

# INVESTMENT CASE ANALYSIS INITIATION

*August 18, 2020*

<b>Case Analyst(s):</b>	<b>Mr. Rába Zoltán Tamás</b> head of Trading & Research, chief economist Torridon Investments Research LLC. BVI – Hungary
<b>Company:</b>	<b>Viscount Mining Corp.</b>
<b>Domicile:</b>	Canada
<b>Primary exchange:</b>	Toronto Securities Exchange - Venture (TSX-V) as VML
<b>Accounting currency:</b>	CAD
<b>Business line(s):</b>	exploring: silver & gold
<b>Deposit location(s):</b>	Colorado and Nevada – USA
<b>On the Net:</b>	<a href="http://www.viscountmining.com/">http://www.viscountmining.com/</a>
<b>Managers, title(s):</b>	<b>Jim MacKenzie</b> , founder, president, CEO & director
<b>Last contact date:</b>	Thursday, 13 <sup>th</sup> of August, 2020
<b>Last contact type:</b>	initial investor call
<b>Case recommended by:</b>	external source: <b>German Mining Networks GmbH.</b>
<b>Rating:</b>	<b>BUY</b>
<b>Outlook:</b>	positive
<b>Investment grade:</b>	<b>4</b> ★

## Evaluation of business case

After a careful evaluation of the **Viscount Mining** value proposition I came to the conclusion that **Viscount Mining** is without any question and reservation a definitely and well **above-average** emerging commodity **value proposition**. It has **two** very **promising gold** and **silver deposits** in the **USA**, a geopolitically **stable** jurisdiction. What is more: both deposits are **100%-owned** and **one** of them even has a long **history** of **mining** silver and gold **since** the **mid-1800s**. While the **other** one has a recent **resource estimate**. In brief: **Viscount** is literally **silver-lined**.

Both locations **will be heavily explored** in the upcoming **fall** drill programme. The **management** and **technical team** is surprisingly **strong** for a junior small- to mid-cap exploration company. Would be **fitting** even **to** a multi-hundred million CAD market-cap **mid-tier resource** company.

**Viscount** also has a rarely seen **splendid cash position** at 5m CAD early August (25% of market-cap). It is a **fully-funded exploration machine** in full swing then. In exploration drilling is the engine, but cash is the fuel. **Viscount has both**: the whole machine in place, including the two world-class deposits. Given the upcoming drill programmes at both locations, we can expect a **strong news-flow** in the last third of the year.

**All** those **aspects** are prone to **further improve** the **share price** that is already riding a very **favourable technical** picture. Beyond technical and fundamentals considerations, the global **market environment** is also extremely **positive**. The current global **monetary easing** on the wake of the Covid-19 crisis and connected market stimuli has opened an uncharted territory in global monetary history and thus an **upward path** for the most ancient and trusted **real-moneys** and store of value: **gold** and **silver**.

**Viscount** has both. And potentially a lot of it and at a low cost. Need we say more? If there is any precious metals exploration company we have seen in the past year that will be repriced and climb into the dollar domain by next year this time, then it is **Viscount Mining**.

That is why I, with the **unanimous consent** of the entire [Torridon](#) Commodity Desk, **issue** an initial **investment grade** of a **4** ★ with a **positive** outlook to [Viscount Mining](#).

This means that the company is declared as **investable** & **recommendable** with normal reservations in the emerging commodity universe of Torridon Investments in terms of both the **Portfolio-Managed** mandates and the **Research & Advisory** Client Base. Also toward our **affiliated** and **strategic partner** companies in the EU, UK and Swiss.

This **rating can** and **will** be **improved when** [Viscount](#) comes out with convincing and materially changed/upgraded **resource estimates** and/or updates on any or both of its deposits.

It also means that [Viscount Mining](#) will soon become a **full-fledged** and potentially strongly **valued part** of Torridon's **Research & Advisory Universe**, being a recommended and covered stock in the mid-risk commodity equities asset class.

Note that [Torridon](#) has a deeply ingrained **policy** of **honesty** and **consistency** represented by our **core value** adage of "*we only preach others what we first practice ourselves*" or "*our skin in the game first*". We never recommend a stock in our R&A Universe to our clients as being uninvested, as being not convinced first of the merits of the recommended corporate story.

It is so much so true in this case that after the initial call [Torridon](#) has already **acquired** its "starter-kit" share positions in several key commodity mandates for the purpose of mid- to long-term price appreciation. We recommend you, Valued Client, to **do the same**.

By **investing** into [Viscount Mining](#) one literally **buys real gold** and **silver**. Plus an **option** to a **re-evaluation** of a **hidden gem**, as the company at the moment is **heavily undervalued** compared to its embedded potential.

**This Case Analysis was accepted by the Torridon Investment Committee (IC) on its August 18<sup>th</sup>, 2020 session. Torridon Compliance & Legal Department then issued on the same day its Statement of Consent with the below Disclaimer & Guidance:**

The Commodity Desk has already included **Viscount Mining** in its own competency universe. Investment volume, mandates and timing of potential transactions are at its discretion according to current Compliance Pronouncements.

We also recommend **Viscount Mining** to be included in the global company investment universe for the entire Equity Desk in the Asset Management business line.

We also recommend **Viscount Mining** to be considered for the Managed Accounts business line in the Vol-2 (moderate risk) category. Institutional R&A clients, such as Private Bankers, Brokerage Desks and Family Offices will receive a copy of this document in 48 hours after issue.

Risk Management level: Level 2 – with moderate reservation.

**Warning:** legal and contractual limits may apply; each manager is responsible for contacting Compliance before investing.

Pages 5 and 6 describe [Torridon Investments Research](#), then follows the Case Analysis on **Viscount Mining** from Page 7.

This Case Analysis is a buy-side and very subjective and informal research paper prepared by Torridon Investments Research LLC. for the sole purpose of expressing, in a relaxed professional manner, its own views and recommendations on the advisability on investment in the analysed company in relation to its - and those of affiliated and strategic partner companies- respective Research & Advisory (R&A) client bases. This research is an open-domain document and can be disseminated freely. This measure is part of Torridon's "total possible transparency" and disclosure policy.

