

## Potential Producer of the Lowest-Priced Battery Metals as a By-Product from our Precious Metals Properties



**Matt Halliday**  
President

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CEO

### Canada Silver Cobalt

Interview with: **Matt Halliday, President**

Conducted by:  
**Lynn Fosse, Senior Editor, CEOCFO Magazine**

**CEOCFO:** *Mr. Halliday, what is the overall vision behind Canada Silver Cobalt and what is your focus today?*

**Mr. Halliday:** Canada Silver Cobalt is primarily a precious metals exploration company. We have a large battery metals component, which is where the cobalt comes in. We have been exploring here in the Cobalt Camp in northern Ontario. We now have a thriving battery side and we will eventually be splitting that out into a separate battery metals-focused company and refocusing Canada Silver Cobalt on precious metals.

**CEOCFO:** *How did you get into the cobalt arena?*

**Mr. Halliday:** We were originally looking for silver. The Cobalt Camp is called Cobalt because the early silver mining in the area was centered around a town called Cobalt, Ontario so-named because of the predominance of cobalt in the silver ores here. Historically, a lot of this mining camp was mining silver and did not actually extract cobalt but because it is a critical metal in the world and since we are in a very safe and conflict-free cobalt mining jurisdiction, I think it is really important that we can secure North American cobalt supply.

Going beyond that, we have an environmentally green process called Re-20x. We met with Sumitomo Metals in Japan in 2018 and we produced 200 grams of cobalt-sulfate for them, to their specifications, from the waste pile material at the Castle Mine. Through some of those conversations they said that one of the things that they are going to be doing is

increasing the nickel content of some of the batteries. Therefore, we have been proactively picking up nickel/copper/cobalt properties across Quebec. Now we actually have two different styles of cobalt properties: the silver-cobalt properties in northern Ontario and the nickel-copper-cobalt properties in northern Quebec.

**CEO CFO: *What are the challenges in mining cobalt; how is it different from silver?***

**Mr. Halliday:** I think the big challenge for us would be the processing and we are ready for it. We have a mineral here called cobaltite which is a unique cobalt mineral. We have a process called Re-2Ox that can produce cobalt-sulfate from cobaltite. One of the reasons we have this process is because there is a high arsenic load in the cobaltite and that needs to be removed safely. Therefore, we basically have a green process that can produce cobalt-sulfate on spec for the EV market, and it can do it from right here in the Cobalt Camp.



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**CEO CFO: *What is different about your process?***

**Mr. Halliday:** I do not think there is a magic bullet to the process. The technology is a process that exists and basically what we have is a trade secret crucial to the process. The components and how you put them together are an elegant system. It is a simple system and an effective system. Basically, the formula we use itself is the beauty and not so much the technology.

**CEO CFO: *Do you foresee licensing out the formula separately from what you are doing?***

**Mr. Halliday:** That is yet to be seen. I think that it is an important process, especially since it is able to remove arsenic in an environmentally friendly way without any burning or smelting, and we could be able to market that internationally and here in Canada not just for cobalt, but also for multiple different commodities that have similar requirements.

**"We want to be the premiere, client-specific battery metal producer globally from our conflict-free mines in North America." Matt Halliday**

**CEO CFO: *Would you tell us about the properties you have today?***

**Mr. Halliday:** We have the Castle Mine, which was a past-producing mine, last operated by Agnico-Eagle in the 1980s. It is near Gowganda, Ontario and it was a very high-grade silver mine. We are continuing to explore in and around the Castle Mine and we would like to get back underground at the Castle.

Our flagship Castle East project is a kilometer-and-a-half to the east of the Castle Mine. That is where we have been hitting extremely high-grade silver. We believe it is the highest-grade silver in the world. We have been hitting up to almost 90 thousand grams per ton of silver, which is quite remarkable.

**CEOCFO: *Are you looking at additional properties now or is that something you always do?***

**Mr. Halliday:** That is something we always do; we always have our eyes open. We are always in conversation with somebody about something.

**CEOCFO: *What is happening on the ground today?***

**Mr. Halliday:** We want to put a ramp down at the Castle East property. It is an excellent high-grade deposit. We have done a lot of good drilling from the surface and now it is time to take a bulk sample and to accelerate this project to continued exploration from underground. I think that the bulk sample can pay for the ramp development itself and the exploration that we can do from underground could accelerate it into a mining project.

**CEOCFO: *How is the mining industry in general, dealing with labor shortages or anything in the supply-chain? How are you affected by the challenging macro environment we all face today?***

**Mr. Halliday:** It has been difficult. We have built a young team of good geologists, technicians and laborers. I am very proud of this team, and although it has been difficult to build, we are hoping to retain that team.



