of chalcopyrite was intersected immediately below the fault in a wedge hole (CS-16-W).

Canada Cobalt eagerly anticipates assay results from a large number of samples from CS-18-15, CS-18-16 and CS-16-W.

Underground Program Update

Phase 1 drilling on the first level of the Castle mine has been completed but winterizing as well as engineering studies through Wood continue. Expanded Phase 2 drilling is scheduled to commence early in the New Year which will also allow for receipt of all assays and interpretation of Phase 1 results. Visual analysis of subsequent holes drilled since initial results were released, which included 7 meters @ 2.3% cobalt (core length), supports Canada Cobalt's geological model that vein structures untouched by first-level mining in the 1980's are enriched with cobalt as well as silver, with massive cobalt and native silver also encountered.

Qualified Person

The technical information in this news release was prepared under the supervision of Frank J. Basa, P.Eng., Canada Cobalt's President and Chief Executive Officer, who is a member of Professional Engineers Ontario and a qualified person in accordance with National Instrument 43-101.

About Canada Cobalt Works Inc.

Canada Cobalt is a pure play cobalt company focused on its past producing Castle mine in the Northern Ontario Cobalt Camp, Canada's most prolific cobalt district. With underground access at Castle, a recently installed pilot plant to produce cobalt-rich gravity concentrates on site, 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 Cobalt is strategically positioned to become a vertically integrated North American leader in cobalt extraction and recovery.

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

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