



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2018

This Management Discussion and Analysis (“MD&A”) of the financial condition and results of operations has been prepared as at December 28, 2018 and should be read in conjunction with Viscount Mining Corp.’s (the “Company”, “Viscount”) consolidated financial statements for the year ended August 31, 2018. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The financial statements of the Company are presented on a consolidated basis with the Company’s wholly owned Canadian and US subsidiaries, in accordance with IFRS. Except as otherwise disclosed, all dollar figures included therein, and in this MD&A, are reported in Canadian dollars.

The Company is a reporting issuer in the provinces of British Columbia and Alberta in Canada, and is listed on the TSX Venture Exchange under the trading symbol VML.

To assist shareholders and potential investors to learn more about Viscount Mining Corp. and its mineral projects, the Company maintains a website that provides information regarding its portfolio of exploration properties in Nevada comprising of patented and unpatented claims, all 100% owned including more than 20 past producing silver and gold mines. Silver Cliff in Colorado is comprised of 96 lode claims, covering much of the historical past producing mineral districts of Silver Cliff and Rosita Hills. Readers are encouraged to visit the site at www.viscountmining.com as well as review the Company’s press releases and other public filings available on SEDAR (www.sedar.com).

Introduction

This MD&A contains forward-looking statements that involve risks and uncertainties. The Company’s actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those described under “Forward-Looking Information”.

Forward Looking Information

This MD&A contains “forward-looking information” and “forward-looking statements” (together, “forward looking statements”) within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern the Company’s anticipated results and developments in the Company’s operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements also relate to the ability of the Company to obtain all government approvals, permits and third party consents in connection with the Company’s exploration and development activities; the Company’s ongoing drilling program; the Company’s future exploration and capital costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations; general business and economic conditions; analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. While the Company has based these forward-looking statements on its expectations about future events as at the date that such statements were prepared, the statements are not a guarantee of the Company’s future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors and assumptions include, amongst others, the effects of general economic conditions, the supply and demand for gold and silver and the level and volatility of prices of gold and silver, the availability of financing to fund the Company’s ongoing and planned exploration and possible future mining operation on reasonable terms, changing foreign exchange rates and actions by government authorities, market competition, risks involved in mining, processing, exploration and research and development activities, the political climate, the Company’s ongoing relations with its employees and with local communities and local governments, and uncertainties associated with legal proceedings and

negotiations and misjudgments in the course of preparing forward-looking statements. In addition, there are also known and unknown risk factors which may cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks related to the Company's exploration of its Silver Cliff property. There is no certainty that past results can be replicated in current or future exploration.
- risks related to the Company's lack of revenues from operations and its continued ability to fund ongoing and planned exploration and possible future mining operations;
- risks related to the Company's history of losses, which will continue to occur in the future;
- risks related to governmental regulations;
- risks related to the uncertainty of the Company's ability to attract and retain qualified management;
- risks related to the Company's ability to successfully establish mining operations or profitably produce precious metals;
- volatility in the market price of gold, silver and other minerals which could affect the profitability of possible future operations and financial condition;
- risks related to currency volatility;
- risks related to the inherently dangerous activity of mining, including conditions or events beyond the Company's control;
- uncertainty as to actual capital costs, operating costs, production and economic returns relating to potential mining operations;
- uncertainty in the Company's ability to obtain and maintain certain permits necessary for current and anticipated operations;
- risks related to the Company being subject to environmental laws and regulations;
- risks related to land due to inability to meet contractual obligations;
- risks related to the Company's ability to attract necessary capital funding for mineral exploration in the future;
- risks related to officers and directors being or becoming associated with other natural resource companies which may give rise to conflicts of interests; and
- the volatility of the Company's common share price.

This list is not exhaustive of the factors that may affect the Company's forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in this MD&A under "Risk Factors". Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward looking statements. Forward-looking statements are made based on management's experience, beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law.

Investors are cautioned against attributing undue certainty to forward-looking statements.

Overall Performance

The Company is a mineral exploration company incorporated under the laws of British Columbia, Canada and, together with its subsidiaries, is engaged in the exploration and development of mineral properties in Cherry Creek, Nevada and Silver Cliff, Colorado.

After having secured funding late in 2010, the Company, during 2012, escalated exploration and evaluation activity. The Company focused its efforts on a program designed to understand previously disclosed historical resource estimates, as described in the latest National Instrument 43-101 compliant Technical Report dated May 20, 2013, and currently on file at SEDAR.

- On November 29, 2018, the Company announced it has commenced a two to four-hole (610 metres to 1,464 metres) reverse circulation drill program to make an initial test of the Star and Exchequer vein systems. The program will be results-driven and will be expanded as needed based on visual inspection of the samples logged on site.
- On August 24, 2018, the Company announced it obtained approval from the TSX Venture Exchange to extend the expiry date of five million warrants at \$0.35 from August 29, 2018 to August 29, 2020.
- On August 22, 2018, the Company signed an agreement acquiring leases on an additional 22.5 acres of patented claims in the Hardscrabble district as part of the continuing enrichment of its Silver Cliff silver project in Colorado. Terms of the agreement include claim payments and a 1.5-per-cent net smelter return royalty. These claims bridge the continuity and access to the Kate extension, which is a highly prospective mineral tenure contiguous with the Silver Cliff claim block. The claims are located on the southwest side of the Kate deposit.
- On May 30, 2018, the Company released an initial mineral resource estimate prepared by Dr. Gilles Arseneau, PhD, PGeo, of Arseneau Consulting Services (“ACS”), in accordance with National Instrument 43-101, for its Silver Cliff property in Colorado. Effective April 15, 2018, ACS estimated that the Kate deposit contained 2,064,000 tonnes of indicated mineral resource averaging 84 grams of silver per tonne for 5.56 million 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.
- On February 21, 2018, the Company signed a term sheet to lease on an additional 267.98 acres of patented claims in the Hardscrabble district as part of the continuing enhancement of its Silver Cliff silver project. The Diamond Lode claim is part of this claim block, and enhances the exploration of the Kate deposit.
- On February 6, 2018, Viscount was admitted to J P Jenkins Ltd., the oldest share trading platform in United Kingdom for unquoted companies, which enables shareholders and prospective investors to trade their shares on a matched bargain basis. J P Jenkins is expanding its services to enable dual admissions from foreign markets.
- On November 28, 2017, the Company announced the first assays results of the Phase 2 drilling program in Silver Cliff, Colorado that commenced in mid-October. The primary objective is the verification of historical drill results for current mineral resource estimation on one of the Silver Cliff deposits known as the Kate silver resource. A second objective is to test the potential for deeper silver mineralization. The Company reported values from DDH P17002, the first of 10 holes. Drill hole DDH P17002 assayed 90.35 grams per tonne (2.91 ounces per ton) silver from surface to 34.5 metres (113 feet) including an 18 m (59 feet) portion averaging 120.58 g/t (3.88 oz./t).
- On October 25, 2017, the Company announced they have commenced Phase 2 of their drilling program in Silver Cliff, Colorado to both confirm and potentially add on to the historical resource estimate.
- On September 19, 2017, the Company announced its Phase 2 twin drilling program at Silver Cliff, Colorado. Results will assess upside potential and contribute to the verification of historical resources at the nearly flat-lying Kate Silver Deposit which at less than 70 feet (21 metres) depth, and up to 88 feet (27 metres) apparent true thickness, would have open pit mining potential. Viscount has contracted Arseneau Consulting Services (ACS) to provide overall supervision of the drill program. Dr. Gilles Arseneau, a professional geologist, chose 10 of the Kate Silver Deposit historical drill holes to be twinned
- On August 28, 2017, the Company completed a non-brokered private placement, raising gross proceeds of \$1.25-million from the issuance and sale of five million units at a price of 25 cents per unit. Each unit consists of one common share of the company and one share purchase warrant. No new insiders were created, nor any change of control occurred, as a result of this private placement. Each warrant will entitle the holder thereof to purchase one additional common share of the issuer for a period of one year from the closing date at an exercise price of 35 cents per warrant share. The issuer has the right to accelerate the expiry date of the warrants in the event that the shares trade on a recognized exchange at more than 50 cents for a 15-day period, which can include days where no shares trade.
- On July 18, 2017, the Company had appointed Dr. Gilles Arseneau to complete a National Instrument 43-101 report of its historical and current data from drilling and sampling at its Silver Cliff project in Colorado. Dr. Arseneau holds a PhD

in geology from the Colorado School of Mines, an MSc from the University of Western Ontario (1984) and a BSc from the University of New Brunswick.

- On June 27, 2017, the Company entered into a long-term extension on the previous access and mineral rights agreement for the area at Silver Cliff including the Kate deposit (the KSR) located adjacent to the town of Silver Cliff in the state of Colorado. The final lease/option agreements entered into with the underlying holders of the mineral rights are consistent with the previously announced terms and conditions and now provide for greater security and certainty of Viscount's rights and interests. Viscount increased its land long term land holdings in Silver Cliff by another 46.43 acres for a total of 2,029 acres. In addition, the Company has acquired partial interest in an aggregate pit lease known as the Silver Cliff Pit area (the "Silver Cliff Pit Lease").
- On May 23, 2017. The silver-bearing strata are attested by the qualified person to be altered tuffaceous and fragmental rhyolites as described in U.S. Geological Survey reports cited below rather than a silicified stromatolite or limestone reef as was reported in the company's Dec. 21, 2016, and Jan. 19, 2017, news release quotes. The altered, fragmental and near-horizontal nature can be seen in the two accompanying photos of core from vertical hole K16-03. The marked 97- to 102-foot interval assayed 258.1 grams per tonne (8.3 ounces per ton) silver, from 102 to 107 feet assayed 693.6 g/t (22.3 ounces per ton) Ag, and from 107 to 112 feet assayed 80.9 g/t (2.6 ounces per ton) Ag. A 55-foot interval of K16-03 core from 57 to 112 feet averaged 141.5 g/t (4.55 ounces per ton) Ag. The true widths of the drill hole intersections cannot be determined from the information available.
- On May 1, 2017, the Company announced it has identified promising gold and silver exploration targets on its 100-percent-owned Cherry Creek project in northwestern White Pine county, Nevada. The Company went on described various sections of the properties and its mineralogy.
- On April 18, 2017, the Company announced that Dr. Robinson who was a senior consulting geologist for Summit Mining Exploration Inc., a wholly owned subsidiary of Sumitomo Corp., 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 has consented to join the Company's Technical Advisory Board.
- On March 29, 2017, the Company announced the results of its 2016 drill program executed by Summit. Summit's initially proposed 2016 program was expanded to include: (1) drilling 32 reverse circulation holes in the Flint Canyon target area; (2) geologic mapping at a scale of 1:2,500 in the area south and west of the Flint Canyon target and in the north end of Silver Canyon, several kilometers to the east; (3) collection of 412 rock-chip samples for geochemical analysis; and (4) collection of 1,868 soil samples for geochemical analysis in a grid that covers the Flint Canyon target area with extensions in all directions. For all the results of the drill program, please refer to the Company's website. Furthermore the Company announced that Summit has elected to exit the agreement and has given Viscount all the exploration data and information. Viscount now has complete control of the Cherry Creek property.
- On January 19, 2017, the Company released further drill results from the Silver Cliff property in the Hardscrabble silver district of Custer county, Colorado. Nine holes with a total of 1,502 feet (457.8 meters) were completed in the recent program . A summary of drill intersections for which assays can be found on the Company website.
- On December 21, 2016, the Company announced assay results from the Silver Cliff property for confirmation hole K16-01 drilled at an inclination of -60 degree averaged 1,778 parts per million (ppm, i.e. g/t and which equals 57.2 oz/t) over 20 ft. (6.1 m) from 60 to 80 ft. (18.3 to 24.4 m) of core interval. Each analyzed sample in this interval represented 5 ft. (1.52 m). The 50 ft. (15.24 m) of mineralized core from 55 to 105 feet (16.76 to 32.00 m) averaged 837.35 ppm (26.92 oz/t). The collar of K16-01 was estimated from historic maps and field evidence to be within 4 ft. (1.2 m) of historical drill hole DDH 73-2 for which reports show 1,927.7 g/t silver over 13.5 m (62 oz/t over 44.29 ft.).
- On November 22, 2016 the Company announced its revised drill plan for Cherry Creek to increase to 34 holes from 11 sites for 24,000 feet (7,317 m). The program continued to the end of November.
- On November 16, 2016, the Company commenced drilling of its Silver Cliff property in the Hardscrabble silver district in Custer County, Colorado. In this first phase of core drilling, the Company planned to complete 10 holes totaling 2,000 feet (610 metres).
- On September 13, 2016, the Company announced that in late July, 2016, the Company completed over 30 line miles of magnetic geophysical surveying at the Silver Cliff property. The resulting extensive data package has subsequently been

compiled and clearly shows a good correlation between high magnetic responses and silver mineralization encountered by historical drilling. Not only do the high magnetic responses correlate with known silver mineralization, but there also are other high response zones that remain open or untested by drilling.

