



CANADA SILVER COBALT WORKS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

Responsibility for Financial Statements

The accompanying unaudited interim condensed consolidated financial statements of Canada Silver Cobalt Works Inc. (Formerly Canada Cobalt Works Inc. and Castle Silver Resources Inc.) (the "Company") for the three and six months ended June 30, 2021 have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial statements (see note 2) to the unaudited interim condensed consolidated financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited financial statements, management is satisfied that these unaudited interim condensed consolidated financial statements have been fairly presented.

CANADA SILVER COBALT WORKS INC.

(Formerly Canada Cobalt Works Inc)

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

| | Notes | As at June 30, 2021 | As at December 31, 2020 |
|--|-------|---------------------------|-------------------------------|
| ASSETS | | \$ | \$ |
| Current assets | | | |
| Cash | | 505,855 | 6,421,345 |
| Amounts receivable | 4 | 2,372,411 | 1,048,199 |
| Prepaid expenses | | 53,047 | 119,632 |
| Short term investments | 5 | 1,522,500 | - |
| Total current assets | | 4,453,813 | 7,589,176 |
| Property, plant, and equipment | 8 | 1,969,513 | 1,774,659 |
| Total assets | | 6,423,326 | 9,363,835 |
| EQUITY AND LIABILITIES | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Trade payables and accrued liabilities | 10 | 1,572,148 | 766,695 |
| Total liabilities | | 1,572,148 | 766,695 |
| Equity | | | |
| Share capital | 9 | 46,447,600 | 43,818,244 |
| Reserves | 9 | 8,177,037 | 8,345,327 |
| Contributed surplus | | 5,409,107 | 4,844,479 |
| Deficit | | (55,182,566) | (48,410,910) |
| Total equity | | 4,851,178 | 8,597,140 |
| Total equity and liabilities | | 6,423,326 | 9,363,835 |

Nature of Business and Going Concern (Note 1), Exploration and Evaluation Projects (Note 7),
Commitments and Contingencies (Note 13) and Subsequent Events (Note 14)

APPROVED BY THE BOARD:

"Frank Basa"

Director

"Jacques Monette"

Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CANADA SILVER COBALT WORKS INC.

(Formerly Canada Cobalt Works Inc)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian Dollars)

| | Notes | Three months ended | | Six months ended | |
|--|-------|--------------------|-------------------|--------------------|--------------------|
| | | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| Expenses | | \$ | \$ | \$ | \$ |
| Exploration and evaluation | 7 | 2,416,207 | 486,073 | 4,474,514 | 1,418,110 |
| Corporate | | | | | |
| Accounting and audit | | 575 | - | 16,575 | 10,177 |
| Admin and general expenses | | 33,286 | - | 49,249 | 5,875 |
| Corporate development | | - | - | 60,000 | - |
| Filing costs and shareholders' information | | 79,393 | 28,999 | 140,514 | 110,879 |
| Legal fees | | 8,535 | - | 15,743 | 45,287 |
| Marketing and communications | | 74,591 | 119,465 | 347,721 | 138,096 |
| Consulting and professional fees | | 123,565 | 255,986 | 248,608 | 545,110 |
| Salaries and wages | | 16,134 | 16,580 | 33,069 | 28,124 |
| Temiskaming testing laboratory | | 151,558 | 94,249 | 373,091 | 94,249 |
| Stock-based compensation | 9 | 77,907 | - | 166,811 | 433,195 |
| Travel, lodging and food | | 263 | 957 | 5,657 | 20,460 |
| Total corporate expenses | | 565,807 | 516,236 | 1,457,038 | 1,431,452 |
| Other items | | | | | |
| Other (income) expenses | | 194,023 | (115,342) | 383,894 | (334,030) |
| Premium on flow-through shares | | (214,540) | - | (214,540) | (160,000) |
| Unrealized loss on marketable securities | 5 | 52,500 | - | 670,750 | - |
| Total other items | | 31,983 | (115,342) | 840,104 | (494,030) |
| Total expenses | | 3,013,997 | 886,967 | 6,771,656 | 2,355,532 |
| Net loss and comprehensive loss for the period | | (3,013,997) | (886,967) | (6,771,656) | (2,355,532) |
| Net loss per share – basic and diluted | | (0.024) | (0.009) | (0.055) | (0.026) |
| Weighted average number of shares outstanding basic and diluted | | 123,823,089 | 93,785,840 | 122,614,487 | 90,781,031 |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CANADA SILVER COBALT WORKS INC.

(Formerly Canada Cobalt Works Inc.)

