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Canada Cobalt Works finds unexpected high-grade gold, further boosting Castle mine project's potential

Shares in Canada Cobalt Works Inc (CVE:CCW) headed north on Friday as the group told investors it had uncovered a new zone of discovery, including gold, which was ripe for expansion at its Castle mine project in northern Ontario.

The company, previously known as Castle Silver Resources, is focused on restarting production at the high-grade silver mine, which was previously operated by mining major Agnico Eagle in the 1980s.

Recent underground exploration at the Castle mine recorded high grades for cobalt ranging up to 5.2% of the metal, along with exceptional silver grades up to 13,208 grams per ton (g/t).

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But now the firm says initial assays from underground drill holes on the western side of the mine have revealed unexpected high-grade gold in addition to more high-grade cobalt, silver and nickel.

"The presence of gold in gabbro (diabase) vein structures, open toward the surface and at depth, is extremely intriguing," said Matt Halliday, Canada Cobalt's VP-Exploration in a statement.

"Gold content bodes very well for our underground model. Also, this gives fresh impetus to our drive to find a high-grade gold system in the heavily under-explored Archean rocks, a very favorable host for gold, adjacent to our new high-grade silver discovery at Castle East 1.9 km from Shaft #3."

Moreover, Canada Cobalt also highlighted its pending acquisition of the only facility in the Northern Ontario Silver-Cobalt district, which will allow it to combine bullion pouring with bulk sampling, commercial assaying and e-waste processing.

This, along with the latest assays, support its bid to fully unlock the value of the 11-level Castle mine and very prospective material left in the stopes and adjacent to the mine, it highlighted.

Potential previously ignored

Notably, at the Castle mine, silver was the main focus of previous operators who used a very high cut-off grade and bypassed cobalt-rich veins with less apparent silver while gold and nickel potential were ignored.

Today's results are highlights from the first 16 holes of 47 completed to date (for 228.5 meters) that have further tested parts of a large vein exposed over 80 meters on the mine's first level, associated with at least three sub-parallel veins.

Price: 169.8

Market Cap: \$97.81 billion

1 Year Share Price Graph



Share Information

Code: MMM

Listing: NYSE

52 week High Low
182.53 114.04

Sector: Business & education services

Website: phx.corporate-ir.net

Company Synopsis:

3M is a diversified technology company with worldwide exposure to the health care, safety, industrial, telecommunications, electronics, security and protection services and transportation markets.

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Highlights included 22.7 g/t gold and 1.03% cobalt in one hole from 3.3m to 3.6m within a broader 2.4m core interval grading 5.8 g/t gold and 0.78% cobalt.

Also found was 4,970 g/t silver and 0.40% cobalt, 1.6% cobalt and 1.1% nickel and 2.9% cobalt, 3.7% nickel and 0.89 g/t gold in another hole.

Cobalt mineralization was hit in 13 out of the 16 holes included in this release, with seven of those short test holes returning intervals of over 1% cobalt, the firm also noted.

"We eagerly anticipate updating shareholders with respect to the Castle East discovery where drilling is scheduled to resume Monday, January 6, with a second and larger batch of assays expected from the lab during this first half of the month," Halliday added.

Shares last closed up 4.76% in Toronto to stand at C\$0.66 each. Today it added 1.52% to C\$0.67.

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