- On September 7, 2016, the Company announced that the phase 1 drilling had commenced at Flint Canyon, and is being managed and financed by Summit Mining Exploration Inc., a wholly owned U.S. subsidiary of Sumitomo Corp., under the exploration earn-in agreement. Phase 1 drill program at Flint Canyon is reverse circulation (RC).

Disclosure of Technical Information on Mineral Projects

References in this MD&A to mineral resources are pursuant to the requirements of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators (“NI 43-101”).

“Technical aspects of this MD&A were reviewed by Dallas W. Davis, P.Eng, FEC, a consulting geologist who is a life member of the Association of Professional Engineers and Geoscientists of New Brunswick, is independent of the Company and is a Qualified Person, both as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

• Company Overview

The Company was incorporated under the British Columbia Business Corporations Act on October 26, 2011 and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (“TSXV”).

On July 23, 2013, the Company completed a share exchange (the "Share Exchange") with Viscount Mining Resources Ltd. ("Viscount Resources") and all of the shareholders of Viscount Resources. Concurrently with the Share Exchange, the Company also changed its name to Viscount Mining Corp. and completed a consolidation of its common shares on the basis of one post-consolidation share for every two pre-consolidation shares. For accounting purposes, the transaction described above has been treated as a Reverse Takeover (“RTO”) and the accounting records of Viscount are reported prior to July 23, 2013, the date of the share exchange.

The Company’s registered office is located at Suite 409 – 221 West Esplanade, North Vancouver, BC, V7M 3J3. The Company is an exploration company with a portfolio of properties in the Western United States including holdings in Nevada comprising of patented and unpatented claims, all 100% owned, including more than 20 past producing silver and gold mines. The Silver Cliff property in Colorado is comprised of 96 lode claims, covering much of the historical past producing mineral districts of Silver Cliff and Rosita Hills.

• Directors & Management

Mr. James MacKenzie	Director, President, Chief Executive Officer
Mr. Kaare Foy	Director, Chairman of the Board
Mr. William MacDonald	Director, Corporate Secretary
Mr. Andrew Gertler	Director
Dr. Grant Devine	Director
Mark Abrams	Director
Mr. Derick Sinclair, CPA, CA	Chief Financial Officer

Exploration and Evaluation Properties

NEVADA properties

Nevada Properties, described collectively as our Cherry Creek Project, lies within a historic silver district, where high grade silver production came from numerous mines up to the 1920's. The three largest past producing silver mines on the property were the Exchequer/New Century Mine, Ticup and the Star Mine.

Cherry Creek Properties consists of over 276 unpatented and 18 patented claims as well as mill rights.

On March 31, 2011, the Company entered into a Mining Lease and Agreement to Purchase for certain patented and unpatented mining claims located in White Pine County, Nevada (the “Cherry Creek 1 Property”). Under the terms of the agreement, the Company has made payments totaling US\$551,500 in cash and issued 375,000 shares and the owner has transferred title to the Cherry Creek 1 Property to the Company.

The Company will pay the owner a Net Smelter Royalty (“NSR”) of 1.5% of net smelter proceeds.

On March 31, 2011, the Company granted a NSR of 1% to Kingsmere Mining Ltd. in recognition of their efforts in the acquisition of the Cherry Creek 1 Property.

A. The First Cherry Creek Claims

The First Cherry Creek Claims are comprised of the following unpatented and patented claims:

Unpatented

Name of Claim	Acres	Sec.	T.	R.	BLM No.
Only Chance	20	19	24 North	63 East	NMC #973017
Chequer No. 08	20	19	24 North	63 East	NMC #873018

Patented claims

Name of Claim	Acres	Parcel No.	T.	R.	Patent No.
Ben Butler	10.95	099-025-01	24 North	63 East	250170
Big Giant	20.08	099-025-02	24 North	63 East	6167
Emma	20.08	099-025-14	24 North	63 East	250170
Exchequer	20.66	099-025-15	24 North	63 East	5700
Jim Blaine	20.25	099-025-18	24 North	63 East	250170
Little Giant	20.20	099-025-20	24 North 63	East	250169
Logan	19.52	099-025-21	24 North	63 East	250170
New Century	18.89	099-025-36	24 North	63 East	250170
Old Imperial	16.55	099-025-41	24 North	63 East	250170

The First Cherry Creek Claims are also subject to a 1% net smelter royalty from the gross revenue received from the sale of mineral products from the First Cherry Creek Claims less allowable deductions granted by Viscount to Kingsmere Mining Ltd. ("Kingsmere") as consideration for Kingsmere's efforts in completion of the Ruggles Agreement (the "First Kingsmere Royalty"). The First Kingsmere Royalty is transferable by Kingsmere subject to a right of first refusal in favour of Viscount.

B. Second Cherry Creek Claims

On June 27, 2011, the Company entered into a Mining Lease and Agreement to Purchase for certain patented and unpatented mining claims and two mill sites located in White Pine County, Nevada (the "Cherry Creek 2 Property"). Under the terms of the amended agreement the Company has made payments totaling US\$450,000 and the owner has transferred title to the Cherry Creek 2 Property to the Company.

The Company will pay the owner a NSR of 1% of net smelter proceeds.

On June 27, 2011, the Company granted a NSR of 1.5% to Kingsmere Mining Ltd. in recognition of their efforts in the acquisition of the Cherry Creek 2 Property.

In August 2014, the Company acquired 139 claims from Nevada Tungsten Holdings Ltd. for US\$5,000 (CDN\$5,500) the HENW claims and staked an additional 155 the MATS claims lode claims for \$18,101 in the Cherry Creek area.

The Second Cherry Creek Claims are comprised of the following unpatented and patented claims:

Unpatented

Name of Claim	Acres	Sec.	T.	R.	BLM No.
October	20	NW 29	24 North	63 East	NMC #551764
June Bug	20	SE 19	24 North	63 East	NMC #125828
Cherry Creek #5	20	NE 29	24 North	63 East	NMC #125820
Cherry Creek #6	20	NE 29	24 North	63 East	NMC #125821
Ashley B	20	19/29/30	24 North	63 East	NMC #650072
Ashley B 1	20	19/29/30	24 North	63 East	NMC #351644
North Star	20	NE 19	24 North	63 East	NMC #704348
Ticup Millsite #2	20	NW 19	24 North	63 East	NMC #351651
Ticup Millsite #3	20	NW 29	24 North	63 East	NMC #352652
Keithley Fraction	20	19,30	24 North	63 East	NMC#351649
Name of Claim	Acres	Sec.	T.	R.	BLM No.
Foggy Fraction	20	19,30	24 North	63 East	NMC #395299
Good Enough	20	19,30	24 North	63 East	NMC #395300
Keithley Fraction	20	19	24 North	63 East	NMC #648544
Ashley B 3	20	19/25/30	24 North	63 East	NMC #351646
Good Enough 31	20	19/25/30	24 North	63 East	NMC #576046
Cherry Creek # 10	20	SE 19	24 North	63 East	NMC #125822

Patented

Name of Claim	Acres	Parcel No.	T.	R.	Patent No.
Mascot	20.88	099-025-22	24 North	63 East	79655
Chief of Hills	17.80	099-025-09	24 North	63 East	79655
Gray Eagle	15.60	099-025-17	24 North	63 East	3283
Star	20.66	099-025-44	24 North	63 East	2691
West Extension of Star	20.88	099-025-48	24 North	63 East	79655
East Extension of Star	10.27	099-025-12	24 North	63 East	7033

The Second Cherry Creek Claims are also subject to a 1.5% net smelter royalty from the gross revenue received from the sale of mineral products from the Second Cherry Claims less allowable deductions granted by Viscount to Kingsmere as consideration for Kingsmere's efforts in completion of the Sorensen/Winkler Agreement (the "Second Kingsmere Royalty"). The Second Kingsmere Royalty is transferable by Kingsmere subject to a right of first refusal in favour of Viscount.

C. Third Cherry Creek Claims

Subsequent to the date of the Ruggles Agreement and the Sorensen/Winkler Agreement, Viscount, through its wholly-owned subsidiary, Viscount Nevada Holdings Ltd, acquired certain additional unpatented claims in the surrounding area of the Cherry Creek Property (the "Third Cherry Creek Claims").

D. Ticup Property

On January 29, 2013, the Company entered into a Mining Lease and Agreement to Purchase for certain unpatented mining claims located in White Pine County, Nevada (the “Ticup Property”). Under the terms of the agreement the Company paid US\$32,500. In accordance with the agreement the Company made a payments totaling US\$32,500 and the owner transferred title of the Ticup Property to the Company by Quitclaim Deed.

Former Mines on the Properties

Star Mine (Excerpt from Technical Report dated May 20, 2013)

Most of the work on the Star Mine was done during the period from 1872 to 1883. Starting in 1880, heavy water inflow was encountered in the 350 level, and the Star crosscut tunnel was driven for drainage. Work continued until 1893 when no recovery from the silver crash finally brought the work to a halt.

In 1895, the Glasgow and Western Company started advancing the Star tunnel 800 feet west, but after 400 feet the vein disappeared. A crosscut to the north failed to find the vein. Three un-successful attempts to mill ore locally failed, and the mine closed again in 1910. In 1913, a new company began to operate the mine using British capital, but closed in 1914 due to the war.

The Star was worked intermittently for the next ten years, until the Nevada Standard Mining Co. took over. In 1927, a crosscut to the south discovered the vein, and the Walker drift was driven, which was named after the mine manager. Following the stock market crash of the 1920s the mine experienced a steady decline. The last major accomplishment was the driving of the Goodman drainage tunnel that intersected the Star shaft at the 700 foot level. It was completed in 1936.

Gray Eagle (Excerpt from Technical Report dated May 20, 2013)

The Gray Eagle shaft is located about 275m northwest of the Star main shaft. It was sunk to a depth of 64m on a vein that cuts shale, limestone and quartzite and strikes N 60 E, and dips 45 NNW, close to the strike and dip of the host rocks.

Exchequer/New Century (Excerpt from Technical Report dated May 20, 2013)

The Exchequer and Imperial (New Century) mines are some of the oldest in the district, and were considered the northern part of the Star Group of claims (Schrader 1931). The mines are located 1,160m NNW of the Star shaft and about 122m higher in elevation. There are two veins that are roughly parallel, 9 to 18m apart, and strike N 80 W. They are called the Exchequer to the north and the Blue Vein to the south. They are separated by a quartz monzonite that is hosted in argillite, shale and quartzite. They can be traced for about 915m.

The Imperial Mine is located on the east side of Exchequer Canyon, and was originally opened as an adit, 183m long, and a 98m shaft. The vein consists of brecciated quartzite, that is quartz cemented and associated with the quartz monzonite. The Blue Vein forms the south wall of the fault zone. The ore is not as complex as the Star ore, and was amenable to cyanidation.

The Exchequer Mine, on the opposite side of the canyon was developed by a 366m adit and a 67m shaft.

In the early 1980's, Goldera Resources Inc. began to rehabilitate and explore the Exchequer and the New Century Mines. They rehabilitated the shaft at the New Century and drove a decline to the 67m level. Only a few assays are available from this work at the present.

Teacup-Mother Lode (Excerpt from Technical Report dated May 20, 2013)

The Ticup (Tecup, Teacup) was operated in the 1890's and again between 1905 to 1912 as a silver mine. In 1940 tungsten was discovered, and the Cherry Creek Tungsten Mining Company was formed.

It is thought that the Ticup is a continuation of the Mother Lode deposit. They both are located on a bedding plane fault between the same lithologic units. The silver ores occur as lenticular bodies that conform with bedding, about 40 degrees west. The shaft at the Ticup was developed in and sunk to a depth of 335m with many levels and drifts. The economic cut-off grades are unknown.

