Dean Bristow on Nevada based silver and gold project generator, Viscount Mining

written by InvestorNews | December 9, 2021

A few months ago I discussed a Colorado and Nevada based mining project generator called Viscount Mining Corp. (TSXV: VML | OTCQX: VLMGF). In that article, the primary focus was their Silver Cliff project located 44 miles WSW of Pueblo, Colorado which had numerous underground mining operations through to the early 1900's. Results were coming fast and furious at Silver Cliff, primarily from the Kate Silver Resource ("KSR"), which was the first area drilled and is one of four known historical silver deposits on the property. On September 1st Viscount began its Phase 3 drilling program at Silver Cliff with thirteen drill holes identified to increase the defined resource available at the KSR.

With that said, I concluded the July article stating that discussion of the Cherry Creek project in Nevada would have to wait for another day. Well, that day is today. The Cherry Creek exploration property is in an area commonly known as the Cherry Creek Mining District, located approximately 50 miles north of the town of Ely, White Pine County, Nevada. Cherry Creek consists of 578 unpatented and 17 patented claims as well as mill rights and is comprised of more than 7,000 hectares. The Cherry Creek project includes more than 20 silver/gold/tungsten past-producing mines.

In January 2021, Viscount entered into an exploration earn-in agreement with a wholly owned subsidiary of Centerra Gold Inc. (TSX: CG), a Canadian-based gold mining company. Under terms of

the Agreement Centerra has the right to acquire a 70% interest in the Property through (a) making annual payments totaling US$250,000 over a 4 year period, and (b) spending US$8,000,000 on mineral exploration costs on the Property over 4 years. Deals like this are critical for a project generator like Viscount as it helps fund exploration. Sure you are giving up a large percentage of the asset but it's far less stressful for investors who wait perilously for results or the next capital raise to fund future results. There is nothing worse than a market sell off just before a company has to go back to the public markets given that something out of their control can wipe out all the hard work they've done to get to that point. With the Centerra deal, exploration is well funded for the foreseeable future and if the results knock it out of the park, even a 30% interest will reward shareholders of a small cap company.

One example of the benefit of having Centerra on board at Cherry Creek is that Centerra undertook the staking of 278 new lode claims this year which brought the total number of unpatented lode claims to 578. These new claims strengthen the position in the district and cover permissive lithologies, known mineralization as well as mineralized projections. In fact, Centerra has been diligently doing geological mapping and geochemical sampling on the property since the agreement was signed at the start of this year resulting in samples of 8,710 g/t silver and 61.4 g/t gold at the Star Target in Cherry Creek. Fourteen rock samples ran greater than or equal to 2.0 g/t gold and seventeen rock samples ran greater than or equal to 100 g/t silver.

There is a lot going on at Viscount for such a small company and a lot of that has to do with the Centerra deal at Cherry Creek. It would be challenging for a lean operation like Viscount to fund, and possibly operate, two concurrent exploration programs

at the same time. Not to say the team at Viscount isn't up to the task but the Centerra deal makes life a lot easier and allows the Company to stretch their cash out a lot further. As I noted in the previous article, the drilling at KSR is quite close to surface so the Phase 3 drilling program could be done on a very cost effective basis as the total depth of each hole is somewhat minimal. All this points to lots of potential news and results with minimal capital outlay.

As for catalysts going forward, the Phase 3 drill program at Silver Cliff has been completed so now we are eagerly awaiting the results of the 881 M drilled over 13 holes. Upon receipt of the Silver Cliff drill results, in correlation with the soil samples taken as a supplemental part of Viscount's phase 3 drilling program, a Phase 4 of drilling will be designed to further the understanding of the Kate deposit with the goal of expanding the NI 43-101 resource. All the while Centerra is plugging away at Cherry Creek and still has plenty of money to spend if they want to earn that 70% interest. Like I said, there's a lot going on at Viscount Mining. With a market cap of roughly C$36 million, there could be good leverage to results like they had from their Phase 2 Silver Cliff program in early June.