

Castle Silver Resources Inc.

(TSXV:CSR)

Making an Old Silver Cobalt Mine New Again

Company Description

Castle Silver Resources Inc. (“Castle Silver”) 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 historical-producing mines near Cobalt, Ontario. The Company intends to change its name to “Canada Cobalt Works Inc.”

Investment Highlights

- **Work program at CSR’s Beaver property off to a great start.** The Beaver property, CSR’s second asset, is located ~80km SE of the historic Castle Silver mine, close to the town of Cobalt (See Figure 1). On December 8, 2018, Castle Silver 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). For reference, the historic property produced 7.1 M oz Ag and 140K lbs Co between 1907 and 1940.
- **Recent underground bulk sample highlighted by high-grade Cobalt samples.** On December 1, 2017, CSR released results from ongoing underground sampling. Highlights include 3.1% Co, 2.3% Co, and 1.0% Co from three separate bulk samples.
- **In September 2017, we visited the Company’s 100%-owned Castle Silver Mine property, hosted by CSR CEO Frank Basa.** The property is south of Timmins and Matachewan, and 85km northwest of Cobalt, Ontario (Figures 1). 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.
- **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 500 million oz. of silver and 30 million lbs. of cobalt in the 1900’s. The property was later leased by Agnico Eagle Mines Ltd in 1979 and production continued while the shaft was rehabilitated. At the time, ore was trucked to Agnico’s Cobalt mill while an aggressive underground campaign continued to discover new reserves. However, operations ceased in June 1988 driven by low silver prices, which were US\$6.53/oz. The Castle Silver property consists of a total of 34 mining leases and 2 licenses of occupation totaling 519 hectares, as well as 19 claims totaling 2,336 hectares, for a combined project size of 2,855 hectares (Figure 3). There are three mine shafts with respective depths of 149, 140 and 259 metres, with mine infrastructure and access to nearby power. The main power grid in the area crosses the property and a power substation was previously on the property, potentially providing an option for low-cost power for the project.

Financial Analysis

Cashed up for the near-term with ~\$2M in the bank. On January 12, 2018, CSR closed a \$1M financing at \$0.35/unit, which included a two-year warrant with a strike price of \$0.50/share.

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Price Performance



Market Data (TSXV:CSR)

Price (January 24, 2018)	\$0.48
52 Week Range	\$0.05 - \$0.53
Market Cap (M)	\$29.0
Shares Outstanding (basic, M)	60.5
Shares Outstanding (fully diluted, M)	86.6
Free Float	92%
Average Daily Volume (3 month)	700K

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

Headquarters Coquitlam, B.C., Canada
Website <http://castlesilverresources.com/>

Top Shareholders

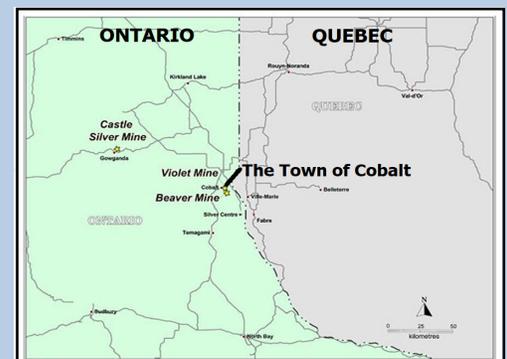
Elaine Basa	5%
Frank Basa	1%

Management

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

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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