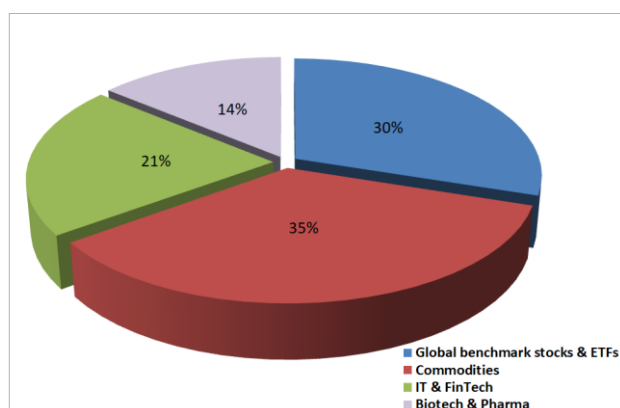
**Torridon Investments Research LLC.** started its operations in early **2014** as a pure investments analysis, **research** and financial **advisory** company focusing on a client base in Central- and Eastern-Europe (CEE). The service we rendered was so successful that the need soon arose from our client base that we actually practice what we preach. So we, from mid-**2016**, **started** offering active **wealth management** and **trading** services (investment funds, asset management and managed accounts) to our institutional and individual clients. While also retaining the original research and analysis business line. Our **Asset under Management (AuM)** has kept **growing consistently** ever since:

in million USD	end of 2016	end of 2017	end of 2018	end of 2019
Cash on margin*	42	75	92	105
Cash & MM	42	38	25	34
Bonds	145	161	123	97
Funds & ETFs	43	35	28	31
Equities, own mandates	152	226	410	489
Equities, 3rd party	42	124	279	354
Equities, total	194	350	689	843
Total AuM, own	466	659	678	756
Total AuM, w 3rd party	508	783	957	1 110

At the **end of 2019** we managed 756 million USD of own assets. Of which 489 million was in equities. With the third-party mandates we disposed over **1.1 Billion** USD of assets. Of which **843m** USD was in **equities**. One of the reasons for this success is that several **large EU-based global equity funds** realised that for lack of in-house expertise and resources, they are better off to **contract out to us** the **specialty parts** of their overall **equity portfolio**. As a result **we manage** numerous such “3<sup>rd</sup> party sub-funds” in the commodity, IT and biotech fields, or 3 expertise areas.

When it comes to our market **mentality**: we are sceptic and **critical thinkers**. We **never assume** and **always ask**. This faculty of ours made us to develop an **unorthodox** approach to the markets as we believe in the **non-Efficient Markets Hypothesis**. Thus we **recognise** the importance of the **human element** in market behaviour and **see markets** as naturally **irrational** as the humans that move them. Therefore our primary analytical tool is **technical analysis** and **behavioural economics**. We also heavily employ classic **fundamental analysis** in our individual final stock-picking process.

We **recognise** that it is a **huge** and **complex world**. Thus we do not assert that we are experts in everything. Rather: **we focus** on our **strengths** and **do only** what we are **good** in. We are good in **futures** and **equities**. In equities we have **3 expertise** areas of focus: 1) Commodities, 2) IT&FinTech and 3) Biotech & Pharma. See below our equity portfolio by asset-class, early 2020:



We go from **top to bottom**: we first look at the main global **megatrends**, then the **best sectors**, and then we pick the **individual stocks** best fit to the picture. At that level we **constantly search** for **new corporate stories** and re-evaluate

existing ones. We **reach out** to the **management**, correspond, talk and often meet them to better understand the stock. It is indeed a very **dynamic** process.

Given that **all portfolio managers** at Torridon are **ex-traders** and/or **–equity analysts**, our **speciality** in **equities** is the **small-to mid-cap** companies. The **world** of the potentially **hidden gems**. We see it **our job** to **unlock** this gem and thus **increase** the **wealth** of our **Investors** and Research & Advisory (**R&A**) **Clients**. We thus **focus** on our **3** expertise areas in these **2** market cap segments in the **Anglo-Saxon** world. That is where we are at home given our education, work experience and professional qualifications.

Considering the way we work it is no wonder that by now **we have** amassed a rather **large global equity universe**. It consists of all the companies that we have ever looked at and found interesting enough at least to monitor (or more). It is our wider universe of equity interest. We are the **strongest** in **Commodities**, where we are considered a sort of **regional experts**. We even run a much sought after weekly **research newsletter** for commodity **CEOs**, the list has close to 300 names on it by now. See below our global equity universe by asset-class and depth of commitment:

Asset Class	in our Equity universe	in our Research coverage	in our Investment mandates
Commodities	175	142	114
IT & FinTech	94	78	65
Biotech & Pharma	68	52	36
<b>Total</b>	<b>337</b>	<b>272</b>	<b>215</b>

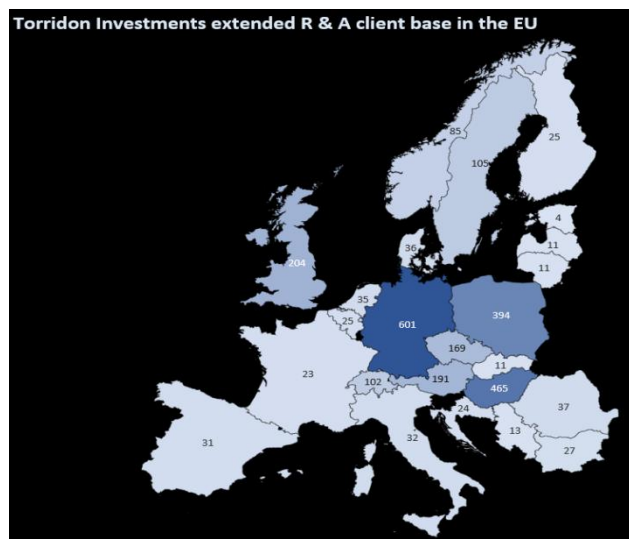
Torridon as a regional **Commodity Expert** maintains an exceptionally **large** and **diversified** small- and mid-cap commodity **equities portfolio** in **both** of its business **segments**: in its **investment** mandates and in its **research** coverage universe:

our small- and mid-cap Commodity equities universe, start of 2020		
Segment	Research coverage	of which Invested in
precious metals	27	23
uranium, nuclear	12	11
battery minerals	38	32
other rare-earths	16	12
base metals	46	35
other	3	1
<b>Total</b>	<b>142</b>	<b>114</b>

In these 3 asset-classes we are already **invested** in over **200 companies**, with **more than half** in **commodities**, and follow an additional 100+ stories and the **coverage** is **expanding**. With this extra-wide gamut of companies on our investment radar we are in a **unique position** in the **CEE** region. No wonder that we define ourselves as a “**niche & specialty**” **investment manager** and **research** company.