Condensed Interim Consolidated Statements of Changes in Equity

| | Number of Shares | Share Capital | Reserves | Contributed Surplus | Deficit | Total Equity (Deficit) |
|--|---------------------|-------------------|------------------|------------------------|---------------------|---------------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| Balances, December 31, 2019 | 90,275,528 | 29,690,079 | 3,825,909 | 4,456,096 | (37,455,224) | 516,860 |
| Private placements | 2,000,000 | 1,006,000 | 194,000 | - | - | 1,200,000 |
| Exercise of warrants | 3,120,960 | 1,533,720 | - | - | - | 1,533,720 |
| Exercise of options | 410,000 | 97,500 | - | - | - | 97,500 |
| Exercise of warrants – book value | - | 331,754 | (331,754) | - | - | - |
| Exercise of options – book value | - | 97,650 | (97,650) | - | - | - |
| Options and warrants cancelled or expired | - | - | (130,200) | 130,200 | - | - |
| Stock-based compensation | - | - | 463,589 | - | - | 463,589 |
| Share issue costs | - | (110,570) | (21,323) | - | - | (131,893) |
| Net loss for the period | - | - | - | - | (2,355,532) | (2,355,532) |
| Balances, June 30, 2020 | 95,806,488 | 32,646,133 | 3,902,571 | 4,586,296 | (39,810,758) | 1,324,242 |
| Private placements | 19,858,939 | 8,491,491 | 2,989,629 | - | - | 11,481,120 |
| Exercise of warrants | - | 701 | - | - | - | 701 |
| Exercise of options | 1,500,000 | 384,500 | - | - | - | 384,500 |
| Exercise of warrants –book value | - | 698 | (698) | - | - | - |
| Exercise of options – book value | - | 408,952 | (408,952) | - | - | - |
| Options and warrants cancelled or expired | - | - | (258,183) | 258,183 | - | - |
| Issued for equipment and exploration and evaluation projects | 3,751,647 | 2,239,275 | 1,505,873 | - | - | 3,745,148 |
| Stock-based compensation | - | - | 476,139 | - | - | 476,139 |
| Share issue costs | - | (353,506) | 138,948 | - | - | (214,558) |
| Net loss for the period | - | - | - | - | (8,600,152) | (8,600,152) |
| Balances, December 31, 2020 | 120,917,064 | 43,818,244 | 8,345,327 | 4,844,479 | (48,410,910) | 8,597,140 |
| Private placements | 6,026,282 | 2,408,962 | 411,021 | - | - | 2,819,983 |
| Exercise of warrants | 15,000 | 8,250 | - | - | - | 8,250 |
| Exercise of options | 968,000 | 237,150 | - | - | - | 237,150 |
| Exercise of warrants –book value | - | 1,140 | (1,140) | - | - | - |
| Exercise of options – book value | - | 237,897 | (237,897) | - | - | - |
| Options and warrants cancelled or expired | - | - | (564,627) | 564,627 | - | - |
| Stock-based compensation | - | - | 166,811 | - | - | 166,811 |
| Share issue costs | - | (264,043) | 57,543 | - | - | (206,500) |
| Net loss for the period | - | - | - | - | (6,771,656) | (6,771,656) |
| Balances, June 30, 2021 | 127,926,346 | 46,447,600 | 8,177,037 | 5,409,106 | (55,182,566) | 4,851,178 |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CANADA COBALT WORKS INC.

(Formerly Canada Cobalt Works Inc)

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended June 30, 2021 and 2020

(Unaudited - expressed in Canadian Dollars)

| | Notes | June 30, 2021 | June 30, 2020 |
|---|-------|--------------------|--------------------|
| | | \$ | \$ |
| OPERATING ACTIVITIES | | | |
| Loss before tax | | (6,771,656) | (2,355,532) |
| Adjustments for: | | | |
| Amortization | 8 | 134,153 | 47,443 |
| Stock-based compensation | 9 | 166,811 | 433,195 |
| Unrealized loss on marketable securities | 5 | 670,750 | - |
| Flow through premium | | 214,540 | - |
| Operating cash flows before movements in working capital | | | |
| (Increase) decrease in amounts receivable | | 675,788 | 61,002 |
| Decrease in prepaid expenses | | 66,585 | 50,000 |
| Increase (decrease) in trade payables and accrued liabilities | | 590,913 | (265,600) |
| Cash used in operating activities | | (4,252,116) | (2,029,492) |
| INVESTING ACTIVITIES | | | |
| Purchase of property, plant, and equipment | | (329,007) | (295,853) |
| Purchase of marketable securities | 5 | (2,193,250) | - |
| Cash used in investing activities | | (2,522,257) | (295,853) |
| FINANCING ACTIVITIES | | | |
| Issuance of common shares and warrants | | 819,983 | 1,098,500 |
| Share issue costs | | (206,500) | - |
| Option and warrant exercise | | 245,400 | 1,631,370 |
| Cash from financing activities | | 858,883 | 2,729,870 |
| Increase (decrease) in cash | | (5,915,490) | 404,525 |
| Cash – beginning of period | | 6,421,345 | 685,716 |
| Cash – end of period | | 505,855 | 1,090,240 |

Supplemental Cash Flow Information

| | June 30, 2021 | June 30, 2020 |
|--|------------------|------------------|
| Amounts due from private placement investors | 2,000,000 | - |
| Finders warrants | 57,543 | - |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Nature of business

Canada Silver Cobalt Works Inc. ("CCW" or the "Company") was incorporated on April 29, 2005 pursuant to the Canada Business Corporations Act. The address of the Company's head office is 3028 Quadra Court, Coquitlam, BC V3B 5X6. CCW's principal business activities are the acquisition, evaluation, exploration and development of mineral properties. To date, the Company has not realized any revenues from its properties.

