

Canada Silver Cobalt Works talks about their Castle Property with 7.5 million inferred oz silver

InvestorIntel's Tracy Weslosky talks with Canada Silver Cobalt Works Inc.'s (TSXV: CCW | OTCQB: CCWOF) CEO Frank Basa and President & COO Matthew Halliday about Canada Silver Cobalt Works' Castle Property, located 85 kilometres northwest of Ontario's historic Gowganda Cobalt silver mining camp.

"Since mining started at the camp, grades were known to be exceptionally high," Frank said. "We'll mine the asset for silver, and we will produce cobalt, nickel and copper for free. So, we can compete on a global scale."

"Our new main resource at Gowganda is extremely exciting," Matthew said. "We are the first company to put a 43-101 compliant in-situ resource in the whole Cobalt camp. We have a resource of 7.5 million ounces at over 8000 grams per ton inferred." Matthew added, "When you compare to other places in the world, we are 10-20 times higher in grade than most camps in the world."

To watch the complete interview, [click here](#)

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Silver outshines gold so far in 2020, and it's not done yet

Investors look to the historic gold/silver ratio gap

While gold gets all the limelight, silver has been on a bull run of its own, up a staggering 125% since the March 2020 low and even outperforming gold. As impressive as this is, several indicators would suggest this is just the start of a new silver bull run.

Silver has been on a bull run since the March low – Now at USD 27.03/oz



Source: Trading Economics

Past silver bull runs took silver as high as USD 35/oz in

1980, and then to almost USD 47/oz in 2011. The interesting thing about the current 2020 silver bull run is that demand from industry has been subdued due to COVID-19. Once industrial silver demand comes back there is every reason to suggest silver will push even higher.

In 2019 global silver demand was up just 0.4% to 991.8 Moz, as higher net physical investment was offset by lower jewelry and silverware demand. It looks like this trend is continuing in 2020 as investment demand for silver (and gold) reaches unprecedented levels. According to ETF Monitors the ETFS Physical Silver (ETPMAG) is 2020's top performer of all ETFs, with a YTD return of 53.3%, well ahead of ETFS Physical Gold (GOLD) of 30.3%.

Physical silver ETF is the best performing sector YTD in 2020

ETF SECURITIES FUND MONITOR

YTD Total Return (%) ¹	
ETFS Physical Silver (ETPMAG)	53.3%
ETFS Physical Gold (GOLD)	30.3%
ETFS Physical Precious Metal Basket (ETPMPM)	25.6%
ETFS Battery Tech & Lithium ETF (ACDC)	18.1%
ETFS S&P Biotech ETF (CURE)	16.4%
ETFS Morningstar Global Technology ETF (TECH)	11.9%
ETFS ROBO Global Robotics and Automation ETF (ROBO)	9.5%
ETFS Physical Palladium (ETPMPD)	9.3%
ETFS Physical Platinum (ETPMPT)	-1.5%
ETFS Enhanced USD Cash ETF (ZUSD)	-1.7%
ETFS EURO STOXX 50 ETF (ESTX)	-8.9%
ETFS Reliance India Nifty 50 ETF (NDIA)	-13.3%
SelfWealth SMSF Leaders ETF (SELF)	-13.5%
ETFS S&P/ASX 300 High Yield Plus ETF (ZYAU)	-14.8%
ETFS S&P 500 High Yield Low Volatility ETF (ZYUS)	-21.3%
ETFS Global Core Infrastructure ETF (CORE)	-24.2%
ETFS FANG+ ETF (FANG)	n/a
ETFS Ultra Long Nasdaq 100 Hedge Fund (LNAS)	n/a
ETFS Ultra Short Nasdaq 100 Hedge Fund (SNAS)	n/a

Source: ETF Monitors (as of August 11, 2020)

The gold/silver ratio

The current gold/silver ratio is ~72 (gold US\$1,951/silver US\$27), meaning gold is worth 72 times the value of silver. Yet the average gold/silver price ratio during the 20th century is only 47:1. If we apply at 47:1 ratio that would mean silver should be at US\$41, which would be 56% higher than today. All of this means that despite a 'sterling' 2020 performance of +53% , silver could still have another 56% upside to be back at an historical normal ratio to gold.

For investors the message is that any silver pullbacks still represent a buying opportunity. For investors wanting a greater leverage to the silver price then they should consider the silver miners. Here are some junior silver miners we follow closely at InvestorIntel.