But there is **much more value** behind our sheer AuM numbers, which is: our **direct investment reach**. Our **indirect** investments **reach** is a **full magnitude larger** via our thriving **Research & Advisory (R&A)** business segment and **service** to both **clients** and **companies**. Our individual company **R&A coverage** currently services the emerging **equity** story appetite of between **6** and **7 Billion USD** worth of money in two regions of the world (**Central- & Eastern-Europe: CEE**)

into which most of these value proposals normally would never find a way into. **Torridon's extended** (with our Polish affiliate) **Research & Advisory client base** in the EU:



Overall, at the end of 2019 our **research** subscription base consisted of **50 institutional** clients (including 8 FOs) with 17 Billion USD Assets under Management (AuM). We also serviced more than **2,000 private** (HNWIs and retail) and **small business** clients directly from our distribution list. Here the estimated AuM was between 1.3 and 1.6 Billion USD. Mostly equity and high-risk oriented. So our **follower base** really carries a **substantial weight** in these regions.

The **total AuM** of our Research & Advisory client base amounted to **18.5 Billion USD**, of which **equity** dedicated mandate was approx. **6.5 Billion USD**. Of that between **2 and 2.5 Billion USD** was **commodity focused** and within that roughly **half** of that specifically **geared** toward the **small- to mid-cap** junior exploration, development and start-up mining segment. Around 65% represented by **Canadian** companies (TSX-V and CSE) and 35% by **Australian** ones (ASX) by way of market capitalisation:

Torridon Investments & Research CEE coverage at the end of 2019				
Investor Group	Number of Entities	AuM, USD Billion	of which Equity dedicated	of which Commo focused
Institutional Investors	42	14,8	4 to 5	1 to 1,5
Family Offices	8	2,2	1,5	0,5
HNWIs	167	0,5	0,4	0,1
Prime retail investor & trader	1923	0,8 to 1,1	0,5 to 0,8	0,3 to 0,5
<b>Altogether</b>	<b>2140</b>	<b>18,3 to 18,6</b>	<b>6,4 to 6,7</b>	<b>1,9 to 2,6</b>

And our **R&A** coverage does **not even stop** in the CEE. It **reaches far beyond** the CEE region, well into developed **Western- and Northern-Europe**. Due to our regional commodity expert status, by now, already **two** European private **wealth management** and **advisory** operations have **teamed up with us**. We realise a classic **mutually beneficial exchange**. **Both** of them **have** an **excellent sales network** and a solid **client base** in their respective regions.

But both lack a solid **research and analysis engine**. And that is what **we** exactly **have**. So in the context of our **Strategic Partnership** Agreement **we provide** both operations with the **full range** of our **R&A products** and insights that are then passed onto **their entire** client base. **In return, we have access** to that **client base** with respect to our Fund Management and Research & Advisory services.

The **first operation** is a Malta-based **private wealth management** and **advisory** firm with a strong **commodity equity** focus. This operation manages and advises private wealth mandates for private banking networks, fund managers, family offices and HNWIs. It **exclusively** does **equities** and within that **specialises** in **commodities**. It manages and influences around **3 Billion USD** worth of **equity** wealth and within that at least **2 Billion USD** directly in **commodities**. It has clients in the **UK, France, Benelux, Germany, Swiss, Italy and Spain**. Most of **core developed Europe**.

The **second operation** is a Poland-based **private wealth management** and **advisory** firm with a management focus. It also is heavily **equity-focused** and manages private wealth for clients in **Poland, the Baltics, Germany and Scandinavia**. So we pretty much have **Northern-Europe covered**. It manages and to a lesser extent: advises (end of 2019 data) around **1 Billion USD** worth of **equity** wealth and within that around **0.4 Billion USD** in **commodities**.

When we **include** these two **Strategic Partners** of Torridon in the **R&A space** in **Europe**, our **R&A equity coverage** (commodity also) in Europe **expands** by almost **two-fold**. See below the summary table reflecting the end of 2019, start of 2020 status:

AuM in Billion USD	Equity	Commodity
Torridon Investments Research	6.4 to 6.7	2.0 to 2.5
our Western-European strategic partner	3	2
our Northern-European affiliated partner	1	0.4
<b>Total direct and indirect Torridon R&amp;A reach</b>	<b>10.4 to 10.7</b>	<b>4.4 to 4.9</b>

**Based** on this **impressive** direct and indirect **equity** investments **reach** in Europe, **Torridon** started a **third business** segment in late **2017** that since has attained **great success** and gained great **popularity** among **commodity companies** (currently we only offer it to this segment).

It is the organising and management of **Market Support (MS)** (Buying and Liquidity Support phases in combination or alone) and **Research & Advisory (R&A) Programmes** for corporations. **Both** these market promotion Programmes are **exclusively connected** to **Torridon's** genuine professional and **due-diligence based conduct** of its two core **businesses**.

