

Canada Silver Cobalt Works Acquires Prospective Gold Property Near Kirkland Lake Gold's Macassa Mine

written by Raj Shah | August 3, 2021

August 3, 2021 (Source) – The acquisition of this highly prospective property places the company in the middle of the most prolific high-grade gold-bearing areas in Northern Ontario that have produced 24 million ounces of gold in the last 100 years.

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 July 28, 2020 to acquire the Eby-Otto Township property (the “Property”) from geologist Doug Robinson, P.Eng., and prospector James Reed.

Acquisition Highlights:

- Property lies within the prolific Kirkland Lake district and is located within 5 km of the high-grade Macassa Gold Mine currently operated by Kirkland Lake Gold.
- Property contains approximately 200-hectares with a strike length of over 2 km.
- Numerous strongly altered and mineralized quartz veins outcropping at surface have been discovered. The mineralization and alteration are highly favorable in addition to being typical of other gold-bearing veins in the district.
- Preliminary channel sampling has been recently completed

with the assays pending.

- Property comes highly recommended by Doug Robinson, a long-time geologist who originally discovered Canada Silver Cobalt's Robinson Zone, and Jim Reed, an experienced prospector highly familiar with the area.
- Acquisition allows the company to expand our precious metals portfolio into the well-established Kirkland Lake Gold camp as well as the prolific Larder Lake-Cadillac Break system.

"Doug Robinson 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 first major discovery of the exceptionally high-grade silver veins at Castle East which produced the world's Highest Pure Silver resource and we named it the Robinson Zone in his honour," said Frank Basa, P.Eng., Chairman and CEO.

"The property we are acquiring from Doug Robinson and Jim Reed is the core mining claim package they have retained over the years representing the most prospective of the over 100 claim units they held since the 1990s near the high-grade Macassa Gold Mine. They have completed a significant amount of work at the property including an airborne drone-based geophysical survey along with substantial hand stripping and have identified several drill targets. We are very pleased that Doug will continue to be involved as a consultant to Canada Silver Cobalt Works and will assist in the next steps in continuing gold exploration at the acquired property," Mr. Basa stated.

Terms of the Acquisition

Claim holders Doug Robinson and James Reed 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 \$364,000, the issuance of 800,000 common shares of Canada Silver Cobalt Works and incurring a total of \$2.4 million in exploration expenditures on the Property. In addition, Reed and Robinson 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 one day hold period in accordance with applicable securities laws.

Details of the Property

The property that is being acquired by Canada Silver Cobalt Works is in an area that has long held the interest of geologists because of its close proximity to the high-grade underground Macassa Gold Mine, currently operated by Kirkland Lake Gold. The South Mine Complex at Macassa is characterized by structurally controlled zones of finely disseminated pyrite, visible gold and tellurides and consisting of wide, gold-bearing alteration and mineralization haloes. The Macassa Gold Mine, which commenced operations in 1933, has produced more than 5 million oz gold, has benefited from new discoveries within its property over the years, and still has one of the highest reserve grades in the world (21.9 g/t Au, according to the Kirkland Lake Gold website). The greater Kirkland Lake area, situated along the Larder-Lake Cadillac Break has produced over 24 million ounces of gold. Geologists and major exploration companies have been searching for significant gold west of the Macassa Mine for decades. Doug Robinson and partners have based and focussed their exploration efforts on a significant displacement along the Amikougami Creek Fault located west of the Macassa Mine.

In the 1990s, Doug Robinson and James Reed controlled over 100 claim units in this area, representing 15 km parallel to the Larder Lake-Cadillac Break system that contains the gold of Kirkland Lake. After mapping over 1,214 hectares (3,000 acres) and running over 200 km of ground-based geophysics, the best claims were retained, and they form the core of the current property representing over 2 km strike length of potential extension of mineralized host rock. The claims are located just east of Highway 11 and just touching Highway 66 to the North. Other major infrastructure potentials include the railway just north of the claims, plus access to an electrical grid and natural gas.

The property hosts several quartz veins up to 0.45 metre wide at surface with significant albite and carbonate alteration that are typical of gold veins hosted in the Larder Lake-Kirkland Lake main break system. Some of the veins also contain pyrite mineralization and albite alternation which are considered a favourable host for gold mineralization and may be a vector into high-grade gold mineralization below the surface. In addition, two of the prime mineralized veins occur within fault zones which are also a favourable ore environment in the Kirkland Lake gold camp.

While the core of this claim group has been continuously controlled since the 1980s, the property has experienced significant work recently including an extensive hand stripping program where substantial channel sampling was completed and assays are pending as well as the completion of a 58-km drone-based airborne magnetometer survey. Initial work in the months ahead will focus on stripping and channel sampling while permits for drilling are obtained.

Further details of the property can be viewed at www.kirklandgold.com or at the following link [Eby-Otto Gold](#)

Property.

Qualified Person

The technical information in this news release was prepared under the supervision of Mr. Frank Basa, P.Eng., Chief Executive Officer 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 in the Castle East area 1.5 km from the past-producing Castle Mine near Gowganda, Ontario in the prolific high-grade Silver District of Northern Ontario, with drilling intercepts at Castle East ranging up to 89,853 g/t Ag (2,621 oz). The Company 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 Castle East Robinson Zone beginning at a vertical depth of approximately 400 meters, was identified. The discovery remains open in all directions (1A and 1B are approximately 800 meters from the 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 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 Castle, 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”

Frank J. Basa, P. Eng.

Chief Executive Officer

For further information, Contact:

Frank J. Basa, P.Eng.

Chief Executive Officer

416-625-2342

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