After the tungsten discovery, a 61m shaft was sunk east of the Ticup shaft, and production of tungsten began. The U.S. Bureau of Mines did extensive exploration for tungsten in 1942, apparently as part of the war effort. They rehabilitated mine workings, improved and built roads, trenched, sank shafts, long-holed and core drilled the property. Sixteen holes were drilled in the more important tungsten deposits, totaling 767m. Unfortunately, no analytical data other than that related to tungsten is available from these efforts.

Located on the same lithologic horizon as the Ticup, the Mother Lode is about 1.25km to the north.

Current mineral resources and reserves

No mineral resources or mineral reserves as defined under National Instrument 43-101 have been identified on the Cherry Creek property.

Production (Excerpt from Technical Report dated May 20, 2013)

The Cherry Creek District, has documented historic production of 312,012 tons of ore that yielded 32,450 ounces of gold, 1.6 million ounces of silver, 144,000 pounds of copper, and 832,000 pounds of lead. Tungsten was also produced from the area as part of the World War I effort.

Geological Setting and Mineralization (Excerpt from Technical Report dated May 20, 2013)

General

The Cherry Creek district is within the Basin and Range Tectonic Province of the western US. The Basin and Range Province consists of a series of North to NNE trending mountain ranges separated by broad alluvial basins. The mountain ranges are structurally high areas; the basins are structurally low areas. Complex fault movements resulting from deep seated crustal extension formed the basins and ranges. The crustal extension process began between 30 and 20 million years ago, and is still on going to this day.

The crustal extension, responsible for the numerous faults (many of which may be still active) that formed the Basin and Range, resulted in a thinner crust beneath this tectonic province with respect to the neighboring tectonic provinces. A consequence of this is the presence of an anomalously high geothermal gradient in the Basin and Range which gave rise to the presence of many hot springs throughout the province.

Hot springs are formed by geothermal cells which have been emplaced at depth along the many faults throughout the Great Basin. Epithermal mineral deposits are often formed coincident to hot springs systems (in Nevada, these type deposits are generally gold and silver rich). This process (formation of and cessation of hot spring systems and their coincident mineral deposits) has occurred intermittently throughout the past 30 to 20 million years throughout the Great Basin.

In many cases a younger geothermal cell will be formed in the same or nearby location of an older dormant cell, thus enriching the previously formed mineral deposit. This is an abbreviated description of how a mineral district such as the Cherry Creek District is formed.

Regional geology

Rocks of the lower Paleozoic in eastern Nevada show a sequence of depositional environments, reflecting a stable cratonic boundary with a developing continental shelf. The lower Cambrian Prospect Mountain formation, a quartz arenite reflecting broad braided stream environment, is followed by a sequence of Cambrian through Devonian limestones and dolomites, indicating a low relief stable environment, though the local variations in depositional environments is quite varied. Westward thickening of the sediments reflect deposition towards the edge of the shelf and the slope into deep water eugeoclinal environments.

During Mid-Paleozoic time, the Antler Orogeny began to form to the west of the continental shelf. This resulted in a large scale thrusting of the deeper water silici-clastic, eugeoclinal deposits eastwards over the mioclinal rocks of equivalent or younger ages. The resulting highlands then started shedding clastic sediments towards the east. This sequence is referred to as the eastern autochthonous assemblage (the shelf carbonates), the western allochthonous assemblage (the eugeoclinal silici-clastics) and the overlap or transitional assemblage (clastic sediments resulting from the orogenic uplift).

Beginning in the Mesozoic, the region experienced a period of folding and plutonic and volcanic activity. Igneous rocks from early Jurassic to Eocene were emplaced throughout eastern Nevada. During the waning phase of this orogenic event, an arch developed in eastern White Pine County called the Butte Structural Through (Hose et al 1976). This positive arch created the west dip of the rocks in Cherry Creek and northern Egan range. Beginning in Mid Cenozoic times, the area experienced volcanism and an extensional tectonic domain began, that is possibly still active.

Lithology - Sedimentary Rocks

The stratigraphy in the Egan and Cherry Creek Range ranges in age from late Pre-Cambrian through the Triassic. This section of the report discusses those rocks that are exposed north of Cherry Creek Canyon, and concentrates on the Cambrian section, as all metal deposits are hosted in these sediments with the exception of the Old Last Chance and the Maryanne that are hosted in Tertiary Quartz Monzonite.

Prospect Mountain Formation (Cpm) – This is the oldest recognized unit in the prospect area. In the Cherry Creek project area, the thickness of the formation is about 2,100 m. The exact age of the unit is not certain, but the upper parts of the

Prospect Mountain are conformable with overlying shale that contains a distinctive Cambrian trilobite Fauna. It is likely that the lower parts of the Prospect Mountain Formation are Pre-Cambrian in age, especially considering its great thickness. The Prospect Mountain Formation is composed of quartzites and shales, with phyllites in the lower part of the formation and extends from Cherry Creek Canyon, about 12 km to the northeast.

The Prospect Mountain Formation is the dominant rock unit found at the Star, Grey Eagle, Exchequer and New Century deposits; the veins which contain the mineralization are hosted in this unit.

Pioche Shale, Busby, Millard, Burrows, Burnt Canyon and Dome Formations undifferentiated (Clmu) – This unit lies above the Prospect Mountain Formation and is a section of shale, limestone and dolomite that Adair maps as a single unit and consists of several lower Cambrian units identified individually in other places. This composite map unit is about 185 m thick. District wide, the lower third of this unit is predominately shale, the upper two thirds is predominately limestone and dolomite. This unit is separated from the underlying Prospect Mountain Quartzite by a bedding fault horizon.

This unit is found in the foot wall of the Exchequer Fault in the Star-Gray Eagle and the Exchequer-New Century prospect areas, where it is not known to be mineralized. It is found in the hanging wall of the Exchequer Fault in the Filmore-Bluebell prospect area, where the upper contact is mineralized along a bedding plane fault. This unit does not appear to be associated with or near mineralization in any of the other mineralized areas of the project area.

Swasey Limestone (Cs) – This unit is a massive limestone about 176 m thick (in part oolitic), and is conformable with the underlying beds. It forms massive cliffs which contrast with the overlying, non-resistant Wheeler Shale. It is found in the foot wall of the bedding plane fault that hosts mineralization at the Chance and Ticup prospect areas. It is not known to be mineralized or near mineralization at any other of the prospects controlled by Viscount Mining.

Wheeler Shale (Cw) – This unit is from 194 to 197 m thick and is separated from the underlying Swasey Limestone by a bedding fault horizon. The lower part of this unit is a black to maroon shale; it grades upwards into a silty limestone. The Wheeler Shale is found in the foot wall of the bedding plane fault that hosts mineralization at the Chance and Ticup prospect areas. It is not known to be mineralized or near mineralization at any other of the prospects controlled by Viscount Mining.

Marjum, Weeks and Orr Formations undifferentiated (Cmwo) – The composite thickness of this unit is 1,135m thick and is composed of predominately limestone and dolomite with minor shale. The upper 460m of this unit is composed of a medium to massive bedded sequence of limestones and dolomites, Bedding plane faults in this unit host the Mother Lode prospect on the east side of the range (controlled by Viscount), and the Shoestring and Nora prospects on the west side of the range.

Dunderberg Shale (Cd) – This unit overlies the predominately massive limestone unit mentioned above, and this contact is sharp and is commonly a silicified bedding plane fault. It is an olive to black fossiliferous shale with numerous thin interbedded limestone lenses. This unit is up to 210m thick.

Notch Peak Formation (Cnp) – This is the uppermost Cambrian unit exposed in the Cherry Creek district. It is a thin to medium bedded, slightly argillaceous fossiliferous limestone. The lower contact with the Dunderberg Shale is mapped as a sharp, conformable contact.

In spite of the fact, that the Notch Peak-Pogonip contact is an important mineralized horizon in nearby mountain ranges to the north, there are no historic mineral occurrences associated with the Notch Peak Formation in the Cherry Creek project area. At the present time, Viscount does not control any claims that are underlain by the Notch Peak Formation. Snowden feels that this horizon should be prospected as part of future exploration efforts in the project area. Pogonip Group (Op) – This Lower Ordovician unit is composed of six separate mainly limestone units that are mapped as separate formations elsewhere in Nevada.

In November 2013, Viscount did not control any claims that are underlain by the Pogonip Group. As with the Notch Peak formation, Snowden feels that this horizon should be prospected as part of future exploration efforts in the project area.

Eureka Quartzite (Oe) – This quartzite unit, which is up to 30m thick is intermittently present north of the project area. It is mapped as being conformable with both the underlying and overlying units. It is a prominent ledge former where present. It does not underlie any of Viscount's claims.

Fish Haven, Laketown, Sevy, Simonson and Guilmette formations undifferentiated (OSD) – These Upper Ordovician formations were mapped as one unit by Adair. These units are predominately limestones and dolomites with lesser portions of shale.

There are no historic mineral occurrences associated with these units in the Cherry Creek project area.

The Devonian – Mississippian Pilot Shale (DMp), Mississippian Joanna Limestone (Mj) and Chainman Shale (Mc), and the Permo-Pennsylvanian Ely and Arcturus Formations (PPu), while important formations in most of eastern Nevada, do not

outcrop in the Cherry Creek Project Area. They are found about eight miles to the south. These formations were eroded in the project area.

Lithology – Intrusive Rocks

Several Tertiary intrusives are present in the project area. The most prominent of these are a series of related quartz monzonite dykes that outcrop on the east side of the range and just north of Cherry Creek Canyon. On its south and east side, the sedimentary rocks are in fault contact with the intrusives. On the west side the intrusives seem to replace the sediments, but the contacts are sharp. Extremely little contact metamorphism is evident. Unaltered quartz monzonite is light grey and phaneritic, and in some places shows phenocrysts of potassium feldspar.

Most likely, these rock units form a series of at least five igneous bodies which interfinger with and intrude each other and were sourced from the same magma chamber. The process of magmatic differentiation was responsible for the minor mineralogical variations between these units. Heat which emanated over long periods of time from these igneous bodies powered the series of hydrothermal cells that were responsible for depositing economic mineralization in the Cherry Creek District.

Mineralogically, the dikes vary in composition throughout the project area. In the Star-Gray Eagle and Exchequer-New Century prospect areas, the dike rocks are quartz monzonite porphyry; probably derived as a late phase differentiation from the large quartz monzonite magma chamber found at depth several kilometers to the south. At the Exchequer-New Century prospect silver and gold bearing veins were emplaced on the hanging wall and foot wall sides of a 15 to 21m wide dike. The dike rock is said to be “milling grade”, but this has not been tested as of yet. At the Star-Gray Eagle prospect, the quartz monzonite porphyry dikes are found in close association with silver-gold bearing veins, but not as intimately as at the Exchequer-New Century prospect. Porphyry dikes appear to be associated with mineralization at Viscount’s Cherry Creek Project Area, at least at the prospects mentioned above.

Structural Geology

The general structural trend of the north part of the Cherry Creek Mining District is that of a west dipping monocline.

Bedding plane faults

The oldest structures in the area are the bedding plane faults. They are all hosted in the Cambrian sections and have metal deposits associated with them. These faults appear at the contacts between the Prospect Mountain Formation and Pioche Shale, at the contact between the Swasey Limestone and the Wheeler Formation and the Orr and Dunderberg Formations.

The Ticup, Baltic/Mother Lode and Chance are prospects controlled by Viscount, where mineralization was emplaced along bedding plane faults.

Right lateral faults

Three major right lateral faults cut across the range. Two of these, the Black Metal Fault and the Exchequer Fault are in the project area, and both strike to the northeast. They displace the bedding plane faults, but not the intrusives, thus being bracketed in terms of possible age. Both faults appear to be closely associated with mineralized prospects.

The Black Metal Fault is the more northerly of the two and is thought to have the greatest displacement (1,220m). It is persistent, and in the field it is marked by quartz veins silicification and brecciation. Known mineralization associated with this fault is restricted to the NE part of the project area in the vicinity of Silver Canyon.

The Exchequer fault strikes northeasterly across the Cherry Creek District for a distance of about 8 kilometers, dipping steeply to the southeast. There are seven past producing small mines which are found along this fault and several additional in close proximity. The Exchequer fault is definitely a major mineralizing structure in the district. The Exchequer, New Century, Filmore and Bluebell are prospects controlled by Viscount which are along this structure. The Grey Eagle, also controlled by Viscount is in close proximity and is sub parallel to the fault. Soil geochemical work indicates that disseminated mineralization may have been deposited along this fault in the Star Mine-Gray Eagle Mine area.