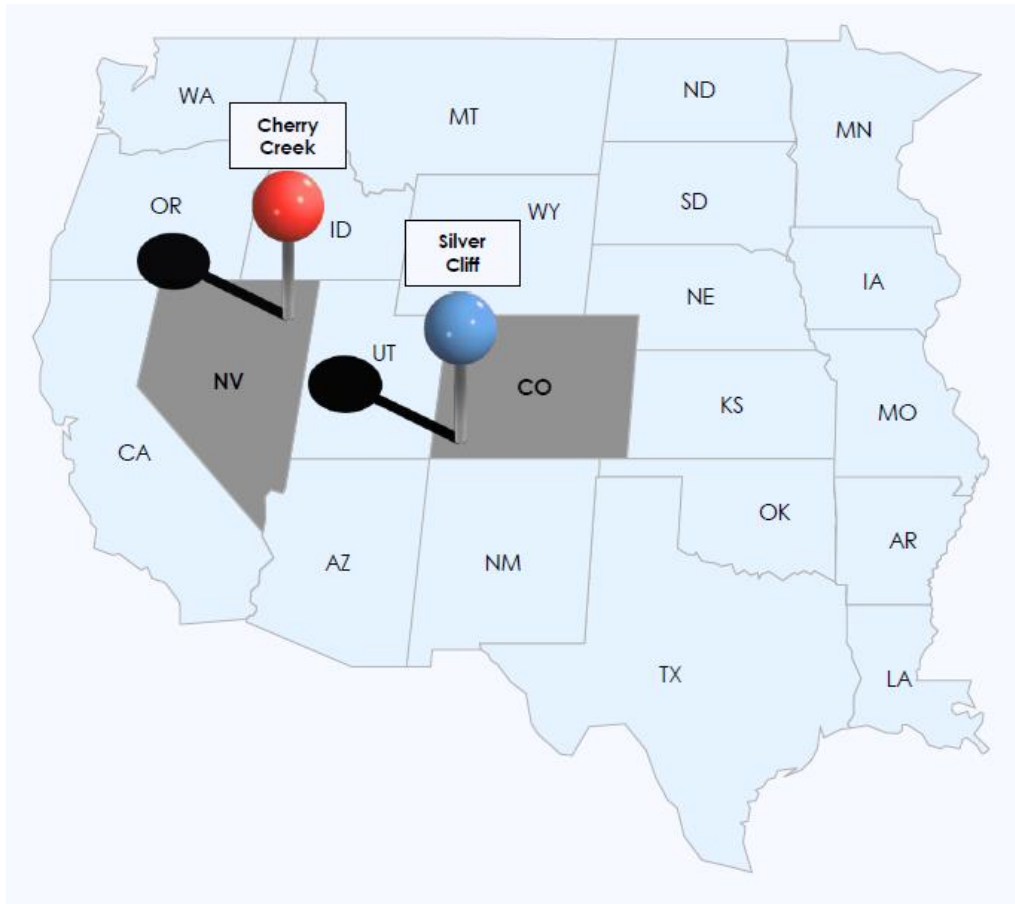
It entails either **recommending** and **promoting** the **stock** to its and its Partners' **R&A client** bases. Or in the **MS** Programme initially **investing** into a given company story and subsequently **trading** the equity stock for the **primary purpose** of **improving** general **market optics: stabilising** and then **increasing** trading **volume** and providing constant baseline **liquidity** for the stock, while as a secondary purpose generating additional trading profits for Torridon and its clients.

Historical **statistics**: since the inception of this business segment we have successfully **concluded 23 MS** Programmes and are currently managing and administering **5 ongoing** ones. We also have **concluded 41 R&A** Programmes and are currently managing and administering **9 ongoing** ones.

These Programmes are **managed** by **Torridon** and its Strategic Partners, while **administered** by Torridon's Western European Strategic Partner.

## CASE ANALYSIS: Viscount Mining Corp.

**Viscount Mining** is the classic, but definitely well above average quality mid-cap (21m CAD, on August 18, 2020) junior resource company with two world-class precious metals projects in the mining-friendly jurisdictions of State of Colorado and Nevada respectively, USA. This outstanding deposit-base will definitely attract more and more spotlight (actually: already does) onto Viscount Mining in the future. See the locations below:



Let us start with a basic introduction of the economic case. The first most important resource being the management, especially the leader of the endeavour behind the helm. It is **Jim MacKenzie** in a triple (or four) role. Beyond having **founded** the company in 2010 he serves at the helm as **director, president** and **CEO**. If any company head can be described as "The Boss", then this designation is best fitting to him. Jim is the ultimate North American self-made man in the best sense of the term. He started and consummated his career in the entertainment – media business. Made some wealth there and then suddenly in 1998 he left that realm to roam another turf. That other turf was the commodity exploration business, and within that the (re)discovery of silver and gold deposits. A strategy I have long watched with increasing awe and interest in recent years as I kept seeing its fruits turning sweat in both Mexico and the US Southwest states.

In this capacity at Viscount Mining since its founding in 2010 Jim has led the development of numerous joint venture mining agreements, land acquisitions, and exploration contracts. Mr. MacKenzie is skilled in the development, structure, and operation and financing of both private and public companies with a successful track record of raising equity and project capital. He has consistently demonstrated strong results through strategic planning, quality acquisitions and partnerships.

Beyond the outstanding deposit base and the visionary founder, Viscount Mining is a successful and promising company exactly because it is a truly team-based corporate operation. There is a very strong qualified management and technical (geological) team there. Let me highlight some of the most important persons.

The man responsible of all financial operations is **Derick Sinclair** in the **CFO** role. Mr. Sinclair has been the Chief Financial Officer of Viscount Mining Corp since 2011. Derick has more than 25 years' experience in accounting and financial management. He began his accounting career in 1982 as an Auditor with KPMG Peat Marwick Thorne. Mr. Sinclair joined BC Rail, Canada's third largest railway, as a Treasury Analyst in 1985. He progressed through BC Rail's Finance department and since 1992; he served as its Manager of General Accounting. He served as a Director of Fleet Management for BC Rail, Ltd. from December 1992 to March 1996. Derick has been a Member of the Institute of Chartered Accountants of British Columbia since 1985. Mr. Sinclair received a Bachelor's Degree in Commerce from the University of Windsor, Canada in 1982.

Operations are kept in check by **William Macdonald**, who doubles in the **corporate secretary** and **director** roles. Mr. Macdonald is founder and principal of Macdonald Tuskey, Corporate and Securities Lawyers, a boutique securities and corporate finance firm located in Vancouver, British Columbia. Mr. Macdonald serves as corporate secretary of Viscount Mining Corp and has been a director since October 2011. From February 1998 to April 2008, he was a partner at Clark Wilson LLP. He was also a member of Clark Wilson LLP's corporate finance and securities and corporate commercial practice groups.

