

Canada Silver Cobalt Announces upsized \$6.5 Million Marketed Public Offering of Units and Flow-Through Units

written by Raj Shah | October 20, 2021

October 19, 2021 ([Source](#)) – Canada Silver Cobalt Works Inc. (TSXV:CCW) (OTC:CCWOF) (Frankfurt:4T9B) (the “Company” or “Canada Silver Cobalt”) announces that it has entered into an agreement with Research Capital Corporation to increase the size of its previously-announced marketed public offering (the “Offering”). The maximum size of the Offering has been increased to \$6.5 million from the previous maximum of \$3 million. The Offering consists of units of the Company (the “Units”) at a price of \$0.21 per Unit and flow-through units of the Company (the “FT Units”) at a price of \$0.23 per FT Unit. The Offering is being conducted on a “best efforts” agency basis co-led by Research Capital Corporation, as sole bookrunner, and Canaccord Genuity Corp. as co-lead agents (together, the “Agents”).

As previously announced, each Unit will be comprised of one common share of the Company (a “Common Share”) and one Common Share purchase warrant of the Company (a “Warrant”). Each FT Unit will be comprised of one flow-through Common Share that will qualify as a “flow-through share” within the meaning of subsection 66(15) of the Income Tax Act (Canada) and one Warrant. Each Warrant will entitle the holder thereof to purchase one additional Common Share at an exercise price of \$0.25 for a period of 24 months following closing of the Offering.

The Agents will have an option (the “Over-Allotment Option”) to increase the size of the Offering by up to an additional 15% in Units, FT Units and/or the components thereof, to cover over-allotments and for market stabilization purposes, by giving written notice of the exercise of the Over-Allotment Option to the Company at any time up to 30 days following Closing.

Canada Silver Cobalt will use the net proceeds from the Offering of the Units for continued exploration activities, and for working capital and general corporate purposes. The Company will use the proceeds from the issue and sale of the FT Units to incur Canadian Exploration Expenses and “flow-through mining expenditures” as defined in the Income Tax Act (Canada) (the “Qualifying Expenditures”) on the Company’s Castle property, which will be incurred on or before December 31, 2022 and renounced with an effective date no later than December 31, 2021 to the initial purchasers of FT Units. If the Qualifying Expenditures are reduced by the Canada Revenue Agency, the Company will indemnify each FT Unit subscriber for any additional taxes payable by such subscriber as a result of the Company’s failure to renounce the Qualifying Expenditures as agreed.

Closing of the Offering is expected to take place on or about October 25, 2021, or on such other date as agreed upon by the Company and the Agents. Completion of the Offering is subject to the receipt of all necessary regulatory approvals, including that of the TSX Venture Exchange, and to the conditions set out in the agency agreement to be entered into between the Company and the Agents.

The Company expects to file a prospectus supplement to its previously filed short form base shelf prospectus dated September 7, 2021 in connection with the Offering with the securities regulators in each province of Canada except Québec.

The prospectus supplement, when filed, will contain important additional information about the Company and the Offering. Prospective investors should read the prospectus supplement and the short form base shelf prospectus dated September 7, 2021, including the documents incorporated by reference therein, and the other documents the Company has filed on SEDAR before making an investment decision. Copies of the short form base shelf prospectus, and, when filed, the prospectus supplement to be filed in connection with the Offering, can be found on SEDAR at www.sedar.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from U.S. registration requirements and applicable U.S. state securities laws.

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. More information at www.canadasilvercobaltworks.com.

"Frank J. Basa"

Frank J. Basa, P. Eng.

Chief Executive Officer

For further information, contact:

Frank J. Basa, P.Eng.
Chief Executive Officer
416-625-2342

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Caution Regarding Forward-Looking Statements

This news release may contain forward-looking statements which include, but are not limited to, comments regarding the Offering and comments that involve other future events and conditions, which are subject to various risks and uncertainties. Except for statements of historical facts, comments that address the Offering, resource potential, upcoming work programs, geological interpretations, receipt and security of mineral property titles, future financings, availability of funds, and others are forward-looking. Forward-looking statements are not guarantees of future performance and actual results may vary materially from those statements. No assurance can be given that the Offering will close on the terms and conditions set out in this news release or at all. General business conditions are factors that could cause actual results to vary materially from forward-looking statements. A detailed discussion of the risk factors encountered by Canada Silver Cobalt is available in the Company's Annual Information Form dated July 19, 2021 for the fiscal year ended December 31, 2020 available under the Company's profile on SEDAR at www.sedar.com.

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