These consolidated financial statements were approved by the Board of Directors on August 30, 2021.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and evaluation activities, and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, government licensing requirements or regulations, social licensing requirements, non-compliance with regulatory and environmental requirements and aboriginal land claims.

Going concern

As at June 30, 2021, the Company had not yet achieved profitable operations, had a working capital balance of \$2,881,665 (December 31, 2020: \$6,822,481). For the six months ended June 30, 2021 the Company incurred a net loss of \$6,771,656 (2020: \$2,355,532), had cash outflow from operations of \$4,252,116 (2020: \$2,029,492), had accumulated losses of \$55,182,566 (December 31, 2020: \$48,410,910) and expects to incur future losses in the development of its business. These items represent material uncertainties which cast significant doubt about the ability of the Company to continue as a going concern. The Company is in the process of exploring its properties and has not yet determined whether these properties contain economically recoverable reserves. The continued operations of the Company are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing to complete the necessary exploration and development of such property and upon attaining future profitable production or proceeds from disposition of the properties. Management is actively pursuing additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

These consolidated financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

Since January 1, 2020, the outbreak of the novel coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company, or on its ability to raise capital to fund exploration and operations, in future periods. While the Company has not been significantly impacted by the COVID-19 outbreak, it is not possible to reliably estimate the ongoing effect on the Company.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, as required by National Instrument 52-107 sec. 3.2(1)(b)(ii), and do not include all the information required for full annual financial statements by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020 which includes the information necessary or useful to understanding the Company's business and financial statement presentation.

Basis of presentation and functional currency

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair value. The consolidated financial statements have been presented on an accrual basis except for cash flow information. The presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods when the revision affects both current and future periods.

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

In the process of applying the Company's accounting policies, management has made the same judgments, estimates, and assumptions which were set out in the Company's audited financial statements for the year ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed interim consolidated financial statements are based on IFRS policies issued and outstanding as of the date the Board of Directors approved these interim financial statements being August 30, 2021. The same accounting policies and methods of computation are followed in these condensed consolidated interim financial statements as those applied in note 3 of the Company's most recent annual consolidated financial statements for the year ended December 31, 2020 and have been consistently applied throughout all periods presented, as if these policies had always been in effect. In addition to the accounting policies applied for the year ended December 31, 2020, the Company's accounting policy on short-term investments is described below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2021 could result in the restatement of these condensed consolidated interim financial statements.

Short-term investments

The Company's short-term investments are measured at fair value through profit or loss ("FVPL"). Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The short-term investments are classified as Level 1 in the fair value hierarchy.

4. AMOUNTS RECEIVABLE

The Company's amounts receivable are comprised of the following:

| | June 30, 2021 | December 31, 2020 |
|--------------------------------------|--------------------------|------------------------------|
| Due from Granada Gold Mine Inc. | \$ 98,287 | \$ 798,287 |
| Due from private placement investors | 2,000,000 | - |
| Sales tax receivable | 274,124 | 249,912 |
| Total | \$ 2,372,411 | \$ 1,048,199 |

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

5. SHORT-TERM INVESTMENTS

The Company's short-term investments are comprised of the following:

| | As at June 30, 2021 | |
|---|---------------------|------------------|
| | Cost | Fair Value |
| | \$ | \$ |
| Granada Gold Mine Inc. 10,500,000 shares | 2,193,250 | 1,522,500 |
| Total short-term investments | 2,193,250 | 1,522,500 |

During the six months ended June 30, 2021 the Company acquired 10,500,000 shares of Granada Gold Mine Inc. ("Granada"), a related party and shareholder of the Company, with which there are four common directors and three common officers. 500,000 shares were acquired on secondary markets between February 5 and February 9, 2021 at prices between \$0.18 and \$0.20 per share. 5,000,000 units were acquired through a private placement on February 23, 2021 at \$0.20 per unit. Each unit comprising one common share of the Granada and one share purchase warrant. Each whole warrant entitling the Company to purchase one additional common share of Granada at an exercise price of \$0.22 per share for a period of three years from closing. 5,000,000 shares were acquired through the exercise of 5,000,000 common share purchase warrants at an exercise price of \$0.22 per warrant.

6. ASSET ACQUISITION

On July 31, 2020, the Company acquired the assets of PolyMet Resources Inc. ("PolyMet"), consisting primarily of an assay laboratory and bulk sampling plant located in Cobalt, Ontario. The asset acquisition was affected through Temiskaming Testing Laboratories Inc., a wholly-owned subsidiary of CCW. In payment for the assets, CCW issued 690,409 common shares and 690,409 common share purchase warrants to PolyMet. Each warrant entitles PolyMet to acquire one additional common share of CCW at a price of \$0.50 for a period of two years. CCW also assumed outstanding liabilities of PolyMet in an amount of \$346,304.