On the technical side we can also see very strong professionals. Let me just introduce one, **Dr. James P. Robinson**, who is **senior technical advisor** to Viscount in its operations in the US. Dr. Robinson has over 35 years of experience as a professional geologist, including approximately 30 years in precious metal exploration. Most of his mineral experience has focused on frontier and early-stage exploration in the eastern and southern Basin and Range of Nevada and Utah. This included managing successful exploration programs for Alta Gold Company, Pilot Gold Company, DNI Metals, and Battle Mountain Exploration Company. Dr. Robinson was instrumental in the development of the Alta Gold Griffon Mine from grassroots discovery through production and the Alta Gold Kinsley Mine from development drilling to the discovery of several satellite deposits. Dr. Robinson was a senior consulting geologist for Summit Mining Exploration, Inc., a wholly owned subsidiary of Sumitomo Corporation and was involved with all aspects of the initial two-year evaluation program of Viscount Mining's Cherry Creek property. His responsibilities included comprehensive geologic mapping, geochemical sampling, drill

target generation, drilling supervision, and subsurface interpretations. Dr. Robinson holds very significant professional and academic degrees: a Ph.D. in Geological Sciences from Cornell University, an M.S. in Geology from the University of Southern California, and a B.S. in Geology from Ohio University. He is a Registered Professional Geologist in the states of Utah, Idaho, and Arizona.

When I asked Jim about his mentality, or vision about the company he told me in brief that he sees and defines Viscount Mining as a project-generator and exploration company with a portfolio of silver and gold deposits in the US South-West. As he is the company's heart and brain, it is also the company's mentality.

In this conceptual framework Viscount definitely does not intend to develop a deposit beyond a point and go into actual mining. True to their self-definition of a resource-space project-generator company. An approach I have always highly appreciated. To harvest and monetize the fruit at the best point of the cost-revenue curve. Before the staggering fixed-assets capex phase. That actually cripples many anyway promising great resource projects before turning to maturity and becoming a pure CF generator. Viscount thus goes after the one-time NPV, the golden exit.

It is thus looking out for historic, proven, past-producing precious metals areas in North America. Especially identifying projects with advanced exploration, underground development and/or past production and subsequently re-evaluate these known deposits for economically extractable gold and silver.

Back then these mines, workings were closed for the low grade given the period technology. But since then exploration, deposit pre-selection, drilling, mining, ore-sorting and processing developed by leaps and bounds. What was uneconomic in the mid-20<sup>th</sup> century at a below 10g/T gold content (well, market price also improved a lot, too) is a bonanza nowadays. So Viscount's business model is to buy forgotten, but good historical deposit on the cheap, then develop and then sell it to a major who usually do not have the skills (and desire) to sniff around and find these deposits. Doing all that with a huge upside of course.

Even though Jim's (Viscount's) first project was Cherry Creek in Nevada, the Company's flagship asset is the 100% owned Silver Cliff in Colorado. So let me start with that one.

## Silver Cliff

It hosts a high-grade silver resource with several mineralized deposits and significant exploration upside. Silver Cliff in Colorado will be drilled in September this year. The budget is set at 1.5m CAD, but open for an expansion if the initial drill results warrant that. The goal here is to improve the existing 43-101 equivalent resource estimate (of May 2018) of the KSR delineated exploration target.

If proven to expectations it would be the largest silver deposit in the entire US. Actually, it was at this point of the call when I started to pay even more attention to the Viscount story...

Silver Cliff is located in the Hardscrabble Silver District, around 225 km south of Denver, consisting of 96 contiguous patented and unpatented claims encompassing some 900 hectares. It has excellent access to all infrastructure variables. It has a year-round access by paved road. Grid is also nearby, so as labour and water.

The property is believed to overlie a large caldera and porphyry system, which is supported by the mineralogy and grade historically extracted from the previous operators (high grade silver, gold and base metals).

In August 2014, Viscount entered into an option agreement to acquire the property by making cash payments of 3m USD over 13 years (only 65K USD paid to date) and issuing 200k shares and warrants (already issued). Note that the previous owner retains a 2.0% NSR royalty. Subsequently, the Company increased its land holding by signing a series of mineral lease agreements

So far four exploration targets were delineated by previous operators: Kate Silver Resource ("KSR"), Kate West, Kate North-East and Passiflora—Additional targets have been identified through the Company's exploration programs. The one with a 43-101 compatible resource estimate is the KSR. It spans around 36 hectares and is the primary deposit on the property. In 2016 and 2017, a total of 1,367m were drilled across 19 holes with results returning bonanza-type grades as high as 1,768 g/t silver. Imagine that: almost 2 kg /T.