East-West normal faults

East –West striking faults also exist and are thought to be part of the general development of the northeasterly trending systems. They are not as common, but are significant as the Star vein is hosted by one of these types of faults.

Northeast striking, shallow dipping faults

A northeast striking fault with a dip of approximately 25 degrees southeast is located in the Star-Gray Eagle and Exchequer-New Century area. The fault has a strike length of about 2.5km. Mineralization at the Star-Gray Eagle is hosted in the hanging

wall block of this fault. The northeast extension of the New Century quartz monzonite porphyry dike terminates where it encounters this fault.

Mineralization

General

Several different types of mineralization occur in the Cherry Creek District. They are broadly defined as gold quartz veins, silver-gold-base metal veins associated with northeast trending faults, west to northwest trending veins and bedding fault deposits. The gold quartz veins are found in the Egan Canyon area and are not part of the area of interest.

Silver-gold-base metal veins are associated with the northeast trending lateral faults; the Black Metal and the Exchequer veins. The veins tend to be brecciated and associated with the quartz monzonite dikes of the district. Their mineralogy is fairly simple. Initially the oxides were mined and direct smelted, but most of the mines examined in later times seem to have reached the sulfides. The Exchequer, New Century and Black Metal fall into this category.

The only west to northwest veins are the Star vein system. These are more truly quartz veins and cut quartzite and shale of the Prospect Mountain Formation. The Star vein is cut off by the quartz monzonite. The mineralogy of the vein is much more complex than that of the northeast trending veins.

Bedding plane fault deposits are known to occur at three different horizons within the section. They all tend to be capped by shale, and occur in the underlying quartzites or limestones. The lowest are those that occur at the contact between the Prospect Mountain upper quartzite and the overlying Pioche shale.

The second group of known bedding plane fault deposits occurs at the contact of the Swasey limestone and the Wheeler shale. They tend to be developed in the limestone from 2 to 7m wide. It is not known if lower grade material continues further into the limestone. They are found as lenticular bodies of white quartz that have replaced the limestone. The more prominent mines of this group are the Ticup, Chance and Mother Lode (Baltic). The samples taken by Snowden at the Ticup were of a flesh colored silicified breccia that averaged 0.09 gpt gold and 36.08 gpt silver; however, these values are based on only three samples.

The third group of bedding plane fault controlled metal occurrences is found at the contact of the Orr formation and the Dunderberg Shale. They are similar in appearance to the bedding faults that are found at the contact of the Swasey limestone and the Wheeler Shale. The Shoestring and the Nora in Lead Canyon are typical of the third group.

A fourth type of deposit along bedding contacts may or may not be present. In the Peqou Mountains directly north of the Cherry Creek Range, the newly discovered Long Canyon deposit is found in a karst breccia and solution environment in the Notch Peak Dolomite under the Pogonip Formation. This potential occurrence has not been investigated, or seen as an exploration target to date in the Cherry Creek range.

Description of mineralized zones

The structures visited included the Imperial new Century Mine, the Ticup Mine, the Mother Lode Mine and the Star Mine. The minerals of interest that were identified during the field investigation are shown on Table 7-2, Table 7-3, Table 7-4 and Table 7-5 of the Technical Report dated May 20, 2013 and which can be downloaded from the SEDAR web site, <http://www.sedar.com>.

Deposit types

Snowden's interpretation is that there are probably two distinct types of mineral deposits present at the Cherry Creek project area. Both are hydrothermal type deposits as defined by Bateman (1951). That is, they were formed by the physio-chemical processes associated with mineral laden hot waters moving through fractures, faults, unconformities, etc. present in a given rock mass.

Mesothermal veins

The Exchequer-New Century veins and the Star veins appear to be classic mesothermal veins. These veins are formed at intermediate depths and are noted for mineralogical persistence with depth down the dip and projection along strike. Economic mineralization is associated with quartz veins and brecciated zones between veins that were emplaced along faults. Gold and silver values are found in fine sulfide minerals that are encapsulated in quartz. It is noteworthy, that these mines were the major past producers in the district and were also silica flux mines providing gold and silver bearing silica flux material for the nearby copper smelter at McGill, Nevada.

Epithermal breccia veins

Several of the bedding plane fault prospects in the district appear to contain mineralized breccias. The Mother Lode (claimed by Viscount) and the Pick and Gad (not claimed by Viscount) prospects, in particular, appear to be associated with epithermal breccias.

Epithermal type deposits in Nevada were formed at relatively shallow depths and are known to not persist down the dip. This unwelcome characteristic is offset by the fact that there are often very high mineral grades associated with these type deposits.

The Cherry Creek Range shows a fairly complete sequence of deposition from the late Pre-Cambrian through the Devonian Joanna Limestone, all part of the Eastern Assemblage. There are some regional unconformities through the sequence, in the Mid Ordovician and in the Silurian. Deposition stopped in the Devonian. This is followed by the deposition of the Chainman Formation of the transitional assemblage. There is no evidence of over-thrusted western assemblage rocks in the range. This seems to indicate that the range was located substantially to the east and possibly south of the uplift formed by the Antler orogeny.

Geologic model

The conceptual geologic model used to guide the exploration at the Cherry Creek Prospect, is a modification of the shear hosted mesothermal vein model. The geologic evidence clearly indicates that the Exchequer and New Century deposits were emplaced along the hanging wall and footwall of a porphyry dike intruded along the Exchequer Fault. The Star vein and the Gray Eagle vein, the two major deposits at the Star Property, were both emplaced along shear zones associated with the Exchequer Fault. The Star vein is at an approximate right angle to the fault, while the Gray Eagle vein is sub parallel to the fault.

At all three locations, the faults intersect quartzites of the Prospect Mountain Quartzite. It is postulated that the quartzite wall rock may host disseminated mineralization, where the main mineralized shear intersects the more permeable zones. The wide (30m) high grade gold and silver geochemical anomaly discovered at the northwest end of the Star soils geochemical survey line provides strong evidence for disseminated mineralization in the quartzite host rock. The Mother Lode occurrence is hosted at a bedding plane fault that cuts the contact zone of the shales of the Dunderberg Formation and the underlying limestones of the Orr Formation. Snowden postulates that the Mother Lode is a typical epithermal breccia type deposit.

Basis for the exploration program (Excerpt from Technical Report dated May 20, 2013)

The reconnaissance exploration program carried out to acquire the baseline data is described in Section 9 of the Technical Report.

To effectively plan the program, a basic understanding of the economic geology of the project area was acquired by a literature review, followed by an initial site visit. Once a basic understanding of the prospect geology was acquired, the reconnaissance exploration program was designed. The program as executed included IP Geophysical surveying, orientation soils geochemical sampling and limited geologic mapping at the Star-Gray Eagle and Ticup-Mother Lode and Silver Canyon quartz diorite prospects. The use of these techniques to gain an initial geologic-mineralogical understanding of the project was successful in identifying several exploration targets.

Exploration

General (Excerpt from Technical Report dated May 20, 2013)

Snowden was contracted in May 2011 to design and carry out an exploration program for Viscount's Cherry Creek project. The primary objective of the initial exploration program was to determine whether the properties of interest host epithermal style mineralization. The focus of the program was to better define known and discover unknown silver and gold mineralization. An additional objective of the program was to determine the exploration techniques best able to support the exploration effort. The initial program was both qualitative and quantitative. Three different surveys have been conducted to date; a rock chip survey, a soil geochemical survey and a geophysical (Induced Polarization) survey.

Previous work (Excerpt from Technical Report dated May 20, 2013)

The report authored by Dr. W. D. Groves for Goldera Resources Inc., is the latest documented exploration work conducted in the Cherry Creek Project Area. A summary report of this work exists, however the detailed mine maps and sample location maps produced prior to the writing of the summary report have been lost. The information provided in the report may only be used as a general guide towards future exploration efforts in the area.

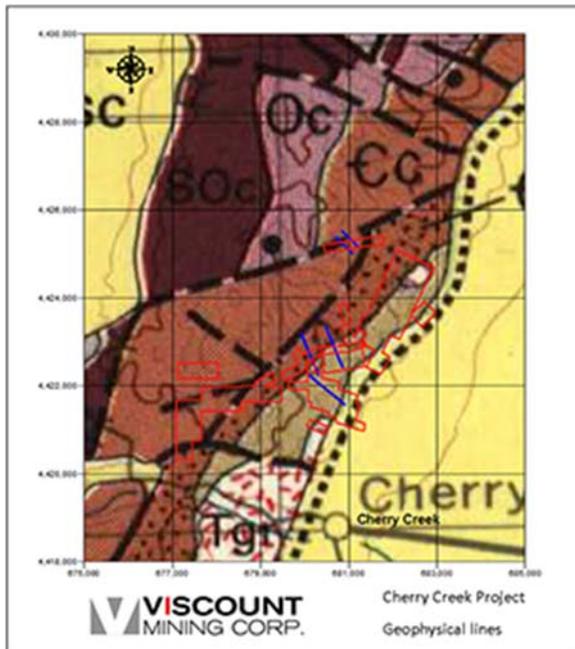
In addition to the investigative work carried out on behalf of Goldera Resources Inc, several property scale reports were produced by the USGS during the WWII-Korean War era. The only metal assayed as a focus for these reports was tungsten. Consequently, the USGS work has limited value.

Three different surveys have been conducted to date by Viscount: a targeted rock chip survey, a targeted soil geochemical survey and a targeted geophysical survey.

Geological 2014 Program

Assay results received from Summit's 2014 sampling also demonstrates the poly-metallic character of Cherry Creek's mineralization. Many of the highest assay values coincide with the known historic mining trends and the structural interpretations made by Summit geologists across the Cherry Creek property. The distribution of mineralized samples throughout the prospect, and accompanying alteration, suggests good potential for significant metal accumulations.

The 2014 rock chip sampling results Summit conducted indicate widespread occurrences of anomalous to high grade gold, silver, and base metal mineralization thereby confirming the information cited in historic reports. From the 302 samples collected, assays ranged from below detection to: 21 assayed greater than 1 g/t gold with 7 assaying greater than 10 g/t gold and a high value of 76.9 g/t or nearly 2.6 ounces per ton gold. Ninety nine samples assayed higher than 1 ounce per ton silver, with 31 having values greater than 10 ounces per ton and a high value of more than 8,700 g/t or 280 ounces per ton silver. Surface base metal values were also very anomalous: with 3 containing greater than 1% copper and one with 3.4%; 14 lead assays were greater than 1% with a maximum value of more than 20%. Zinc showed 10 sample assays greater than 1% with a high of 14%.



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Au g/t – ppm	Cu %	Pb %	Zn %	Ag g/t – ppm	Ag Total Oz/t
76.900	3.390	>20.0	13.950	8710	280.03
61.400	1.140	7.830	12.450	3620	116.39
39.600	1.125	2.780	7.980	3580	115.10
17.950	-	2.550	6.730	3340	107.38
16.950	-	2.520	5.380	2580	82.95
11.200	-	2.200	4.430	2360	75.88
10.050	-	2.160	1.495	2250	72.34
9.760	-	2.030	1.335	2060	66.23
8.750	-	1.775	1.170	1980	63.66
4.950	-	1.615	1.085	1925	61.89
4.610	-	1.580	-	1910	61.41
4.480	-	1.575	-	1605	51.60
3.970	-	1.205	-	1445	46.46
2.910	-	1.015	-	1200	38.58
2.680	-	-	-	1140	36.65
2.350	-	-	-	1100	35.37
2.170	-	-	-	1090	34.08

Table: Summit Geological 2014 Sampling Cherry Creek

Flint Canyon

The exploration program in 2016 started at Flint Canyon, a Carlin-type gold deposit, in Cherry Creek with a soil sampling combined with continued detailed geologic mapping and drilling.

The 2015 mapping at Flint Canyon found the area to be much more complexly faulted than previously indicated on the Adair 1961 geologic base map. Summit’s mapping program found that east-west orientated faults and fractures, which are important ore controlling structures at the Ticup and Star Mines, also occur in the area. The Flint Canyon area contains highly dissected fault blocks of the Dunderberg Shale with the underlying Marjum Limestone and overlying Notch Peak Limestone. The Pogonip Formation overlies the Notch Peak and both units are important host rocks for Carlin-type gold mineralization in east-central Nevada.