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There has definitely been a shortage of trained people. Everyone is in the same pool right now. However, I think we have come out with a very strong team and I am working hard to make sure they are happy and we are trying to be competitive as well. There have been a lot of other issues, the price of gas is going up and that has been quite startling. One of the things that we have had more issues with is skilled trades, because there is just not enough electricians, carpenters and miners around. Fortunately, we have managed quite well, but it has not been easy to secure these people.

We have had an excellent long-standing relationship with our drilling contractor. That is one area where we have always been very successful. We have been using our drilling contractor for multiple years now and that has gone so well and has been good for us.

**CEOCFO: *Does the fact that you have high-grade silver and the fact that you have this process for the cobalt, help in attracting people to the company?***

**Mr. Halliday:** I do not think that is a factor. They are shopping for the best offer. For us, we are not looking to hire a full-time electrician yet. Maybe when we get into a mining situation we will, but just finding those qualified people to come in and do work here from time to time has been difficult.

**CEOCFO: *What does the next year look like and what are some of the steps you are anticipating?***

**Mr. Halliday:** We have an exciting year coming up. We have just put boots onto the ground at our Eby-Otto project, which is our gold project near Kirkland Lake, Ontario. We are transitioning the Gowganda project towards getting its ramp

down. We have a very healthy pipeline and we want to continue exploration. The Eby-Otto property, near Kirkland Lake, shows a lot of promise and there is going to be some good news coming from there. We have a large number of copper-nickel-cobalt properties across Quebec where the Graal property is having tremendous results.

We are going to continue to explore the Graal property. We have several targets at Graal, and we want to move that up into an actual resource in the future. Therefore, we need to continue to drill at Graal to prove up what we have there, and I think the results we've had there so far indicate it is an excellent property. As this year continues to progress at the Castle East property, we are looking at finishing up our environmental baseline studies and moving along to the permitting process for the ramp. That takes up a lot of our time at the Castle East - getting the permits ready and in place to be able to go and take that bulk sample and to continue exploration.

**CEOCFO: *Are you funded for what you need to do?***

**Mr. Halliday:** I think we are quite well funded right now. We have funding for accomplishing most of our goals and I do not know at this point in time when we are going back to the market, but I do not believe it will be in the near-term.

**CEOCFO: *Has the investment community been paying attention and do they understand?***

**Mr. Halliday:** It has been a hard time in the EV market this year. I do not know if they understand, that is far beyond my wisdom. What I would like to convey is that we have a lot going on and a lot of value propositions. I think we are undervalued in that sense, not all of our portfolio is getting the same attention or visibility. We have properties that are not necessarily our flagship property but that many companies would be envious to have. When you look at the full package of what we have, we have something very strategic and I think that it does not get enough traction.

The fact that we have the Re-2Ox process that can produce value-added products for the EV market and that we have a project that is coming close to being on-board here in Canada, and that we have a large number of battery metals properties that are actually accelerating across Quebec, puts us in a really good position. With the Re-2Ox process we undertook a metallurgical test program with SGS over an 8-month period on mineralized material from a huge, recently-discovered mineralized deposit in Quebec, to optimize leaching kinetics for the extraction of rubidium from their property. Rubidium is used to enhance the performance of lithium-ion batteries as an additive to the electrolytes and can equally be used in the future production of sodium-ion batteries that the Chinese are producing now.

For us it is about securing a North American strategy with a long-term vision and so if we can produce the cobalt-sulfate, the nickel-sulfate, and the copper-sulfate needed in the EV industry, we definitely will be in a good position. We would like to provide the most value-added products for not just battery metals but other critical metals that are used in this corridor, and we think we can do it in a safe jurisdiction.

**CEOCFO: *Do you do much outreach to the investment community?***

**Mr. Halliday:** We try to, but COVID has made it very difficult. We have not been on the road as much as we could have been over the last couple of years, so that has been difficult. We are good at meeting and talking to people. We have done a lot of virtual shows and been in contact online. I hope I can say we are coming out of COVID now. We are starting to travel and I would like to get in front of as many investors as I possibly can and make sure that our story is understood.

**CEOCFO: *With so many companies to look at why does Canada Silver Cobalt stand apart?***

**Mr. Halliday:** For the size of company that we are, we have a lot of vertical integration - we have a facility here in the town of Cobalt that is ready to produce silver and we are working hard to get underground at the Castle East property to accelerate additional exploration drilling and to be able to take a large, representative bulk sample. The Castle East has high-grade silver and it also has cobalt, so we are very excited about moving forward at Castle East.

We have a process that is able to produce cobalt-sulfate on spec for the EV market. We are working to move that into pilot scale, then eventually a commercial plant. We want to be the premiere, client-specific battery metal producer globally from our conflict-free mines in North America. We have a property portfolio that really allows us to grow into the future as we are continuing to source new materials for EV market and precious metals. We continue to develop this company and it may become two companies in the future. We will have one company to be a robust supplier of battery metals and a second to focus on precious metals.