Total consideration paid:

| | |
|--------------------------------|--------------------|
| Assumption of accounts Payable | \$346,304 |
| Common shares | \$407,341 |
| Warrants | \$212,370 |
| Transaction costs | \$98,182 |
| Total | \$1,064,197 |

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

The purchase price has been allocated to the value of the land, and the plant (machinery and equipment) acquired as follows:

| | |
|-------------------------|--------------------|
| Land | \$210,312 |
| Machinery and Equipment | \$853,885 |
| Total | \$1,064,197 |

7. EXPLORATION AND EVALUATION PROJECTS

Castle Silver Mine Project, Ontario

CCW holds a 100% interest in certain claims and parcels located in the Haultain and Nicol townships of Ontario. The property is subject to a sliding scale royalty on silver production which will start from 3% when the price of silver is US\$15 or lower per troy ounce and up to 5% when the price of silver is greater than US\$30 per troy ounce and a 5% gross overriding royalty on the sale of products derived from the property with a minimum annual payment of \$15,000 in the form of royalties on all future production from the property and a 1% NSR.

Castle East Property, Ontario

On July 10, 2020, CCW entered into a Purchase and Sale Agreement with Granada, a related party with which there are four common directors and three common officers, pursuant to which the Company repurchased from Granada a back-in option on five mining leases at Castle East, forming part of the Castle mine property near Gowganda, Ontario. In payment, CCW issued 2,941,000 common shares to Granada. Each of the shares were accompanied by one common share purchase warrant. Each warrant entitles Granada to acquire one additional common share of CCW for \$0.55 for a period of five years. The common shares issued were valued at \$1,764,600 based on a common share price of \$0.55, and the common share purchase warrants were valued at \$1,293,503 for total consideration of \$3,058,103. The warrants value is based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.55, an average exercise price of \$0.55, risk free interest rate of 0.38%, expected life of warrants of 5 years, expected volatility rate of 114%, and expected dividend rate of 0%.

Beaver Property, Ontario

The Company holds a 100% interest in the Beaver and Violet cobalt and silver properties located in the township of Coleman, in northern Ontario, which are subject to a 3% NSR royalty. Each 1% can be purchased for \$1,500,000.

B2 Property, Quebec

On October 30, 2020, the Company entered into an option agreement with MagNor Resources ("MagNor") dated October 26, 2020 whereby CCW may earn an undivided 100% interest, subject to a 2% NSR, in MagNor's B2 property, of which 1% can be repurchased for \$1,400,000. The property has 12 claims. Pursuant to the terms of the agreement, the

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

Company may exercise the option with MagNor as follows:

- On closing, making a payment of \$62,500 - (120,238 shares were issued on November 9, 2020 to fulfill this obligation);
- 24 months from closing, making a payment of \$62,500;
- 36 months from closing, making a payment of \$62,500; and
- 36 months from closing, incurring an aggregate of \$100,000 in exploration expenditures on the Ni Cu property

Each of the payments to MagNor can be made in cash or through the issuance of the Company's common shares at a price per common share equal to the volume weighted average trading price of the Company's shares on the TSX Venture Exchange for the ten (10) trading days immediately preceding the issue date, at the option of the Company.

The following table shows exploration and evaluation expenses incurred by property:

| Three months ended June 30, 2021 | Castle Silver Property | Beaver & Violet Property | Sudbury Property | Quebec Property | Total |
|---|------------------------|--------------------------|------------------|-----------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Acquisition costs | 3,110 | - | 1,500 | 32,238 | 36,848 |
| Assay and testing | 168,856 | - | - | - | 168,856 |
| Depreciation | 64,951 | - | - | - | 64,951 |
| Drilling | 980,725 | - | - | - | 980,725 |
| Facility expenses | 99,057 | - | - | - | 99,057 |
| Consulting and professional fees | 78,037 | 500 | 1,569 | 9,933 | 90,039 |
| Geology, geophysics and surveys | 224,951 | 500 | 103,880 | 310,900 | 640,231 |
| Labour | 211,665 | - | - | - | 211,665 |
| Environmental | 123,764 | - | - | - | 123,764 |
| Taxes, permits and licensing | 71 | - | - | - | 71 |
| | 1,955,187 | 1,000 | 106,949 | 353,071 | 2,416,207 |

| Three months ended June 30, 2020 | Castle Silver Property | Beaver & Violet Property | Sudbury Property | Quebec Property | Total |
|---|------------------------|--------------------------|------------------|-----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Acquisition costs | - | - | - | - | - |
| Assay and testing | 15,166 | - | - | - | 15,166 |
| Depreciation | 29,110 | - | - | - | 29,110 |
| Drilling | 54,504 | - | - | - | 54,504 |
| Facility expenses | 100,366 | - | - | - | 100,366 |
| Consulting and professional fees | 93,285 | - | - | - | 93,285 |
| Geology, geophysics and surveys | 149,744 | - | - | - | 149,744 |
| Labour | 59,157 | - | - | - | 59,157 |
| Environmental | - | - | - | - | - |
| Taxes, permits and licensing | (15,258) | - | - | - | (15,258) |
| | 486,074 | - | - | - | 486,074 |