Canada Silver Cobalt Works Inc. (TSXV: CCW | OTCQB: CCWOF)

Canada Silver Cobalt Works is developing three 100% owned, past-producing, high-grade silver-cobalt mines in the prolific Northern Ontario Silver-Cobalt Camp. Canada Silver Cobalt Work's flagship Castle Mine and 78 sq. km Castle Property features strong exploration upside for silver, cobalt, nickel, gold and copper including exceptionally high grade veins of silver. The Company has released a strong maiden resource estimate for the Castle East Robinson Zone. The result was Zones 1A and 1B have an average silver grade of 8,582 g/t (250.2 oz/ton) in a combined 27,400 tonnes of material for a total of 7,560,200 Inferred ounces of contained silver using a cut-off grade of 258 g/t AgEq. After adding in the lower grade Zone 2A the total is 7,567,000 inferred ounces of contained silver. You can read more here.

Angkor Resources Corp. (TSXV: ANK)

Angkor has a very large land package entailing 983 km² in Cambodia with multiple prospects focused on gold, silver and base metals. Added to this is their oil and gas exploration license known as Block VIII (7,300 km² concession) also in

Cambodia. Angkor has a successful history of project generation and partnerships with exploration success. You can read more here.

CBLT Inc. (TSXV: CBLT)

CBLT is a mineral exploration company and project generator/deal maker with numerous projects in Canada. Their focus has been on cobalt and silver, with a bit of gold, copper and PGMs. CBLT's Copper Prince Project is their flagship project located within Falconbridge Township, in the Sudbury Mining District of Ontario, Canada. You can read more here.

InvestorChannel's Silver Watchlist Update for Thursday, August 13, 2020



- Industrias Penoles S.A (IPOAF) USD 17.34 (16.38%)
- Reyna Silver Corp (RSLV.V) CAD 1.25 (8.7%)
- Hecla Mining Company (HL) USD 6.11 (8.33%)
- Coeur Mining Inc (CDE) USD 8.24 (6.87%)
- GRSilver Mining Ltd (GRSL.V) CAD 0.78 (6.85%)
- Silvercorp Metals Inc (SVM) USD 7.77 (6.73%)
- IMPACT Silver Corp (IPT.V) CAD 1.00 (6.38%)
- Pan American Silver Corp (PAAS) USD 34.24 (6.2%)
- Avino Silver & Gold Mines Ltd (ASM) USD 1.27 (5.83%)
- Fortuna Silver Mines Inc (FSM) USD 6.39 (5.45%)
- Compania de Minas Buenaventura S.A.A. (BVN) USD 13.15 (5.37%)
- First Majestic Silver Corp (AG) USD 11.87 (4.12%)
- Americas Gold and Silver Corp (USAS) USD 3.18 (3.25%)
- New Pacific Metals Corp (NUAG.V) CAD 6.19 (2.65%)
- MAG Silver Corp (MAG) USD 16.02 (2.43%)

Source

Closing remarks

Given the tremendous silver price surge in July/August 2020 it would not be unusual to see some short-term silver price

pullback on profit taking. However any pullback should be looked at as a possible buying opportunity when considering key factors to determine the silver price, namely the strong investor demand and soon industrial demand to return, the gold/silver ratio of 72 suggests silver can rise relatively to gold (historical ratio is 47). Of course, further money printing and ultra-low interest rates are creating a very favorable market for all precious metals.

Investors have the choice of buying physical silver or the silver miners. For more information, have a look at the InvestorIntel silver watchlist, our gold, silver, and base metals page.

Canada Silver Cobalt Works announces new name and maiden resource with high-grade silver

Silver prices have recovered ~45% since their low yet they are still about 50% below where they should be. This means silver miners right now represent extraordinary value, and should do well if the current silver price recovery continues as history would suggest is likely.

The gold-silver ratio is near an all-time high and currently at 98.5 to 1. This means gold is today worth a staggering 98.5 times more than silver. History tells us that the gold-silver ratio should be about 50:1. This is based on the 20th century average gold-silver ratio of 47:1. This means that silver is currently extremely undervalued to gold right now. Or put

another way, based on the historical rate of 50:1, that would mean silver should be trading at US\$ 34.34/oz (US\$ 1,717 gold price/50). The current silver price is just US\$ 17.45. Silver prices should be almost double based on the historical average gold-silver ratio, or about US\$ 34/oz.

Based on the gold to silver historical ratio of 50, silver prices should now be about double



Source & Source

One very promising junior silver and cobalt miner is Canada Silver Cobalt Works Inc. (TSXV: CCW | OTCQB: CCWOF). The Company is developing three 100% owned, past-producing, high-grade silver-cobalt mines in the prolific Northern Ontario Silver-Cobalt Camp.