Jasperoid occurrences in Nevada are extremely significant in context to Carlin-type gold deposits and mineralized jasperoid outcrops are common throughout the Flint Canyon area. They occur principally along the base of the Dunderberg Shale but other outcrops are found along Pogonip-Notch Peak contact. Many major gold discoveries have been made based on the presence of outcropping, weakly mineralized jasperoid hosted in and along bedding contacts of carbonate rocks. At Flint Canyon, jasperoid is found in the same carbonate rocks that are prolific host rocks at nearby large gold deposits (Newmont Mining-Long Canyon, and Barrick Gold Corp.-Bald Mountain deposits).

The jasperoid beds, interpreted as west dipping tabular features, occur along the base of the Dunderberg Shale and within the Pogonip group limestone. Summit’s geological team indicated that the Dunderberg Shale is generally recessive and is exposed mainly along the outcropping contacts with more competent rocks. The Dunderberg appears to be moderately altered throughout its distribution, and at Flint Canyon it experienced widespread and significant alteration by hydrothermal fluids. The underlying Marjum Limestone is usually competent and unaltered, while the overlying Pogonip exhibits variable alteration.

The Flint Canyon jasperoid and carbonate rock chip samples are highly anomalous in gold mineralization. Of the 203 rock samples collected in the Flint Canyon domain (includes northern Lead Mine Canyon):

- Maximum gold grade of 3.83 g/t, which is 0.123 ounce per tonne Au
- 6 samples > 1.0 g/t Au
- 51 samples > 0.1 g/t Au
- 81 samples > 0.05 g/t Au (50 ppb Au), the lower threshold for significant gold value.

Phase 4 soil sampling program

The phase 4 soil geochemical survey was concluded, and results for gold are included in the May to June 2016 activity report issued by Summit for Flint Canyon on the Cherry Creek property. It states that "1,250 soil samples have been collected." Analysis has been by a 51-element-plus-gold-ICP (inductively coupled plasma) procedure (ME-MS41 and Au-TL43) at ALS Labs Ltd. of Elko, Nev. The sample grid spacing is 75 metres by 75 metres and tight GPS control.

The Pogonip limestone anomaly area includes two anomalies located in close proximity to each other. The anomalies measure 500 metres northwest by 300 metres northeast and 250 metres northwest by 125 metres northeast, respectively. The highest gold-in-soil value for these combined anomalies is 0.345 gram per tonne gold (0.012 ounce per ton).

The Dunderberg shale anomaly measures approximately 1,200 metres by 300 metres. The highest gold value in this anomaly is 0.106 gram per tonne Au (0.003 ounce per ton). The anomaly widens or bends to the east on its northern end, and it appears to be controlled by the west-southwest-trending Black Metal fault in this area.

The highest gold value on the soil grid was 0.534 gram per tonne Au (0.018 ounce per ton). It is located on the east side of the survey area. The two northerly trending anomalous areas located in the centre and west side of the grid contain most of the anomalous gold and pathfinder element values in the Flint Canyon area. The anomalous values are open to the south and west of the westernmost area where soils samples were collected.

The soil gold assay map with ranges of gold values in soil shows a strong relationship between the areas with jasperoid outcrops and a surprisingly broad and strong gold anomaly on the extreme west side of the Flint Canyon area in the Pogonip limestone. The soil gold anomaly occurs to the west of some jasperoid outcrops that are found at the contact between the Pogonip and Notch Peak formations, a common relationship found at major gold deposits in Nevada. From the distribution of anomalous gold results, there are at least two major target areas that need to be tested by several drill holes.

Rock chip sampling program

The following points concerning geology and geochemistry in the mapped area are excerpts from the Summit activity report for May to June, 2016.

The Flint Canyon Pogonip limestone and Dunderberg shale samples are highly anomalous in gold mineralization. Of the 1,250 rock samples collected in the Flint Canyon domain (includes west-southwest-trending Black Metal fault):

- Pogonip limestone -- maximum gold grade of 0.345 gram per tonne Au;
- Pogonip limestone -- 22 samples greater than 0.02 gram per tonne Au;
- Dunderberg shale -- maximum gold grade of 0.106 gram per tonne Au;
- Dunderberg shale -- 46 samples greater than 0.02 gram per tonne Au.

COLORADO PROPERTY

Silver Cliff Property

In June 2017, Viscount increased its long term land holdings in Silver Cliff by another 46.43 acres for a total of 2,029 acres and entered into a long term extension on the previous access and mineral rights agreements for the area at Silver Cliff including the Kate Deposit located adjacent to the Town of Silver Cliff in the State of Colorado. The final lease/option agreements entered into with the underlying holders of the mineral rights are consistent with the previously announced terms and conditions and now provide for greater security and certainty of Viscount's rights and interests. In addition, the Company has acquired partial interest in an aggregate pit lease known as the Silver Cliff Pit area.

In August 2014 the Company acquired a 100% interest in certain mining claims located in the State of Colorado 50 miles west of Pueblo, known as the Silver Cliff Property.

To exercise the Option, the Company must make cash payments in the aggregate amount of US\$3,000,000 over a period of up to 13 years and issue a total of 200,000 of each of its common shares and common share purchase warrants to the Property

vendors (the "Vendors"), which securities will be released in equal stages over a four year period following receipt of Exchange approval. The warrants will be exercisable at the greater of CDN\$0.20 or the market price at the time of issuance for a period of three years.

The Agreement does not contain provisions for mandated exploration expenditures but requires Viscount to make certain claim rental fees on behalf of the Vendors. In addition, as operator during the option period, Viscount will be required to file all regulatory exploration reports and keep the Property in good standing. In July 2015 in accordance with the Agreement the Company paid the Claim maintenance fees for the 2015-2016 year.

At the time of commencement of commercial production on the Property, the Vendors will be granted an additional 550,000 shares and 550,000 warrants of Viscount and will retain a 2% net smelter returns royalty (the "NSR Royalty"). The NSR Royalty is subject to a buy-back right in favour of Viscount at any time prior to commencement of commercial production on any particular deposit, to repurchase 1% of the NSR Royalty from the Vendors. The purchase price for such buy-back will be an amount equal to the value of 0.5% of all commercially mineable and proven and probable reserves on the subject deposit determined pursuant to a National Instrument 43-101 compliant Feasibility Study, with the mineral price to be based on the 30 day average price prior to Viscount giving notice of the intended NSR Royalty repurchase.

Viscount paid a finder's fee in the amount of 500,000 common shares in connection with the closing of the Option Agreement which shall vest and be released as follows:

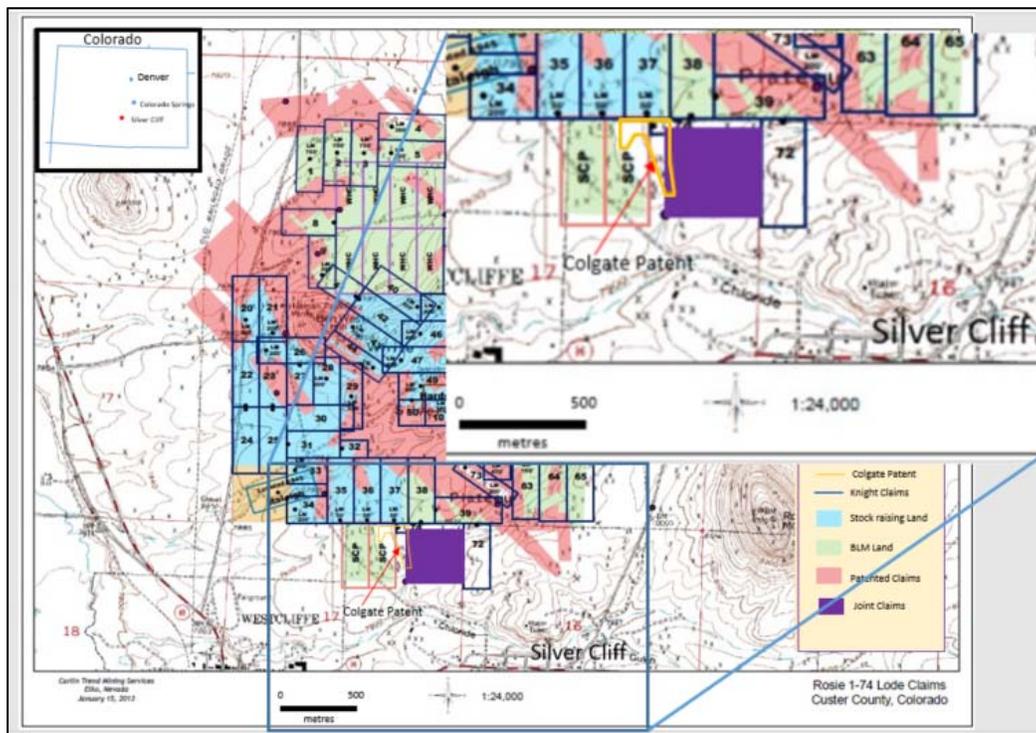
- i. 10,000 shares on the effective date September 15, 2014 (issued);
- ii. 15,000 shares on the first anniversary, September 15, 2015 (issued);
- iii. 20,000 shares on the second anniversary, September 15, 2016 (issued)
- iv. 25,000 shares on the third anniversary, September 15, 2017; (issued)
- v. 35,000 shares on the fourth anniversary, September 15, 2018; (issued)
- vi. 45,000 shares on the fifth anniversary, September 15, 2019;
- vii. 50,000 shares on the sixth anniversary, September 15, 2020;
- viii. 50,000 shares on the seventh anniversary, September 15, 2021;
- ix. 75,000 shares on the eighth anniversary, September 15, 2022;
- x. 75,000 shares on the ninth anniversary, September 15, 2023;
- xi. 100,000 shares on the tenth anniversary, September 15, 2024;

The Joint Claim consists of a single land parcel covering approximately 16 ha situated at the southern end of the Knight claim block (Figure 4.2). The ownership of the Joint Claim is shared by four groups and covered by four separate agreements signed with Viscount in May of 2017. All agreements are very similar and cover prorated payments and commitments as outlined in Table 4.1.

Table 0.1 Summary of Joint Claim agreements

Payment Due (US\$)	Owners			
	Bailey	Petersen	Silver Cliff	Colgate
Ownership of Joint Claims (%)	26.64	4.26	20.03	49.07
Upon Execution	\$10,296.00	\$1,704.00	\$11,000.00	\$40,000.00
Year One	\$10,296.00	\$1,704.00	\$11,500.00	\$40,000.00
Year Two	\$15,444.00	\$2,556.00	\$12,000.00	\$40,000.00
Year Three	\$15,444.00	\$2,556.00	\$16,500.00	\$40,000.00
Year Four	\$22,636.80	\$3,363.20	\$21,500.00	\$40,000.00
Year Five	\$25,740.00	\$4,260.00	\$21,500.00	\$40,000.00
Year Six	\$25,740.00	\$4,260.00	\$26,000.00	\$40,000.00
Year Seven	\$38,610.00	\$6,390.00	\$26,500.00	\$40,000.00
Year Eight	\$51,480.00	\$8,520.00	\$47,000.00	\$40,000.00
Year Nine	\$77,760.00	\$12,780.00	\$67,500.00	\$40,000.00
Year Ten	\$102,960.00	\$17,040.00	\$88,000.00	\$1,000,000.00
Retained NSR (%)	0.4	0.0639	0.3	0.736

In addition to the Joint Claims, the Colgate agreement signed on May 12, 2017 between Viscount and Richard Michael Colgate (Colgate) also covers two patented claims 100% owned by Colgate. The patented claims are situated west of the Joint Claims and slightly overlapping the Joint Claims (Figure 4.3). The option payments to Colgate described in Table 4.1 covers both the Joint claims and the patented claims. However, any production from the patented claims is subject to a 1.5% NSR.



Source: Carlin Trend Mining Services 2013 (with modifications)

On October 24, 2017, Viscount entered into an agreement with William Tezak thereby optioning 33 lode claims covering 285 acres (115 ha) in the Silver Cliff area, the Tezak Property (Figure 4.2 above). The agreement grants Viscount the right to explore, mine and extract minerals from the Tezak Property with the exception of rhyolite and obsidian. In exchange, Viscount grants to Tezak, pursuant to and conditional upon compliance with the terms of the Knight Option Agreement, the sole and exclusive right to explore, mine and extract rhyolite and obsidian from the Viscount property. Viscount also agrees to grant Tezak a 1% net smelter royalty.