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

| Six months ended June 30, 2021 | Castle Silver Property | Beaver & Violet Property | Sudbury Property | Quebec Property | Total |
|---------------------------------------|------------------------|--------------------------|------------------|-----------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Acquisition costs | 9,129 | - | 1,548 | 61,593 | 72,270 |
| Assay and testing | 188,048 | - | - | - | 188,048 |
| Depreciation | 134,153 | - | - | - | 134,153 |
| Drilling | 2,034,665 | - | - | - | 2,034,665 |
| Facility expenses | 250,947 | - | - | - | 250,947 |
| Consulting and professional fees | 210,519 | 3,191 | 4,502 | 24,531 | 242,743 |
| Geology, geophysics and surveys | 320,736 | 2,500 | 186,884 | 457,296 | 967,416 |
| Labour | 415,470 | - | - | - | 415,470 |
| Environmental | 167,712 | - | - | - | 167,712 |
| Taxes, permits and licensing | 993 | 97 | - | - | 1,090 |
| | 3,732,372 | 5,788 | 192,934 | 543,420 | 4,474,514 |

| Six months ended June 30, 2020 | Castle Silver Property | Beaver & Violet Property | Sudbury Property | Quebec Property | Total |
|---------------------------------------|------------------------|--------------------------|------------------|-----------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Acquisition costs | 92,895 | - | - | - | 92,895 |
| Assay and testing | 47,443 | - | - | - | 47,443 |
| Depreciation | 259,838 | - | - | - | 259,838 |
| Drilling | 261,930 | - | - | - | 261,930 |
| Facility expenses | 210,392 | - | - | - | 210,392 |
| Consulting and professional fees | 389,040 | - | - | - | 389,040 |
| Geology, geophysics and surveys | 164,815 | - | - | - | 164,815 |
| Labour | - | - | - | - | - |
| Environmental | (8,242) | - | - | - | (8,242) |
| Taxes, permits and licensing | - | - | - | - | - |
| | 1,418,110 | - | - | - | 1,418,110 |

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

8. PROPERTY, PLANT, AND EQUIPMENT

| | Land | Building, machinery & equipment | Vehicles | Total |
|---------------------------------|----------------|---------------------------------------|----------------|------------------|
| | \$ | \$ | \$ | \$ |
| COST | | | | |
| As at December 31, 2019 | - | 398,589 | - | 398,589 |
| Additions | 210,312 | 1,198,301 | 211,988 | 1,620,601 |
| As at December 31, 2020 | 210,312 | 1,596,890 | 211,988 | 2,019,190 |
| Additions | - | 329,005 | - | 329,005 |
| As at June 30, 2021 | 210,312 | 1,925,895 | 211,988 | 2,348,194 |
| ACCUMULATED AMORTIZATION | | | | |
| As at December 31, 2019 | - | 111,252 | - | 111,252 |
| Accumulated amortization | - | 117,382 | 15,895 | 133,277 |
| As at December 31, 2020 | - | 228,634 | 15,895 | 244,529 |
| Accumulated amortization | - | 105,842 | 28,311 | 134,153 |
| As at June 30, 2021 | - | 334,476 | 44,206 | 378,682 |
| NET BOOK VALUE | | | | |
| As at December 31, 2019 | - | 287,337 | - | 287,337 |
| As at December 31, 2020 | 210,312 | 1,368,254 | 196,093 | 1,774,659 |
| As at June 30, 2021 | 210,312 | 1,591,419 | 167,782 | 1,969,513 |

Equipment with a total cost of \$nil (full-year 2020 – \$196,696) was purchased during the six months ended June 30, 2021 from companies controlled by the CEO of the Company, who is also a director of the Company. Equipment with a total cost of \$nil (full-year 2020: \$131,970) was purchased during the six months ended June 30, 2021 from Granada, a related party with which there are four common directors and three common officers.

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

9. SHARE CAPITAL

9.1 Authorized share capital

The Company has an authorized share capital of an unlimited number of shares with no par value.

As at June 30, 2021, the Company had 127,926,346 common shares issued and outstanding (June 30, 2020: 95,806,488).

9.2 Share issuance

a). Private Placements

1. On June 15, 2020, the Company closed a flow-through private placement with strategic investors, raising gross proceeds of \$1,200,000 by issuing 2,000,000 units at a price of \$0.60 per FT Unit. Each FT Unit comprises one flow-through common share of the Company and one half of one share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.70 per share, for a period of two years from closing. In connection with the private placement the Company paid finder fees in the amount of \$94,000 and issued 156,665 finder warrants. The finder warrants are on the same terms as the financing warrants and have been recorded at an estimated value of \$40,031, based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.50, an exercise price of \$0.70, risk free interest rate of 0.29%, expected life of warrants of 2 years, expected volatility rate of 93% and expected dividend rate of 0%.
2. Between August 14 and September 2, 2020, the Company closed a non-brokered private placement financing, raising gross proceeds of \$6,743,730 by the issue of 12,261,327 units at \$0.55 per unit. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.65 per share, for a period of three years from closing. Finder fees in the amount of \$123,148 and the issuance of 223,904 finder warrants were paid in connection with the private placement. The finder warrants are on the same terms as the financing warrants and have been recorded at an estimated value of \$40,453, based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.37, an average exercise price of \$0.65, risk free interest rate of 0.28%, expected life of warrants of 3 years, expected volatility rate of 98% and expected dividend rate of 0%. Related parties participated in the financing for a total of \$109,012 of the proceeds.
3. On November 25, 2020, the Company closed a non-brokered FT private placement by way of issuing 4,288,778 FT units at a price of \$0.63 per FT unit raising gross proceeds of \$2,701,930. The Company also issued 3,308,824 Quebec FT units at a price of \$0.68 per Quebec FT Unit raising gross proceeds \$2,250,000. The Company raised a total of \$4,951,930. Each FT unit and Quebec FT unit is comprised of one flow-through common

