

Viscount Mining Corp.

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Viscount Mining's US gold and silver assets offer huge potential upside

How is it that a property like Cherry Creek in Nevada, which has the potential to develop into something of the scale of Newmont's Long Canyon mine, has remained undeveloped?

The answer, says Jim MacKenzie, the chief executive of Viscount Mining Corp (CVE:VML), which is now putting it all together, is essentially a story of nearly a century of fragmentation.

READ: Viscount Mining says latest Silver Cliff assays expand the resource potential

"This is a project that was producing mainly silver up to 1919 or 1920," says MacKenzie.

"The property then closed until the 1940s, when the US government went in and mined some tungsten for the manufacturing of munitions during World War 2. But after that, it really sat without anything happening to it at all. There were five families that controlled the area, and they did not see eye-to-eye."

Clearly, there was always an opportunity to consolidate, but also a need for some water to flow under bridges first.

In 2010, MacKenzie took the initiative.

"I met with the gentleman that owned the largest portion," MacKenzie explains. "I wrote him a cheque as a down payment. It then took a year to put it all together, till we had 2,600 acres, all patented with 20 previously producing mines and we ended up getting a 43-101 done by Snowden."

So it was that Summit Mining Exploration Inc was brought into the picture by Viscount, and set to work. Summit reported samples grading up to 8,700 grams silver and 76 grams gold.

READ: Viscount Mining expands flagship Silver Cliff project in Colorado

In 2015, 12 drill holes were completed in the historic silver mining area of Cherry Creek which identified high grade, wide-spread silver mineralization.

Cherry Creek is located on trend and shares the same characteristics with Kinross Gold's Bald Mountain mine, Newmont Mining's Long Canyon project and Agnico-Eagle's West Pequop project.

Summit Mining stated: "Anomalous gold in soil and rock-chip samples from the Pogonip Formation indicate that there could be a disseminated gold deposit at a depth that is analogous to Newmont Mining Corporation's Long Canyon Mine currently in production."

Newmont purchased Long Canyon for just over US\$2bn in 2010. Hardly surprising then that MacKenzie says that Viscount is "very excited" about Cherry Creek.

Price: C\$0.165

Market Cap: C\$8.88M

1 Year Share Price Graph



Share Information

Code: VML

Listing: TSX-V

52 week	High	Low
	C\$0.29	C\$0.15

Sector: General Mining - Gold

Website: www.viscountmining.com

Company Synopsis:

Viscount Mining is a project generator building a portfolio of high quality exploration properties in friendly mining jurisdictions in the United States.

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And it's not just Viscount.

"We have a number of confidentiality agreements in place," he says.

Working out exactly what to do next will involve a number of high-level board decisions, but in the meantime, excitement is also building around Viscount's other asset, the Silver Cliff project in Colorado.

In fact, Silver Cliff has been generating much of Viscount's newsflow for the past 12 months or so. In particular, a recent initial resource estimate showed that there are more than 12mln ounces of silver in the ground, with over 5mln ounces indicated and more than 7mln ounces inferred. Not surprising then that the company has also been staking more ground in the surrounding district.

"We got this property about three years ago," says MacKenzie.

"In the 1980s, Tenneco identified 50mln ounces of silver in an open pit scenario and was about to put it into production but was bought out by a Belgium conglomerate that had no interest in the resource sector."

What's particularly attractive are the grades. Historically, grades have run as high as 2,125 grams per tonne silver over 13.4 metres, which is equivalent to 68 ounces per tonne. But lest anyone think that that was just a one-off, MacKenzie can reel off other attractive intercepts almost at will from their 2016 and 2017 drill programs.

"There was 26 ounces over 16 metres," he says, "14 ounces over nine metres, 57 ounces over six metres and 12 ounces over 13 metres."

High grade

Those are very high-grade drill hits. Other high-grade holes with some drilled from the surface are a great start to proving up the historical resource and possibly more.

How much silver could there ultimately be? Possibly as much as 50mln ounces, although Viscount isn't pushing towards that target quite yet. To prove that sort of number up, MacKenzie reckons 200-300 drill holes would be required. As it stands, only 20 have been done so far.

Instead, says MacKenzie, the company is doing a "proof of concept." Part of that proof has already been delivered, with the 12mln ounces resource. But more follow-up work will be done. In particular, a drill programme is now in the planning stages, with the aim being to confirm the historical data generated by Tenneco before it sold out of the mining space in 1991.

There's cash in the bank for that, and if needed, probably plenty more on offer. Outstanding warrants might be one source of further funds, but the Company is in any case, supported by a stalwart network of high net worth individuals.

They don't need telling twice that this is a team that knows how to build a mining company. Kaare Foy was instrumental in building up Great Panther Silver (TSE:GPR) from scratch to a market cap of US\$600mln before retiring.

And, by Foy's account, MacKenzie himself works like a Trojan. The combination of their assets and these people should go a long way in a mining market that's now beginning to recover its poise.

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