Most of the land on the Viscount property is covered by patented claims, stock raising and homestead land, private land or Bureau of Land Management Land (BLM). The Joint Claims agreement grants access to the NE $\frac{1}{4}$ of NE $\frac{1}{4}$ Section 17 lot, the Colgate agreement grants access to the Colgate Patented claims, the Tezak agreement grants access to the Tezak patents and Knight agreement grants access to the BLM land but surface access to stock raising or the patented land not covered by the Colgate agreement is restricted and must first be granted by the land owners.

The property lies within an historic silver district, where high-grade silver production came from numerous mines during the period 1878 to 1894. Silver production was derived from both shear-vein zones in tertiary volcanic units as well as breccia pipes hosted in Precambrian rocks located within and adjacent to a tertiary caldera or volcanic centre.

In summary, Hecla Mining bought out the rights to the lands in 1993 from the previous owner, CoCa Mines. Low silver prices in the 1990s led to reduced activity and ultimately to the release of many strategic claims by 1996.

The Company has access to historical data and other information on the property, including extensive maps of the district showing claims, old mines, exploration targets and prospects, locations of historic resource estimates drill holes, township and infrastructure data.

This section discusses the geology of the Silver Cliff area, much of the information was drawn from Fieldman (1966) and Sawyer (1984) which are excerpts from the NI -43-101 prepared by Arseneau Consulting Services.

Regional Geology

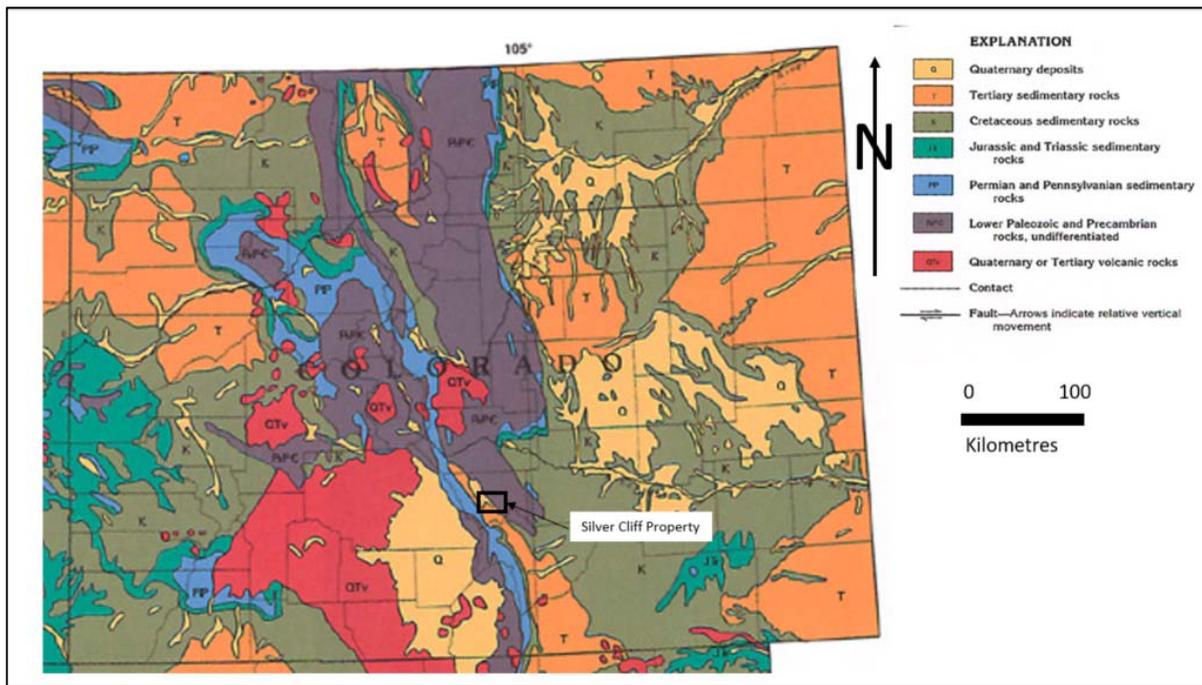
Regionally, the rocks surrounding the Silver Cliff area are part of a Precambrian complex of metasedimentary and intrusive

rocks that form the basement to the district. The rocks include hornblende gneiss, granite gneiss, pegmatite and migmatite. Northwest striking syenite dykes of Late Precambrian age intrude the older foliated gneisses

The Silver Cliff and Rosita areas are underlain by two eruptive centres, about 9 kilometers apart, of Oligocene to Miocene age that are at least in part cogenetic and coeval. The contact between the Precambrian rocks and the Tertiary volcanic rocks derived from these centres is partly faulted and partly unconformable. The Silver Cliff caldera covers an area of approximately 3.2 by 4.0 kilometers, much smaller than the Rosita volcanic centre lying to the east-southeast and is essentially surrounded by the Precambrian basement rocks.

Structurally the major feature of the Silver Cliff area is the caldera itself which has resulted due to subsidence along marginal ring faults overlapped by vent material. These are discernable on the east side of the caldera but obscured elsewhere. The southern part of the caldera appears to be the deepest and thought to represent the neck.

At least three sets of through going faults have been identified that transgress the caldera filling and continue into the Precambrian basement rocks. These sets are oriented north-westerly, north-easterly and north-south. All appear to be younger than the bounding ring faults with the north-south set being the youngest.



Source: USGS 1995

Regional geology of Colorado

Local Geology

The Silver Cliff caldera consists of a felsic volcanic pile in excess of 600 metres thick. The upper 90 metres of the pile is extrusive in origin and is composed of mainly flow banded, flow brecciated and spherulitic rhyolites with lenticular bodies of volcanic glass (obsidian), often present near the base of this sequence (Sharp, 1978) (Figure 7.2). The lower rocks are epiclastic and pyroclastic in origin and include tuffs, breccias and conglomerate. Fieldman (1966) has described the following volcanic stratigraphy from oldest to youngest. Coding for these units from the geologic map prepared by Sharp (1978), which agrees closely with the map provided by Sawyer (1984), is included where possible.

Rhyolite Tuff, Breccia and Conglomerate (Tru, Trrw, Tlt)

This is the basal Tertiary (Miocene) unit and is represented by a thick sequence (at least 550 m) of fine to coarse tuffs, lapilli tuffs, breccias and volcanic conglomerate. The beds weather to light to darker grey, pink and brown. Most are coarse or lapilli tuffs. Fragments of Precambrian gneiss and granite are common. The beds are not resistant, and form subdued grass covered expressions. Variable attitudes make measurement of an accurate thickness but a minimum thickness of 75 metres is shown and the Geyser shaft is reported to have passed through 550 metres these units.

Rhyolite Breccia (Tbb)

A thin and local unit that caps Ben West Hill and the surrounding ridges to the north and east, this unit is approximately 25 metres thick. The unit is thick bedded and unsorted, but rhyolite and pumice blocks do decrease in size to the south where it grades into a coarse lapilli tuff. The matrix to the breccia is highly silicified so it forms resistant ridges.

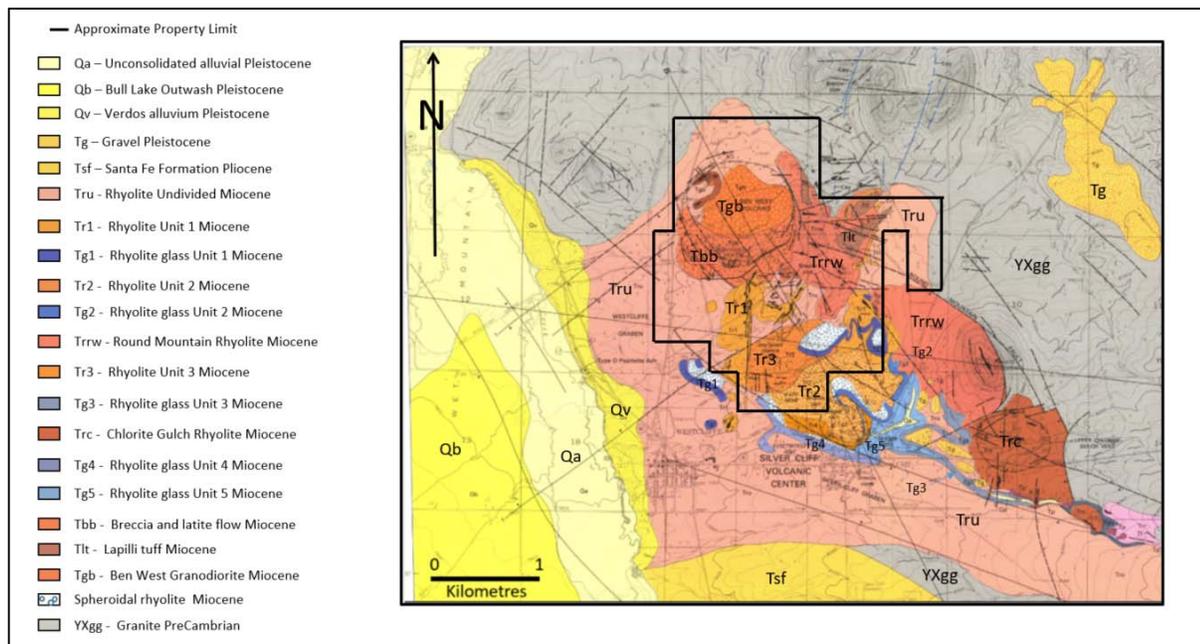
Rhyolite Lava Flows (Tr1, Tr2, Tr3, Tr4, Trc, Tg1 to Tg5)

This is the most widespread and best exposed unit in the Silver Cliff area. The areal extent of the flow complex is approximately 260 hectares and its thickness as demonstrated in the Geyser shaft is approximately 75 metres. It is unconformable on the underlying units and dips gently westwards. Fieldman (1966) divided this unit into three zones with transitional boundaries: an upper white to pale orange to brown, flow banded rhyolite about 45 metres thick. Near the base of this unit spherulites appear which increase in size and number into the underlying zone which is composed of numerous compound spherulites enclosed in envelopes of clay. Where unaltered and the clay envelopes are not continuous, black perlitic obsidian forms the third and lowest zone. These last two zones are approximately 15 metres thick.

While the stratigraphic order appears more or less the same, Sharp (1978) has broken out several different flows from within the upper flow unit described by Fieldman (1966) which are described below. Fieldman and Crowley (1980) indicate that these units are interbedded, overlapping and gradational to one another.

- **Tr1** – white porcellaneous rhyolite that forms dykes, and ropey to glassy and scoriaceous to boney flows from dykes. Clear quartz grains are common.
- **Tr2** – white to cream banded flows and breccias pipes in the Geyser vent area. The rhyolite is lithophysal and contains garnet and topaz in cavities.
- **Tr3** – Strongly flow banded and boney and highly fractures rhyolite, with textures well exposed near the old Kate mine. Black Me-Fe oxides fill fractures and heavily stain the rock.
- **Tr4** – Flow banded rhyolite and tuff. Overlies an obsidian unit exposed in the Geyser workings.

Sharp also broke out several different glassy flows, or obsidian units, of varying colour and stages of devitrification, several of which contained the spherulitic units noted by Fieldman (1966) in their upper portions.



Source: Sharp 1978 with modifications

Silver Cliff Property geology

Mineralization

Silver mineralization in the Silver Cliff area occurs either as near vertical fissures or narrow veins or as stratigraphically controlled replacement of favourable porous volcanic units.

Fissure Veins

Fissure type mineralization generally contain Pb-Zn-Ag mineralization and are found in the Ben West Hill and White Hills areas of the Silver Cliff caldera where rhyolitic tuffs and breccias are the host rocks. The area is argillically altered with disseminated fluorite and small zones of intense silicification. Veins range from less than 30cm to several metres in width and contain pyrite, argentiferous galena and sphalerite in sulphide zones and cerussite (lead carbonate) and silver halides in near surface oxide zones. Gangue consists of barite sericite and quartz (Mukherjee, 1976). The ratio of silver to lead-zinc is low with one ounce (31.1 grams) for every 5% of lead and zinc.

Stratigraphically Controlled Silver- Manganese Oxide Mineralization (Kate Deposit)

The most intensely investigated mineralization at Silver Cliff has been in the form of secondary silver mineralization locally associated with manganese oxides in the upper, highly fractured rhyolite flows and flow breccias that occur just north of the town of Silver Cliff (Kate Deposit). The host rocks correspond to units the Tr1 to Tr4 of Sharp (1978). Silver appears to have been deposited as replacement and infill in porous volcanic breccia units and manganese appears to overprint the silver mineralization in the Tr3 unit (Hildebrand and Mosier, 1974). The mineralization is associated with intense kaolinite alteration.