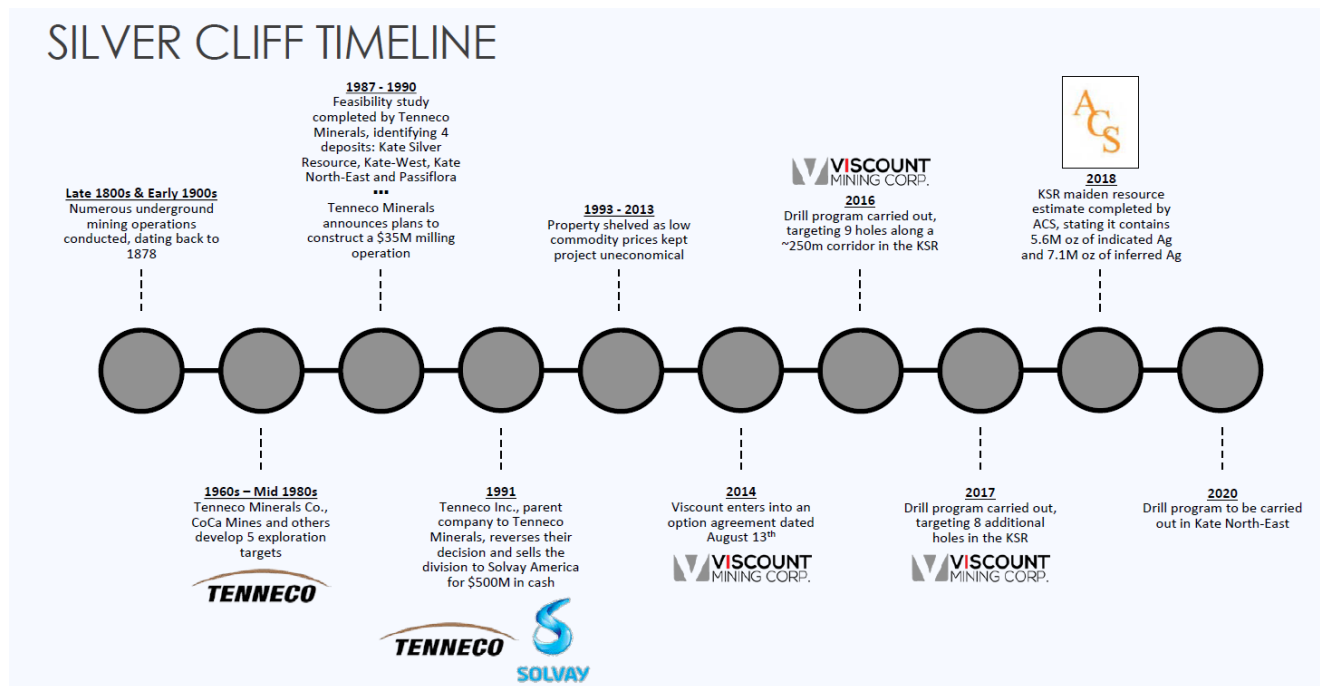
**See the resource summary below:**

KSR Resource Summary			
	Tonnes (M)	Ag Grade (g/t)	Contained Ag (M oz)
M&I Resources	2.1	84	5.6
Inferred Resources	3.2	70	7.1
<b>Total Resources</b>	<b>5.2</b>	<b>75</b>	<b>12.7</b>
April 15, 2018, Arseneau Consulting Services			

The explored and further to be tested deposit is near surface, open along strike and at depth and is likely amenable to open-pit mining. All meaning a rather low cost-curve for the future miner-operator. Thus a high NPV for Viscount upon a future exit deal. In May 2018, a maiden resource estimate (prepared by ACS) was released using results from the

2016 and 2017 drilling programs as well as historical drilling. See it above. Future exploration programs will aim to expand the KSR resource as well as evaluate the resource potential of other historic mining areas.

## The Silver Cliff historic timeline till 2020:



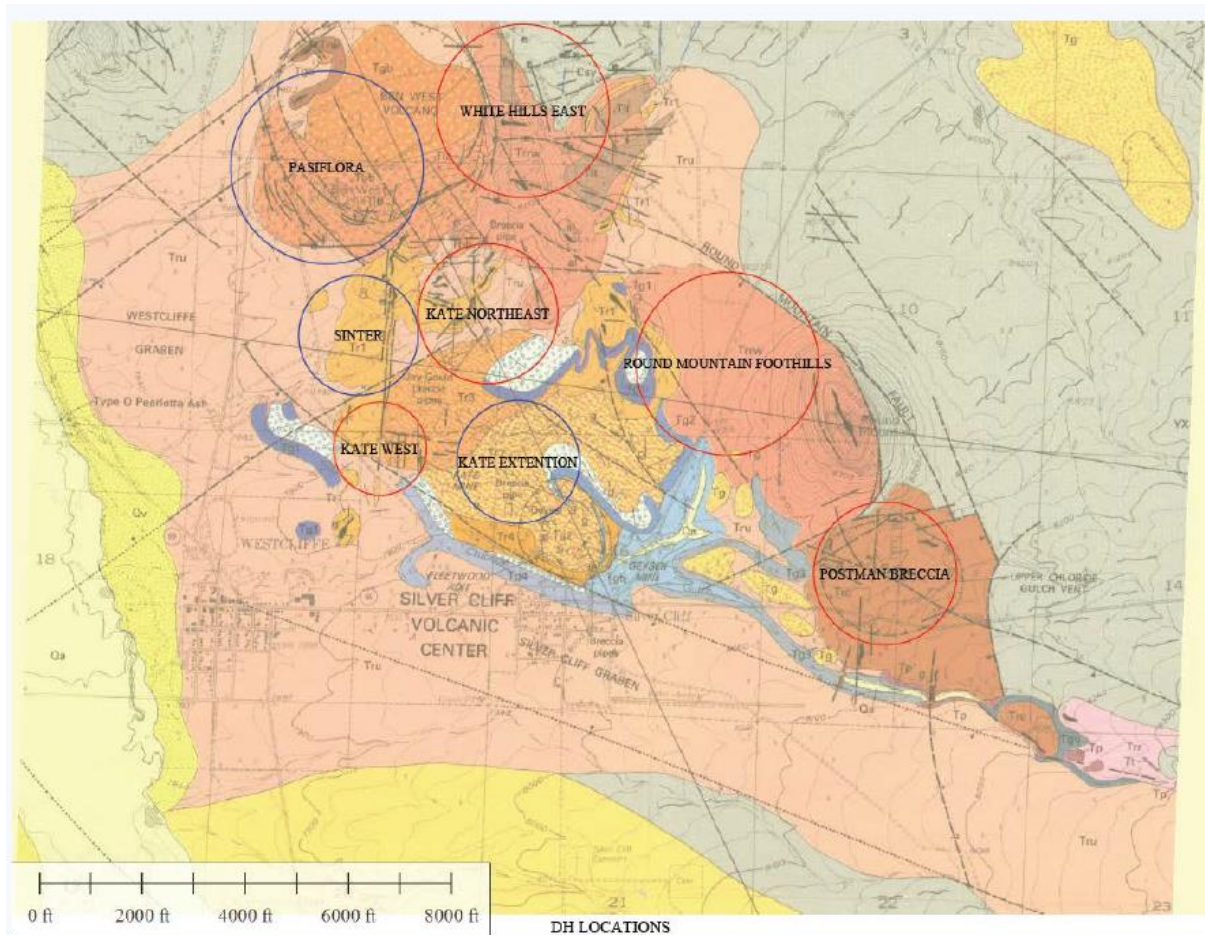
## Also see the recent drill results:

### SILVER CLIFF 2016 & 2017 DRILL RESULTS

2016 Drilling Program Results				
Drill Hole	Interval (m)	Ag (oz/t)	Ag (g/t)	Ag (g*m)
K16-01	14	29.7	924	12,668
Including	6	56.8	1,768	10,767
Including	4	13.7	427	1,563
K16-03	17	4.6	142	2,372
Including	9	7.8	242	2,207
K16-04	18	6.6	204	3,731
Including	8	12.2	380	2,896
K16-05	14	12.6	391	5,359
Including	6	24.5	762	4,641
K16-06	8	1.5	47	360
K16-07	32	2.6	80	2,550
Including	8	8.1	252	1,920
K16-08	21	7.4	230	4,768
Including	11	13.0	403	4,300
K16-09	15	4.4	137	2,080
Including	8	7.1	221	1,684

2017 Drilling Program Results				
Drill Hole	Interval (m)	Ag (oz/t)	Ag (g/t)	Ag (g*m)
K17-01	12	2.9	90	1,080
Including	3	7.6	237	711
K17-02	33	3.0	93	3,069
Including	18	3.9	121	2,169
K17-04	21	3.9	122	2,556
Including	12	5.8	181	2,170
K17-05	15	9.0	280	4,194
Including	8	15.3	477	3,578
K17-06	15	4.2	131	1,965
Including	3	13.9	432	1,296
K17-07	12	2.6	82	984
K17-08	11	1.0	32	336
K17-10	23	3.5	110	2,468

## Silver Cliff physical exploration targets in 2H of 2020:



## the Silver Cliff exploration objectives by target area in 2H of 2020:

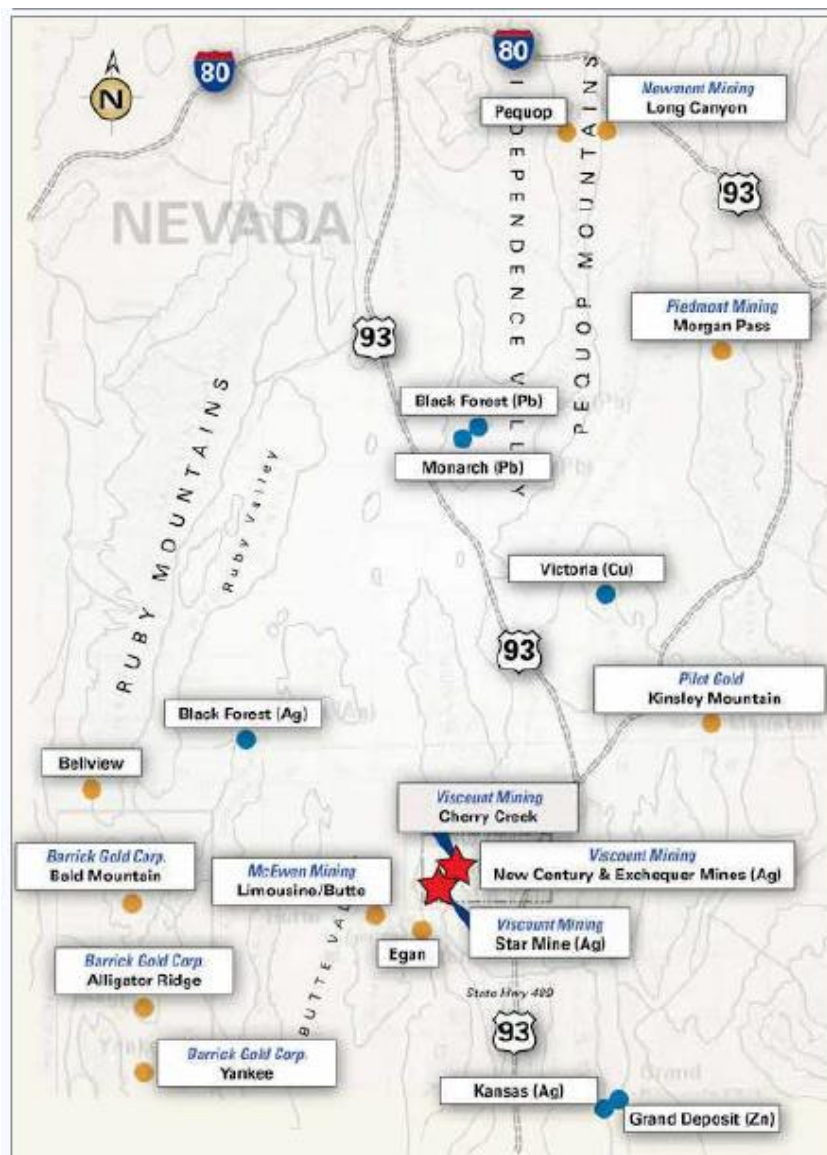
<b>Kate Deposit</b>	<ul style="list-style-type: none"> <li>▪ The primary deposit explored to date</li> <li>▪ Forms a cohesive near surface, flat lying, silver deposit; significant potential for resource expansion</li> <li>▪ Viscount drill programs successfully confirmed the presence of high-grade silver <ul style="list-style-type: none"> <li>– Grades similar to what had been reported by previous operators</li> </ul> </li> </ul>
<b>Kate West</b>	<ul style="list-style-type: none"> <li>▪ Deposit has seen limited drilling but is continuous with the Kate Deposit</li> <li>▪ No apparent natural breaks in the geology between this area and P17008 that had good grades</li> <li>▪ Numerous prospect pits to be drilled</li> </ul>
<b>Kate North-East</b>	<ul style="list-style-type: none"> <li>▪ Also continuous with and hosted in the same unit as the Kate Deposit</li> <li>▪ Sparsely drill tested – the Company aims to employ a drilling program to test target further</li> </ul>
<b>Passiflora</b>	<ul style="list-style-type: none"> <li>▪ A 1980's report by CoCa Mines indicated a potential deposit of 40M short tons of material at a grade of 1.62 oz/ton for a total estimated resource of 64M oz Ag (historical estimate – not 43-101 compliant)</li> </ul>

## Cherry Creek

It was the first acquisition of Viscount almost 10 years ago after the founding of the company. It has a hugely interesting historical background dating back to classic Western-times in the mid-19<sup>th</sup> century. The area has long been known to host gold and silver but was split between five contesting and feuding families. An amazing 150 years was spent in this state (though mines kept opening and closing) till Viscount Mining (founded in 2010) came to the scene a year later and started to acquire property claim after claim from 2011 onwards.