Canada Silver Cobalt Works three key historic mines in Northern Ontario, Canada



Source

The Castle Mine

Canada Silver Cobalt Work's flagship Castle Mine and 78 sq. km Castle Property features strong exploration upside for silver, cobalt, nickel, gold and copper including exceptionally high grade veins of silver. Canada Silver Cobalt Works released yesterday a strong **maiden resource estimate for the Castle East Robinson Zone.**

The result was: Zones 1A and 1B have an average silver grade of **8,582 g/t** (250.2 oz/ton) in a combined 27,400 tonnes of material for a total of 7,560,200 Inferred ounces of contained silver using a cut-off grade of 258 g/t AgEq. After adding in the lower grade Zone 2A the total is **7,567,000 inferred ounces of contained silver.**

Table 1: Mineral Resource Estimate at Castle East Using a Cut-Off Grade of 258 AgEq g/t

Inferred Mineral Resources	Ag g/t	Co g/t	Cu g/t	Ni g/t	Pb g/t	Zn g/t	AgEq g/t	Tonnes	Ag Oz.	AgEq Oz.
Zone 1A	7,960	946	349	790	16	12	8,042	8,100	2,073,000	2,094,200
Zone 1B	8,843	2,308	325	336	30	52	8,998	19,300	5,487,200	5,583,200
Zone 2A	38	5,673	2,101	453	118	108	426	5,500	6,800	75,300
Total Inferred Mineral Resources	7,149	2,537	628	467	41	52	7,325	32,900	7,567,000	7,752,700

Source

Note: High grade is anything above 50 g/t silver (Ag). The above resource average grade was an exceptional 8,582 g/t.

Given the outstanding silver grades and strong maiden resource it helps explain the recent name change from Canada Cobalt Works Inc. to Canada Silver Cobalt Works Inc.

The Castle Property also has some gold potential. The only gold-focused drill hole at Castle East completed in 2019 (CS19-19) cut 4.3 g/t Au over 4 meters and 1.5 g/t Au over 12.5 meters within a **30-meter mineralized zone grading 0.70 g/t Au** (vertical depth approximately 240 meters). This broad interval included 1 meter that returned 15.2g/t Au.

Matt Halliday, VP-Exploration, commented:

“We’re excited to continue drilling numerous remaining exploration targets. We’re seeing some phenomenal grades at Castle East, consistent with historical discoveries in the broader district going back to the early 1900’s. We see strong potential to expand and upgrade the known Inferred resource estimate, including higher up in the diabase, given the multiple targets we have.”

Canada Silver Cobalt Works is on track to be a vertically integrated silver producer with very valuable by-products. As well as planned silver production from Castle Mine material and processing of mine tailings, Canada Silver Cobalt Works

intend to be a vertical integrated silver producer due to their strategic acquisition of PolyMet Resources Inc.'s Processing Facility located in the nearby town of Cobalt. The company has already demonstrated silver production capability from Castle Mine material with the pouring of silver bars at the PolyMet facility. Added to this is the Company's proprietary Re-20X Process that has produced cobalt sulphate exceeding battery industry specifications.

Canada Silver Cobalt Works has a First Nations agreement in place, and permitting is already underway. Other next steps include:

- Continued exploration for silver, cobalt, gold and other metals in various vein structures at Level 1 underground at Castle Mine as well as surface drilling and a potential ramp in the Castle East Robinson Zone and further surface exploration in the new gold zone 1.5 km east of mine shafts and adit. Only a fraction of Castle East has been drill-tested and it is open in all directions. New drilling has commenced now on this high priority exploration zone.
- Proceed with assaying, bulk sampling and bullion pouring operations at the newly acquired Temiskaming Testing Labs.
- Tailings Program –Test work using gravity separation spiral concentrators towards establishing a mill for the processing of 600 tonnes of tailings per day.
- Continued permitting work for the tailings program, a ramp at Castle East, and for constructing a state-of-the-art 600 t/d gravity, flotation, cyanidation mill.
- Ongoing metallurgical testing using the proprietary Re-20X process aimed at producing cobalt, nickel and manganese sulphates for end-buyer evaluation.

Closing remarks

Sometimes the stars all just align and everything comes

together in a positive way.

With Canada Silver Cobalt Works we have a low market cap (C\$51 million) vertically integrated miner with not one, but three promising projects in Canada with very high silver grades and exploration upside; all when the silver price looks set to surge. The Company also has other high value metals such as cobalt, nickel, gold and copper. The cobalt price is also currently very low with demand expected to surge and lift prices over the next few years as the EV boom takes off.

Investors should definitely have Canada Silver Cobalt Works on their radar as the company continues to progress very well.