The silver mineralization is conformable to stratigraphy and occurs from surface to depths varying from approximately 40 to 50 m. Aside from the stratigraphic and fracture controls, the location of silver mineralization appears to have been at least partially controlled by the geometry of volcanic glass or obsidian lenses, as better silver grades are encountered just above or on the margins of them, and not where the flows overlie the rhyolite tuff, breccia and conglomerate units (Mukherjee,1976).

Manganese oxide (cryptomelane) locally occurs with silver bearing chlorides (chlorargyrite), bromides (bromargyrite) and sulphide (acanthite) minerals in breccias as matrix fillings and also as small vuggy zones in the matrix and breccia fragments. In the flow banded rhyolite manganese and silver mineralization occur as veins and partial fracture fillings, perpendicular and parallel to the flow banding. The veins range in thickness from a hairline to approximately 13.0 cm but are more commonly 1.5 cm to 5.0 cm wide. The smaller veins have no regular structural pattern or orientation, but larger ones trend northwest or northeast and are generally vertical. Where fractures are not completely filled, the manganese oxides line the wall with botryoidal surfaces.

Silver mineralization in the lower flow unit is associated with cryptomelane along with goethite, fluorite, barite, dickite and hematite. Native silver and argentite have been reported in the spherulitic horizon, immediately above the glass lenses (Mukherjee,1976).

Deposit Type

It is difficult to fit the Kate deposit, or any of the manganese oxide silver mineralization in the Silver Cliff area, into a deposit model but the deposits do share similarities with low sulphidation epithermal silver deposits.

Low sulphidation silver deposits tend to occur as veins, stockwork or breccia. The mineralization commonly exhibits open-space filling textures and is associated with volcanic-related hydrothermal activity. The deposits are often associated with regional-scale fracture systems related to grabens, (resurgent) calderas or flow-dome complexes. Extensional structures in volcanic fields (normal faults, fault splays, ladder veins and cymoid loops, etc.) are common; locally graben or caldera-fill clastic rocks are present. High-level (subvolcanic) stocks and/or dikes and pebble breccia diatremes occur in some areas. Locally resurgent or domal structures are related to underlying intrusive bodies.

Most deposits occur in volcanic rocks. Some deposits occur in areas with bimodal volcanism and extensive subaerial ashflow deposits. The deposits are commonly zoned vertically over 250 to 350m from a base metal poor, Au-Ag-rich top to a relatively Ag-rich base metal zone and an underlying base metal rich zone grading at depth into a sparse base metal, pyritic zone. From surface to depth, metal zones contain: Au-Ag-As-Sb-Hg, Au-Ag-Pb-Zn-Cu, Ag- Pb-Zn and fluorite may be abundant.

Pervasive silicification in vein envelopes is flanked by sericite-illite-kaolinite assemblages. Advanced argillic alteration (kaolinite-alunite) may form along the tops of mineralized zones. Propylitic alteration dominates at depth and peripherally. Associated gangue minerals include quartz, amethyst, chalcedony, calcite; adularia, sericite, barite, fluorite, Ca- Mg-Mn-Fe carbonate minerals, hematite and chlorite.

The Kate deposit seem to share some of the characteristics of low sulphidation silver deposits. Of the two rhyolite flow units

that have been explored by Viscount, in the older and smaller unit, manganese and iron oxide staining is common, and little or no gold is present.

Exploration

In Summer 2016, preliminary results of representative, continuous rock chip sampling and geological mapping at a scale of 1:240 around the perimeter of the 7960 bench in the existing aggregate pit show that silver, manganese, lead, zinc, gallium and indium are present. Only recently have indium and gallium become of great importance, with indium used in LCD (liquid crystal display) televisions and computer monitors, and gallium in medical devices, microwave circuits, high-speed switching circuits and infrared circuits. Semi-conductive gallium nitride and indium gallium nitride produce blue and violet light-emitting diodes, and diode lasers.

On January 19, 2017, the Company released further drill results from the Silver Cliff property in the Hardscrabble district of Custer county, Colorado. Nine holes with a total of 1,502 feet (457.8 meters) were completed in the recent program . A summary of drill intersections for which assays can be found below and on the Company website.

The table below displays summary data for Viscount’s 2016 “K” series of 2.5-inch diameter holes (HQ core) along with available data for the historic holes which were twinned.

2016 DDH Results Compared With Holes Twinned								
Hole #	From (ft.)	To (ft.)	Dip (°)	Length (ft.)	oz/t	g/t	Easting (m)	Northing (m)
73-2-CC	54	98	-60	44	67.70	2105.7	460455	4221740
88-1	65	95	-60	30	16.30	507.0		
K16-01	55	105	-60	50	26.92	837.4	460455	4221739
including	60	92		32	40.87	1271.1		
including	60	80		20	57.18	1778.5		
89-27	80	140	-90	60	7.00	217.7	460605	4221831
K16-03	57	112	-90	55	4.55	141.5	460604	4221829
including	82	112		30	7.49	233.0		
89-26	50	120	-90	70	5.90	183.5	460575	4221830
K16-04	51	121	-90	70	5.74	178.5	460578	4221827
including	61	121		60	6.54	203.4		
including	76	121		45	8.06	250.7		
89-53	70	115	-60	45	8.30	258.2	460420	4221650
K16-05	65	110	-60	45	12.57	390.9	460420	4221654
88-2	90	120	-60	30	7.90	245.7	460483	4221830
K16-06	65	130	-60	65	1.05	32.8	460484	4221744
including	100	120		20	1.72	53.6		
88-59	75	115	-60	40	4.20	130.6	460451	4221650
K16-07	47	152	-60	105	2.56	79.7	460452	4221650
including	72	137		65	3.94	122.6		
including	77	137		60	4.21	131.1		
including	92	117		25	8.13	252.8		
88-36	115	170	-60	55	4.32	134.4	460513	4221711

K16-08	105	173	-60	68	7.35	228.6	460512	4221710
including	115	173		58	8.55	265.9		
88-40	110	135	-60	25	2.99	93.0	460543	4221801
K16-09	85	135	-60	50	4.39	136.5	460542	4221799
including	110	135		25	7.11	221.0		

Mineral Resource Estimate – April 2018

The mineral resource model prepared by ACS utilised a total of 133 drill holes, 19 of which were drilled by Viscount in 2016 and 2017. The resource estimation work was completed by Dr. Gilles Arseneau, P. Geo. (APEGBC) an appropriate independent qualified person within the meaning of NI 43-101. The effective date of the Mineral Resource statement is April 15, 2018.

Three-dimensional solid of the Kate mineralization was generated on north-south sections spaced 25 m apart. The wireframe was constructed to bracket all mineralization greater than 15 g/t silver (approximately 0.5 opt). Some lower grade intersections were included to allow for greater deposit continuity and few intervals that were isolated had to be excluded from the wireframe model. All silver grades were capped to 1,000 g/t and composited to 2.5 m prior to estimation.

Mineral resources were estimated by ordinary kriging using Geovia GEMs Version 6.8.1 modelling software into 10 by 10 by 5 m blocks. Bulk densities were coded in the model based on the block rock code. All mineralized blocks were assigned a 2.36 t/m³ bulk density and all waste blocks were assigned 2.72 t/m³.

Blocks were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (the CIM Definition Standards, May 2014). ACS is satisfied that the geological modelling reflects the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support resource evaluation.

ACS considers that blocks estimated during pass one and from at least 4 drill holes could be assigned to the Indicated category. All other estimated blocks were assigned to the Inferred category within the meaning of the CIM Definition Standards.

In order to determine the quantities of material satisfying “reasonable prospects for economic extraction”, ACS assumed a minimum mining cut off of 35 g/t silver representing an approximate mining and processing cost of US\$16 per tonne. The reader is cautioned that there are no mineral reserves at the Silver Cliff Property.

ACS is unaware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political issues that may adversely affect the Mineral Resources presented.

ACS considers that the blocks with grades above the cut-off grade satisfy the criteria for “reasonable prospects for economic extraction” and can be reported as a Mineral Resource. Mineral resources for the Kate deposit on the Silver Cliff Property are summarized in Table 1.1.

Kate deposit mineral resource statement at 35 g/t silver cut-off, effective April 15, 2018

classification	Tonnes	grade Ag (g/t)	ounces silver
Indicated	2,064,000	84	5,560,900
Inferred	3,172,000	70	7,143,900

- (1) *Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.*
- (2) *The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*
- (3) *The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.*
- (4) *The Mineral Resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.*

Financial Data

The Company was incorporated under the British Columbia Business Corporations Act on October 26, 2011 and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (“TSXV”). On July 23, 2013, the Company completed a share exchange with Viscount Mining Resources Ltd. (formerly Viscount Mining Ltd.) (“Viscount Resources”) and all of the shareholders of Viscount Resources, whereby the Company acquired all of the issued and outstanding common shares of Viscount Resources and former Viscount Resource’s shareholders received equal number of common shares of the Company.

The following selected financial information is derived from the Financial Statements of the Company prepared in accordance with International Financial Reporting Standards (“IFRS”).

Overall Performance

During year ended August 31, 2018, the Company incurred a net loss of \$1,344,381 (2017 - \$1,636,018). At August 31, 2018, the Company had cash of \$24,989 (2017 - \$940,379) and working capital deficit of \$211,057 (2017 - \$1,055,179). Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. For the year ended August 31, 2018, the Company had no source of operating revenues and, as at that date, had an accumulated deficit of \$8,650,584 (2017 - \$7,309,598).

Results for the last three years are set out in the table below:

All amounts in Cdn\$	Year ended August 31, 2018	Year ended August 31, 2017	Year ended August 31, 2016
	\$	\$	\$
Operations:			
Revenues	Nil	Nil	Nil
Net Loss	(1,344,381)	(1,636,098)	(1,488,889)
Comprehensive Loss	(1,340,986)	(1,653,018)	1,448,803
Net Loss per share-basic	(0.03)	(0.04)	(0.04)
Dividends per share	Nil	Nil	Nil
Balance Sheet:			
Working capital	(211,057)	1,055,179	1,768,322
Total assets	2,819,117	3,056,924	2,935,750
Shareholder Equity	2,551,568	2,946,605	2,794,387

For the year ended August 31, 2018, the Company incurred a net loss and comprehensive loss of \$1,340,986 (2017 - \$1,653,018) an decrease of \$312,032. Explanations of the decreased loss are:

- Promotion of \$438,561 (2017 – \$544,663), an favourable variance of \$106,102 primarily due to reduction in the number and the areas of distribution of news releases.
- Consultants and payroll of \$539,071 (2017 - \$611,398), a favourable variance of \$72,327 primarily the departure of two consultants during the current year.
- Professional fees, travel, office, miscellaneous and other operating costs of \$209,267 (2017 - \$272,071) a favourable variance of \$62,804 primarily due to reduction in travel, lower legal costs due to a reduction in legal issues, and a general reduction in office costs during the current year.
- Share-based payments of \$132,265 (2017 - \$180,878), a favourable variance of \$48,613 primarily due to favourable variances in the assumptions used in the Black-Scholes Option Pricing Model calculations used to determine the fair values of the 700,000 options (2017– 550,000) granted during the year.
- Foreign exchange gain of \$3,196 (2017 – loss of \$22,205), a favourable variance of \$25,401. The Company exploration properties are recorded in US dollars and the Company maintains funds in a US\$ account which were impacted by the fluctuation in the U.S Dollar.

- Transfer agent and filing fees of \$25,217 (2017 - \$27,088), a favourable variance of \$1,871 primarily due to reduced TSX fees.

Partially offset by:

- Interest income of \$199 (2017 - \$5,285) an unfavourable variance of \$5,086 primarily due to less funds on deposit earning interest during the current year.