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

share of the Company and one half of a share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.80 per share, for a period of two years from closing. Finder fees in the amount of \$129,304 and the issuance of 198,533 finder warrants were paid in connection with the FT and Quebec FT private placement. The finder warrants are on the same terms as the financing warrants and have been recorded at an estimated value of \$37,141, based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.53, an exercise price of \$0.80, risk free interest rate of 0.27%, expected life of warrants of 2 years, expected volatility rate of 87% and expected dividend rate of 0%.

4. On April 7, 2021, the Company closed a flow-through private placement, raising gross proceeds of \$950,000 by issuing 2,021,276 units at a price of \$0.47 per FT Unit. Each FT Unit comprises one flow-through common share of the Company and one half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.58 per share, for a period of two years from closing. In connection with the private placement the Company paid finder fees in the amount of \$66,500 and issued 141,490 finder warrants. The finder warrants are on the same terms as the financing warrants and have been recorded at an estimated value of \$20,026, based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.40, an exercise price of \$0.58, risk free interest rate of 0.23%, expected life of warrants of 2 years, expected volatility rate of 85% and expected dividend rate of 0%.
5. On June 29, 2021, the Company closed a flow-through private placement, raising gross proceeds of \$2,000,000 by issuing 2,941,176 Quebec flow-through units ("QFT Unit") at a price of \$0.51 per QFT Unit, and 1,063,830 flow-through units ("FT Unit") at a price of \$0.47 per FT Unit. Each QFT Unit and FT Unit comprises one flow-through common share of the Company and one half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.60 per share, for a period of two years from closing. In connection with the private placement the Company paid finder fees in the amount of \$140,000 and issued 280,350 finder warrants. The finder warrants are on the same terms as the financing warrants and have been recorded at an estimated value of \$35,517, based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.40, an exercise price of \$0.60, risk free interest rate of 0.44%, expected life of warrants of 2 years, expected volatility rate of 83% and expected dividend rate of 0%. Included in amounts receivable at June 30, 2021 is share proceeds receivable of \$2,000,000 related to this private placement.

b). Exercise of Options

During the six months ended June 30, 2021, the Company issued 1,068,000 common shares related to the exercise of 1,068,000 stock options at an exercise price between \$0.05 to \$0.45 per share, for total consideration of \$237,150.

c). Exercise of Warrants

During the six months ended June 30, 2021, the Company issued 15,000 common shares related to the exercise of 15,000 warrants at an exercise price of \$0.55 per share, for total consideration of \$8,250.

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

d). Other

During the six months ended June 30, 2021 there were no common shares issued by the Company other than for private placements or the exercise of options and warrants.

9.3 Stock Option Plan

The Company has in place a stock option plan (the "Plan") under which officers, directors, employees and consultants are eligible to receive incentive stock options.

The aggregate number of common shares reserved for issuance under the Plan and common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate 10% of the Company's common shares issued and outstanding at the time of grant. The term of any options granted under the Plan will be fixed by the Board of Directors and may not exceed ten years, but so long as the Company remains a "Tier 2" issuer under the policies of the Toronto Stock Exchange, options may not exceed a term of five years. The exercise price of options granted under the Plan will be determined by the Board of Directors, provided that it is not lower than the fair market value of the option shares on the date of the grant of the option.

The terms of the plan are as follows:

- (i) the maximum number of shares that can be received by a beneficiary during any 12 month period is limited to 5% of issued and outstanding shares;
- (ii) the maximum number of shares that can be reserved for a consultant during any 12 month period is limited to a 2% of issued and outstanding shares; and
- (iii) the maximum number of shares that can be reserved for a supplier of investor relations services during any 12-month period is limited to 2% of issued and outstanding shares; moreover, the options granted may be exercised on a 12 month period after the grant, at the rate of 25% per quarter.

The following is a summary of the changes in the Company's stock option activities for the six months ended June 30, 2021 and year ended December 31, 2020:

| | June 30, 2021 | | December 31, 2020 | |
|--|-------------------|---------------------------------|-------------------|---------------------------------|
| | Number of options | Weighted-average exercise price | Number of options | Weighted-average exercise price |
| Outstanding, beginning of year | 9,351,000 | \$ 0.343 | 8,073,000 | \$ 0.322 |
| Granted | 500,000 | 0.425 | 3,288,000 | 0.370 |
| Exercised | (1,068,000) | 0.245 | (1,910,000) | 0.252 |
| Expired | (1,500,000) | 0.403 | (100,000) | 0.520 |
| Outstanding, end of period/year | 7,283,000 | 0.350 | 9,351,000 | 0.343 |
| Exercisable, end of period/year | 7,283,000 | 0.350 | 9,351,000 | 0.343 |

