Will (silver) history repeat itself for Viscount Mining?

written by InvestorNews | July 13, 2021

When I think about silver mining companies I immediately think they must be in Mexico or maybe Nevada but Colorado was never on my radar. At least until I learned about Viscount Mining Corp. (TSXV: VML | OTCQB: VLMGF) which introduced me to the fact that there has been silver mined in Colorado since the late 1800s. Specifically, the Company's Silver Cliff project located 44 miles WSW of Pueblo, Colorado which had numerous underground mining operations through to the early 1900s.

Fast forward 100 years and Tenneco Minerals Co., CoCa Mines and others developed 5 exploration targets on the area now classified as the Silver Cliff project. In fact, drilling in the 1980s by Tenneco resulted in a historical pre-feasibility study and there were plans to bring the property to production. Tenneco Minerals actually made the decision to construct a $35M milling operation for the extraction of the silver reserves at Silver Cliff. However, shortly thereafter Tenneco decided to sell the entire minerals division, and the planned milling operation was subsequently abandoned by the new owner as low commodity prices kept the project uneconomical.

Jump ahead another couple of decades and Viscount Mining entered into an option agreement to acquire the Silver Cliff property in May 2014. The Company then set about doing its own drilling programs in 2016 and 2017, which combined with all the historical drilling on the property, provided enough information to do a NI 43-101 compliant resource estimate. The Kate Silver Resource ("KSR") was the first area drilled and is one of four known historical silver deposits on the Silver Cliff property.

The KSR comprises about 36 hectares of the 900 plus hectares at Silver Cliff and is presently estimated to contain 2,064,000 tonnes of Indicated Mineral Resource averaging 84 grams of silver per tonne for 5,560,000 ounces of silver and 3,172,000 tonnes of Inferred Mineral Resource averaging 70 grams of silver per tonne for 7,143,900 ounces of silver.

As we continue our time-traveling journey to the present. In the fall of 2020 Viscount embarked on a three-phase drill campaign which looked to expand the previously defined KSR with the objective of adding to the resource estimate noted above and to further outline the Kate East high-grade zone, as well as moving forward on the evaluation of the resource potential of several other promising targets. With two of the three phases complete the company has now established the Kate East zone as a promising new addition to the overall KSR resource. With several impressive near-surface results, Hole #3 in the phase 1 program included 702.7 g/t silver over 14.9 m, with a 7.6 m zone that assayed 1,259.1 g/t. The phase 2 program, which concluded in April, included 147.6 g/t over 18.6 meters from 11 meters depth, including 236 g/t silver over 10 meters and a separate showing of 24.4 meters of 51.4 g/t from 14 meters to 34.4 meters, including 128.9g/t silver over 4.4 meters.

It should be noted that all of the KSR results are quite close to surface. In fact, the Kate East zone results, both historic and current, range from a starting depth of mineralization of 32 meters to several results that actually start from surface. This has a twofold benefit – ultimate development costs of the project should be very competitive as there is very little over burden for the start of an open pit mine and the current drilling programs can be done on a very cost-effective basis as the total depth of each hole is somewhat minimal.

As we conclude our trip through time by looking ahead to what's

next for Viscount Mining, Phase 3 of the drilling program will add further exploration holes to expand the current deposit beyond the historical deposit area. The next phase of drilling, set to begin this summer, will strategically focus the next set of holes for resource expansion. The number of drill holes in Phase 3 will be determined by the data required to complete an expanded NI 43-101 resource estimate.

As noted, the relatively inexpensive cost of the drilling has allowed Viscount to do a lot with a little. The 10 hole Phase 2 budget was approximately $1 million. At the end of February, the Company had $3.6 million in cash available which has the potential to generate a lot of future news. There are roughly 84 million shares outstanding that makes for just under a $40 million market cap based on yesterday's close of $0.47. And I haven't even talked about Viscount's Cherry Creek project in Nevada which Centerra Gold Inc. has signed an earn in agreement. However, that's going to have to wait for another day.