As a result, by now, for the first time in history, the majority of Cherry Creek's historical mines have become consolidated under one ownership title. That of Viscount Mining, owned to a 100% degree. The mere story of buying out one family after one another is worth an independent sociology and modern history research paper alone. But we have to skip this phase now.

### Cherry Creek project location:



You could not wish for a better neighbourhood. All key infrastructure variables are in place. Major mines around show the clear viability of the economic case. None else that the great Jim Rogers has put it once in an interview: “*the best place to look for a new mine is next to an existing one*”. Well, even better to look at where even earlier technology could mine economically. Probably today’s will double the stakes.

Cherry Creek is located in north-eastern Nevada around 50 miles north of the major mining town of Ely, consisting of 293 contiguous claims, as well as mill rights, covering more than 2,434 hectares. It is situated in the Cherry Creek District, which contains more than 20 (!) past producing mines. In March 2011, Viscount entered into an agreement to acquire property claims, which have since been fulfilled. These claims are subject to 1.5% and 1.0% NSR royalties, payable to the previous owner and Kingsmere Mining, respectively (Kingsmere royalty is subject to a right of first refusal in favour of Viscount).

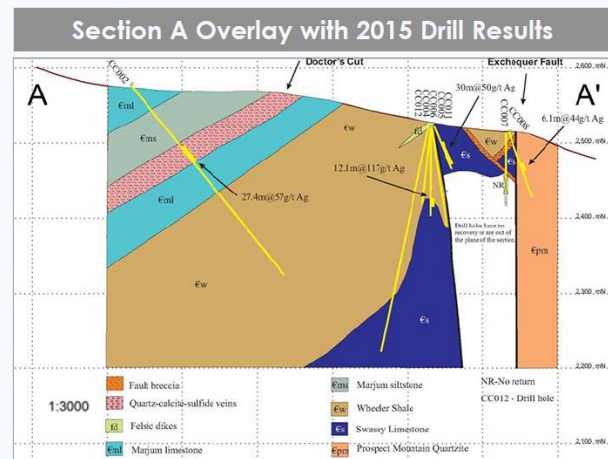
In May 2013, Snowden Mining Industry Consultants identified structural, mineralogical and stratigraphic parallels similar to the famous Long Canyon structure, which lies 96 km to the north and was acquired by Newmont in 2011 for a whopping 2.3 Billion USD. The district also shares characteristics with Bald Mountain (Kinross), Pequop(Agnico) and Kingsley (Liberty Gold).

Some more corporate history here my suffice: in March 2015, Summit Mining Exploration, a wholly-owned subsidiary of Sumitomo, entered into an earn-in agreement with Viscount, which they subsequently exited in March 2017 after funding several exploration programs. So Viscount already enjoyed some exploration cost arbitrage not so long ago. And it shows on its books on the right side. In 2015 and 2018, the Company conducted drilling programs totalling 2,658m.

## The 2015 and 2018 drill results:

### CHERRY CREEK 2015 & 2018 DRILL RESULTS

Select 2015 Drilling Program Results				
Drill Hole	Interval (m)	Ag (g/t)	Maximum Ag Assay (g/t)	Ag (g*m)
CC001	9	53	99	479
CC002	28	52	167	1,430
CC004	3	15	17	46
CC005	5	9	11	43
CC006	12	118	506	1,435
CC007	6	20	57	119
CC008	101	7	64	744
CC009	8	56	117	424
CC010	15	54	133	824
CC011	31	50	247	1,525
2018 Drilling Program Results				
Drill Hole	Interval (m)	Ag (g/t)	Au (g/t)	Ag Eq (g/t)
CC045	125	25	1.6	144
CC046	174	320	1.7	446



The company now is focused on exploring the extensions of major veins in the district.

Pursuant to that objective Cherry Creek will be drilled in October for assays that can lead to a maiden resource estimate on one or more deposit (past producing mine) locations possibly. For this location the initial budget is the same as at Silver Cliff with an initial 1.5m CAD allocation. That can also further expand depending on in-drill programme findings. So the budget is open upwards to some extent. Another smart move and good point in my overall evaluation of the Viscount Mining case.

Viscount has a rarely seen splendid cash position at 5m CAD early August. It is a whopping 25% of market-cap (21m CAD as of August 18, 2020). Thus it is a fully-funded exploration machine in full swing then. In exploration drilling is the engine, but cash is the fuel. Viscount has the whole machine in place, including two world-class deposits. Given the upcoming drill programmes at both locations, we can expect a strong news-flow in the last third of the year.

### See capital structure and key valuation metrics below:

Company Ticker		TSV:VML
Share Price (Aug 4,2020)		C\$0.39
Basic Shares Outstanding (M)		77.8
ITM Dilutive Securities (M)		1.8
Fully Diluted Shares Outstanding		79.6
Fully Diluted Shares Market Cap (C\$M)		31
Cash on Hand (C\$M)		5
Enterprise Value (C\$M)		36
Key Metrics:		
AG Resources (Moz)		12.7
EV/AG Resources (US\$/oz)		\$1
EV/AG Resources (C\$/oz)		\$0.75

Beyond the excellent fundamentals and the known very positive market conditions for both metals Viscount is exploring (and already having), the technical picture is also very supportive for the Viscount value proposition. Meaning that the greatest and most objective force of the economic system, Mr. Market, also confirms. The **short** (30d) moving average is constantly above the **mid-term** (90d) one, meaning we have a sustained "golden cross" situation, the possible strongest upward trend indicator in technical analysis. See the uppermost sub-chart on the technical chart area. Momentum also confirms (albeit to a lesser extent yet) as the **MACD indicator** is rising and closing in to its **signal line** (its 9d exponential moving average). Finally, the most basic and thus

often overlooked indicator, volume confirms big time. See how it is improving consistently after the post-Covid lockdown eases started early summer. Especially encouraging that on rising price days, volume also rises. It is a classic and very strong bullish technical sign.



After the issuance and subsequent circulation of this initial Case Analysis we will keep it updated and reach out from time to time to the management of **Viscount Mining** to keep abreast of the latest company developments and plans. We will send these updated research outputs to our Research & Advisory (R&A) Client Base and will keep you up-to-date at all times. Please, feel free to contact the Torridon Commodity Desk with all investment- and research-related inquiries regarding the **Viscount Mining** corporate case.



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