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

The following table summarizes information regarding stock options outstanding and exercisable as at June 30, 2021:

| Exercise price | Number of options outstanding | Number of options exercisable | Weighted-average contractual life (years) | Weighted-average exercise price |
|-----------------------|--------------------------------------|--------------------------------------|--|--|
| Options | | | | |
| \$0.100 - \$0.200 | 420,000 | 420,000 | 1.22 | 0.185 |
| \$0.210 - \$0.300 | 3,050,000 | 3,050,000 | 1.53 | 0.282 |
| \$0.310 - \$0.400 | 1,500,000 | 1,500,000 | 3.06 | 0.333 |
| \$0.410 - \$0.700 | 2,313,000 | 2,313,000 | 4.05 | 0.479 |
| Total | 7,283,000 | 7,283,000 | 2.63 | 0.350 |

The weighted average fair value of the options granted during the six months ended June 30, 2021 was estimated at \$0.334 per option (full-year 2020: \$0.286) at the grant date using the Black-Scholes option pricing model. The weighted average assumptions used for the calculation were:

| | June 30, 2021 | December 31, 2020 |
|-----------------------------|----------------------|-------------------|
| Risk free interest rate | 0.56% | 0.54% |
| Expected life | 3.5 years | 3.5 years |
| Expected volatility | 99.10% | 102.77% |
| Share price | 0.53 | 0.41 |
| Expected dividend per share | - | - |

Expected volatility was calculated using historical daily closing share prices for the Company's common shares using the same time period as the life of the option.

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

9.4 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the six months ended June 30, 2021 and year ended December 31, 2020:

| | June 30, 2021 | | December 31, 2020 | |
|--|--------------------|---------------------------------|--------------------|---------------------------------|
| | Number of warrants | Weighted-average exercise price | Number of warrants | Weighted-average exercise price |
| Outstanding, beginning of period/year | 27,187,793 | \$ 0.634 | 10,126,856 | \$ 0.570 |
| Granted | 3,434,981 | 0.593 | 21,270,638 | 0.662 |
| Exercised | (15,000) | 0.550 | (3,038,690) | 0.505 |
| Expired | - | - | (1,171,011) | 0.740 |
| Outstanding, end of period/year | 30,607,774 | 0.629 | 27,187,793 | 0.739 |

During the six months ended June 30, 2021, in conjunction with private placements, the Company issued a total of 3,434,981 share purchase warrants.

The following table summarizes information regarding share purchase warrants outstanding and exercisable as at June 30, 2021:

| Exercise price | Number of warrants outstanding | Weighted-average remaining contractual life (years) | Weighted-average exercise price |
|----------------|--------------------------------|---|---------------------------------|
| \$0.50 | 2,876,493 | 0.42 | \$0.50 |
| \$0.55 | 6,657,071 | 1.99 | \$0.55 |
| \$0.58 | 1,152,128 | 1.77 | \$0.58 |
| \$0.60 | 2,282,853 | 2.00 | \$0.60 |
| \$0.65 | 12,485,231 | 2.15 | \$0.65 |
| \$0.70 | 1,156,665 | 0.96 | \$0.70 |
| \$0.80 | 3,997,333 | 1.41 | \$0.80 |
| Total | 30,607,774 | 1.78 | \$0.629 |

The weighted average fair value of the warrants granted during the six months ended June 30, 2021 was estimated at \$0.136 per warrant at the grant date using the Black-Scholes Pricing Model. The weighted average assumptions used for the calculation were:

| | June 30 2021 | December 31 2020 |
|-----------------------------|--------------|------------------|
| Risk free interest rate | 0.37% | 0.30% |
| Expected life | 2 years | 3 years |
| Expected volatility | 83.82% | 97.63% |
| Share price | 0.40 | 0.44 |
| Expected dividend per share | - | - |

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

Expected volatility was calculated using historical daily closing share prices for the Company's common shares using the same time period as the life of the option.

10. RELATED PARTY TRANSACTIONS

The Company has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Company.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of key management personnel including the CEO, President and COO, CFO, corporate secretary, and directors of the Company for the three months ended June 30, 2021 was \$153,999 (2020 - \$86,714) and share based payments valued at \$31,163 (2020 - \$nil).

The remuneration of key management personnel including the CEO, President and COO, CFO, corporate secretary, and directors of the Company for the six months ended June 30, 2021 was \$310,551 (2020 - \$222,228) and share based payments valued at \$31,163 (2020 - \$183,820).

There were no Directors' fees paid to members of the Board of Directors for the three and six months ended June, 2021 and 2020.

During the six months ended June 30, 2021 the Company received repayment of \$700,000 advanced to Granada, a related party and shareholder of the Company, with which there are four common directors and three common officers.

As at June 20, 2021, there was \$8,927 of amounts payable to Granada (2020 - \$nil), and \$98,287 of amounts receivable from Granada. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

During the six months ended June 30, 2021 the Company acquired 10,500,000 shares of Granada. 500,000 shares were acquired on secondary markets between February 5 and February 9, 2021 at prices between \$0.18 and \$0.20 per share. 5,000,000 units were acquired through a private placement on February 23, 2021 at \$0.20 per unit. Each unit comprising one common share of the Granada and one share purchase warrant. Each whole warrant entitling the Company to purchase one additional common share of Granada at an exercise price of \$0.22 per share for a period of three years from closing. 5,000,000 shares were acquired through the exercise of 5,000,000 common share purchase warrants at an exercise price of \$0.22 per warrant.

