

Canada Cobalt Works Inc.

(TSXV:CCW)

Making an Old Silver-Cobalt Mine New Again

Company Description

Canada Cobalt Works Inc. (“Canada Cobalt”), formally known as Castle Silver Resources Inc., is a Canada-based junior natural resource company, focusing on the exploration and redevelopment of former silver and cobalt mine properties in northern Ontario, near the town of Cobalt. The projects include the 2,855-hectare Castle Silver Mine property near Gowganda and, the Beaver and Violet historically-producing mines near Cobalt, Ontario.

Investment Highlights

- Work program at CCW’s Beaver property off to a great start.** The Beaver property, CCW’s second asset, is located ~80km SE of the historic Castle Silver mine, close to the town of Cobalt (See Figure 1). In December 2017, Canada Cobalt announced results from three grab samples, which averaged 4.7% Co, 46.9 g/t Ag, 3.1% Ni and 0.08 g/t Au (total weight of 38.7 kg). Additionally, in December, CCW released results from ongoing underground sampling. Highlights included 3.1% Co, 2.3% Co, and 1.0% Co from three separate bulk samples. For reference, the historic property produced 7.1M oz Ag and 140K lbs Co between 1907 and 1940.
- Moving to build a mill and rehab the historic Castle Silver mine.** On February 27, 2018, CCW announced the permitting process for the installation of a 600 tpd mill at the Castle Silver site. The mill is expected to be financed by Granada Gold Mine Inc. (TSXV:GGM) through debt. CCW would then become the operator to provide custom milling services in the Northern Ontario Cobalt Camp. The Company plans to submit plans to dewater levels two to eleven of the historic Castle Silver mine. Additionally, the Company reported highlights from a mini-bulk sample from the first level of the mine, which returned 2.47% Co. Further results are pending. In the near-term, CCW plans to rehab the old workings and begin an initial underground drill program on the first level.
- In September 2017, we visited the Company’s 100%-owned Castle Silver Mine property, hosted by CCW CEO Frank Basa.** The property is south of Timmins and Matachewan, and 85km northwest of Cobalt, Ontario. Access to the Castle Silver Mine property is 36km west of Elk Lake via Hwy 560 and 3km east of the village of Gowganda. The old mine site and adit access is located less than 3km north of Highway 560, which connects Elk Lake to Gowganda. Please visit smallcappower.com to view the complete report.
- The Castle Silver Mine property is an old Ag-Co discovery with historic mining since the early 1900’s with excellent infrastructure.** The 28 km² property lies within the Greater Cobalt Camp, acknowledged for its rich production history, delivering over 500M oz. Ag and 30M lbs. Co in the 1900’s. The property was later leased by Agnico Eagle Mines Ltd in 1979 and production continued while the shaft was rehabilitated. However, operations ceased in June 1988 driven by low silver prices (~US\$7/oz). The Castle Silver property consists of 34 mining leases and 2 licenses of occupation for 519 hectares, as well as 19 claims totaling 2,336 hectares, for a combined project size of 2,855 hectares. There are three mine shafts with respective depths of 149, 140 and 259 metres, with mine infrastructure and access to nearby power.

Financial Analysis

Cashed up for the near-term with ~\$2M in the bank. In January 2018, CCW closed a \$1M financing at \$0.35/unit, including a two-year warrant with a strike of \$0.50/share.

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Price Performance



Market Data (TSXV:CCW)

Price (March 6, 2018)	\$0.37
52 Week Range	\$0.15 - \$0.55
Market Cap (M)	\$22.4
Shares Outstanding (basic, M)	60.5
Shares Outstanding (fully diluted, M)	86.6
Free Float	90%
Average Daily Volume (3 month)	284K

Total Debt (M)*	\$0.0
Last Reported Cash (M)*	\$0.6
Total Assets (M)*	\$1.2

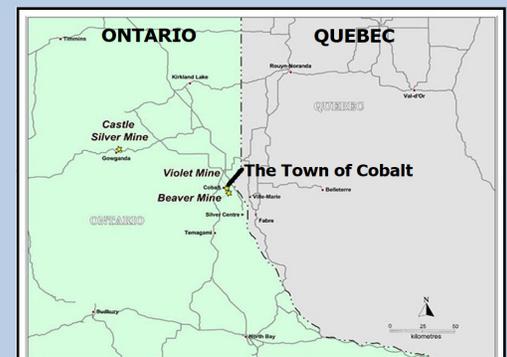
Headquarters Coquitlam, B.C., Canada
Website canadacobaltworks.com

Top Shareholders
Management & Insiders 10%

Management
Frank J. Basa President, CEO & Director
Thomas P. Devlin CFO
Robert Setter Director
Annette Jorgensen Director
Dianne Tookenay Director
Jacques F. Monette Director
Tina Whyte Corporate Secretary

*As of Sept. 30, 2017
All figures in CAD unless otherwise stated.
Source: Thomson Reuters

Figure 1: Location of the Castle Silver and Beaver Properties



Source: Company Reports

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