11. CAPITAL MANAGEMENT

The Company's Capital Management policies set out in the Company's annual financial statements for the year ended December 31, 2020 have been applied consistently for the six months ended June 30, 2021.

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company is exposed to credit risk on its cash and amounts receivable. The Company has deposited its cash with reputable financial institutions, from which management believes the risk of loss is minimized. As at June 30, 2021 and 2020 cash was held with major Canadian financial institutions. Management believes that the risk of loss from amounts receivable is low. See Note 4.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company is regularly seeking equity financing as indicated in Note 1. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, existing shareholders ownership may be diluted.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

(a) Interest rate risk

The Company is not exposed to interest rate risk as it does not have interest bearing debt.

(b) Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market prices of silver, cobalt and nickel.

(c) Share price risk

The Company is exposed to share price risk related to the common shares of Granada. A 10% change in the share price of the Company's short-term investments would result in a corresponding change to net loss in the amount of \$152,500 for the six month period ended June 30, 2021.

Currency Risk

As the Company transacts business in Canadian dollars, there is minimal foreign currency risk at June 30, 2021 and December 31, 2020.

13. COMMITMENTS AND CONTINGENCIES

(a) Environmental Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

(b) Flow-Through Shares

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that may become payable by the subscribers as a result of the Company not meeting this expenditure commitment. As at June 30, 2021 the Company has a remaining commitment to incur \$1,357,519 of expenses as required under the flow-through share offerings during 2020. These expenses must be incurred prior to December 31, 2021.

(c) Management Contracts

The Company is party to multiple management contracts. Upon the occurrence of certain events such as a change in control, the contract requires payment of up to \$704,000. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

The Company has entered into a Memorandum of Understanding ("MOU") with the Matachewan First Nation community in connection with certain exploration and evaluation programs in their area; to support the engagement process, 2% of the exploration costs are provided to the First Nation, calculated and paid on an annual basis following the end of the calendar year.

In addition, the Company has entered into a second MOU with both Temagami First Nation and Teme-Augama Nation to provide a framework process for consultation during the life of the project.

The MOUs also include terms outlining environmental protection, employment, training and business opportunities, and mitigation of impacts on the traditional pursuits of the members of the First Nation communities.

14. SUBSEQUENT EVENTS

On July 28, 2021, the Company announced it had extended the expiry date of an aggregate 2,093,334 share purchase warrants (the "Warrants") by three years. The 2,093,334 Warrants were due to expire on September 6 and September 13, 2021. The expiry date will be extended by three years and the Warrants will now expire on September 6 and September 13, 2024. All other terms and conditions remain constant.

On August 3, 2021, the Company announced that it had entered into an option agreement dated July 28, 2020 to acquire the Eby-Otto Township property from geologist Doug Robinson, P.Eng., and prospector James Reed. The option agreement grants the option to the Company to acquire, over a period of 5 years, 100% of the Property in return for cash payments totalling \$364,000, the issuance of 800,000 common shares of Canada Silver Cobalt Works and incurring a total of \$2.4 million in exploration expenditures on the Property. In addition, Reed and Robinson will retain a 3% royalty if the Company completes the entire option. Canada Silver Cobalt Works will be the operator and will manage all exploration work throughout the term of the option agreement. All shares issued will be subject to a 4 month plus one day hold period in accordance with applicable securities laws.

On August 17, 2021, the Company announced that it had has filed a preliminary short form base shelf prospectus with the securities commissions of each of the provinces of Canada except Québec. The base shelf prospectus, when final, will allow Canada Silver Cobalt and/or

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

certain of its security holders to qualify the distribution by way of prospectus of up to \$30 million of common shares, preference shares, subscription receipts, warrants, debt securities and units, or any combination thereof, from time to time during the 25-month period during which the shelf prospectus is effective. The specific terms of any future offering will be established in a prospectus supplement to the shelf prospectus, which supplement will be filed with the applicable Canadian securities regulatory authorities in connection with any such offering. There is no assurance that the Company will complete any financings pursuant to the prospectus.

On August 30, 2021, the Company announced that it had entered into an option agreement dated August 15, 2021 to acquire 610 acres of the Eby-Otto Township property from a group of highly renowned prospectors. These claims are adjacent to the Eby-Otto Township properties acquired earlier in August 2021. The option agreement grants the option to the Company to acquire, over a period of 5 years, 100% of the Property in return for cash payments totalling \$182,000, the issuance of 400,000 common shares of Canada Silver Cobalt Works and incurring a total of \$1.2 million in exploration expenditures on the Property. In addition, the prospectors will retain a 3% royalty if the Company completes the entire option. Canada Silver Cobalt Works will be the operator and will manage all exploration work throughout the term of the option agreement. All shares issued will be subject to a 4 month plus one day hold period in accordance with applicable securities laws.