Results for each of the last eight quarters are set out in the table below:

All amounts in Cdn\$	Three month period ending August 31, 2018	Three month period ending May 31, 2018	Three month period ending February 28, 2018	Three month period ending November 30, 2017
	\$	\$	\$	\$
Operations:				
Revenues	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	(274,551)	(425,321)	(326,333)	(314,781)
Loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Balance Sheet:				
Total assets	2,819,117	3,111,003	3,354,290	2,819,778
Working capital	(211,057)	325,750	816,405	652,925
Shareholders' equity	2,551,568	2,967,929	3,229,175	2,759,550
	Three month period ending August 31, 2017	Three month period ending May 31, 2017	Three month period ending February 28, 2017	Three month period ending November 30, 2016
	\$	\$	\$	\$
Operations:				
Revenues	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	(376,059)	(336,584)	(407,234)	(533,141)
Loss per share	(0.01)	(0.01)	(0.02)	0.00
Balance Sheet:				
Total assets	3,056,924	2,120,066	2,317,974	2,600,536
Working capital	1,055,179	332,593	578,466	1,217,209
Shareholders' equity	2,946,605	2,079,215	2,222,823	2,559,582

Net loss and comprehensive loss for the three months ended August 31, 2018 was \$274,551 (2017 - \$376,059) a favourable variance of \$101,508 which consisted of:

- Consulting \$119,930 (2017 - \$167,274), a favourable variance of \$47,344 partially due to the departure of two consultants during the year and partly due to timing differences between Q4-2018 and Q4-2017.
- Foreign exchange gain of \$4,285 (2017 – loss of \$25,695), a favourable variance of \$29,980. The Company's exploration properties are in the US and the Company maintains funds in a US\$ account which is impacted by the fluctuation in the U.S Dollar.
- Promotion of \$77,273 (2017 - \$103,451), a favourable variance of \$26,178 primarily due to primarily due to reduction in the number and the areas of distribution of news releases.
- Professional fees, Travel, office, miscellaneous and other operating costs \$66,649 (2017 - \$75,563), a favourable variance of \$8,914 primarily due to reduction in travel, and reduction in insurance due to timing issues.
- Transfer agent and filing fees \$2,794 (2017 - \$4,076), a favourable variance of \$1,282 primarily due to an over charge in Q3 refunded in Q4.

Partially offset by:

- Share-based payments \$12,190 (2017 - \$Nil), an unfavourable variance of \$12,190 due to options vesting during the quarter with no share-based payments in the Q4 last year.

Share Capital

Authorized

At August 31, 2018 the authorized share capital consists of an unlimited number of common shares without par value and without special rights or restrictions attached and an unlimited number of preferred shares without par value and with special rights or restrictions.

Issued and Outstanding

As at August 31, 2018, the total issued and outstanding share capital was 49,993,629, common shares with no par value (2017 – 46,748,128). An additional 85,000 shares were issued in accordance with the property agreements, bringing the total shares outstanding at the reporting date to 50,078,629.

Share capital transactions of the Company during the years ended August 31, 2018 and 2017 are summarized as follows:

- a) During the year ended August 31, 2018, 2,970,501 (2017 1,414,034) shares were issued when warrants were exercised at \$0.25 (2017 \$0.25) each for total proceeds of \$742,625 (2017 \$353,509).
- b) During the year ended August 31, 2018, no shares were sold for cash through private placements (2017 – 5,000,000) at \$0.25 each for total proceeds of \$Nil (2017 \$1,200,000).
- c) During the year ended August 31, 2018, 75,000 shares were issued as part of Silver Creek Option Agreement valued at \$0.295 each for a total value of \$22,125.
- d) During the year ended August 31, 2018, 200,000 (2017 Nil) shares were issued when options were exercised at \$0.22 each for total proceeds of \$44,000.
- e) During the year ended August 31, 2018, 10,808,491 warrants with exercise prices between \$0.25 and \$0.70 expired unexercised.
- f) During the year ended August 31, 2018, 50,000 three year warrants with an exercise price of \$0.28 were issued as part of Silver Creek Option Agreement valued at \$8,934 using the Black Scholes valuation methodology with the warrants having the terms described above and assuming a risk free interest rate of 1.35% per annum, an expected life of 3 years, volatility of 94.46%, and no expected dividend.
- g) On August 29, 2018, 5,000,000 two year warrants with an exercise price of \$0.35 were extended for two years.

Escrow Shares

As at August 31, 2018 and 2017, no common shares of the Company are held in escrow.

Warrants

The following is a summary of the changes in the Company's share purchase warrants for the years ended August 31, 2018 and 2017. An additional 50,000, \$0.25 warrants were issued in accordance with the property agreements and 50,000, \$0.40 warrants expired unexercised leaving the total warrants outstanding at the reporting date unchanged at 5,150,000.

Date issued	Expiry Date	August 31, 2018		August 31, 2017	
		Exercise Price	Number of Warrants Outstanding and Exercisable	Exercise Price	Number of Warrants Outstanding and Exercisable
		\$		\$	
November 25, 2014	November 25, 2017	0.25	-	0.25	4,597,756
December 2, 2014	December 2, 2017	0.25	-	0.25	1,398,000
January 6, 2015	January 6, 2018	0.25	-	0.25	2,739,836
September 15, 2015	September 15, 2018	0.40	50,000	0.40	50,000
May 31, 2016	May 31, 2018	0.70	-	0.70	2,608,900
June 23, 2016	June 23, 2018	0.70	-	0.70	2,300,000
August 29, 2017	August 29, 2020	0.35	5,000,000 *	0.35	5,084,500
September 15, 2016	September 15, 2019	0.59	50,000	0.59	50,000
September 15, 2017	September 15, 2020	0.28	50,000	-	-
		0.35	5,150,000	0.40	18,828,992

* These warrants were extended on August 29, 2018 for two years with all other terms unchanged.

Stock Option Plan

On April 4, 2012, the Company adopted a stock option plan (the "Plan") that allows the Company to issue options to certain directors, officers, employees and consultants of the Company. Options issued under the Plan shall not exceed 10% of the shares issued and outstanding at the time of granting of the options. Options granted under the Plan may have a maximum term of ten years. Stock options granted under the Plan may be subject to vesting terms, which may be imposed at the discretion of the directors.

- a) On August 21, 2018, 1,076,000, five year options with an exercise price of \$0.20 expired unexercised.
- b) On June 15, 2018, 200,000, three year options with an exercise price of \$0.30 were issued, the options were valued \$27,852 using the Black Scholes valuation methodology assuming a risk free interest rate of 1.10% per annum, an expected life of 3 years, volatility of 79.03%, and no expected dividend.
- c) On April 6, 2018, 200,000, three year options with an exercise price of \$0.22 were exercised.
- d) On March 15, 2018, 500,000, three year options with an exercise prices of \$0.32 were issued to consultants, the options were valued \$120,075 using the Black Scholes valuation methodology assuming a risk free interest rate of 1.97% per annum, an expected life of 5 years, volatility of 100.28%, and no expected dividend.
- e) On April 17, 2017, the Company granted 50,000 five-year stock options at a purchase price of \$0.36 per share to a consultant of the Company. The fair value of the 50,000 options granted was estimated at \$13,092 at the grant date using the Black-Scholes Option Pricing Model.
- f) On October 28, 2016, the Company granted 200,000 three-year stock options at a purchase price of \$0.57 per share to a consultant of the Company. The fair value of the 200,000 options granted was estimated at \$85,562 at the grant date using the Black-Scholes Option Pricing Model.
- g) On September 8, 2016, the Company granted 300,000 five-year stock options at a purchase price of \$0.57 per share to the directors and officers of the Company. The fair value of the 300,000 options granted was estimated at \$137,040 at the grant date using the Black-Scholes Option Pricing Model. In October 2016,

120,000 of the options granted on September 8, 2016, were cancelled. The fair value of the cancelled options was \$54,816.

The following is a summary of the changes in the Company's stock options for the years ended August 31, 2018 and 2017. No addition options were issued after the year end.

Grant Date	Expiry Date	Exercise Price	August 31, 2018		August 31, 2017	
			Number of Options Outstanding	Exercise Price	Number of Options Outstanding	Exercise Price
October 26, 2012	October 26, 2022	\$ 0.20	19,800	\$ 0.20	19,800	
August 21, 2013	August 21, 2018	\$ 0.20	-	\$ 0.20	1,076,000	
July 11, 2014	July 11, 2019	\$ 0.20	255,200	\$ 0.20	255,200	
December 1, 2014	December 1, 2019	\$ 0.20	300,000	\$ 0.20	300,000	
January 5, 2015	January 5, 2020	\$ 0.20	1,125,000	\$ 0.20	1,125,000	
April 1, 2015	April 1, 2018	\$ 0.22	-	\$ 0.22	200,000	
July 7, 2015	July 7, 2020	\$ 0.20	100,000	\$ 0.20	100,000	
July 21, 2015	July 21, 2020	\$ 0.20	45,000	\$ 0.20	45,000	
November 12, 2015	November 12, 2020	\$ 0.50	40,000	\$ 0.50	40,000	
December 15, 2015	December 15, 2020	\$ 0.50	75,000	\$ 0.50	75,000	
February 9, 2016	February 9, 2021	\$ 0.53	100,000	\$ 0.53	100,000	
April 27, 2016	April 27, 2021	\$ 0.51	50,000	\$ 0.51	50,000	
August 8, 2016	August 8, 2021	\$ 0.62	255,000	\$ 0.62	255,000	
September 8, 2016	September 8, 2021	\$ 0.57	180,000	\$ 0.57	180,000	
October 28, 2016	October 28, 2019	\$ 0.57	200,000	\$ 0.57	200,000	
April 17, 2017	April 17, 2022	\$ 0.36	50,000	\$ 0.36	50,000	
March 15, 2018	March 15, 2023	\$ 0.32	500,000	-	-	
June 15, 2018	June 15, 2023	\$ 0.30	200,000	-	-	
Outstanding options		\$ 0.32	3,495,000	0.28	4,071,000	
Exercisable options		\$ 0.32	3,295,000	0.28	4,071,000	

Liquidity and Capital Resources

At August 31, 2018 the Company had cash of \$24,989 (2017 - \$940,379), amounts receivable and prepaid expenses of \$31,503 (2017 - \$225,119), trade payables and accrued liabilities of \$170,175 (2017 - \$94,261), due to related parties of \$35,374 (2016 - \$16,058) and loans payable of \$62,000 (2017 - Nil). The trade payables are due within three months.

The Company will require significant cash funding to conduct its exploration programs, meet its administrative overhead costs, and maintain its resource interests. This will require the Company to obtain additional financing. The Company invests surplus cash in guaranteed investment certificates with the Bank of Montreal and faces no known liquidity issues.

The Company will continue to consider all sources of financing reasonably available to it, including, equity, debt, and the sale of assets or parts of assets, including mineral properties. There can be no assurance of continued access to finance in the future and an inability to secure financing may require the Company to reduce or defer exploration and development activities.

Exploration and Evaluation Properties

Exploration and evaluation expenditures by project as at August 31, 2018 and 2017 are as follows:

	For the Year ended August 31, 2018	For the Year ended August 31, 2017
	\$	\$
Balance beginning of year	1,891,426	1,026,065
Property acquisitions	177,616	196,394
Staking new claims and claim maintenance	83,567	200,692
Consulting	352,798	310,080
Drilling	250,575	158,195
Recoveries	(17,537)	-
Total	2,738,445	1,891,426

Commitments and Contingency

The Company is committed to making cash payments, incurring exploration expenditures and/or issuing common shares pursuant to its exploration and evaluation property agreements.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements as at August 31, 2018.

Transactions with Related Parties

As at August 31, 2018, the balance due to related parties, who are officers, directors and/or shareholders, consists of \$35,374 (2017 - \$16,058). Amounts owing relate to consulting services provide by the related parties or by companies controlled by the related parties and for expense reimbursements.

The following table summarizes the amounts owed to related parties at August 31, 2018 and 2017:

	As at August 31, 2018	As at August 31, 2017
	\$	\$
Chairman	12,600	5,250
Chief Geologist	11,340	5,750
Officers and Directors	11,434	5,058
	35,374	16,058

In addition the Company borrowed \$62,000 from its Chairman. The loan is due on demand and bears no interest. As August 31, 2018, \$10,000 is included in prepaid expenses to a director (2017 - \$10,000).

The key management personnel compensation for the year ended August 31, 2018 and 2017 are summarized as follows:

		Year Ended August 31, 2018	Year Ended August 31, 2017
		\$	\$
Derick Sinclair	CFO/Accounting services	72,000	77,000
Jim MacKenzie	CEO/Director	204,400	236,760
Kaare Foy	Chairman/Director	68,000	60,000
Andrew Gertler	Director/Consulting	90,000	84,000
Mark Abrams	Director/Consulting	130,730	130,730
Bill Macdonald	Director/Legal fees	7,527	17,133
Howard Lahti	Chief Geologist	15,000	60,000
		587,657	665,623

During the year ended August 31, 2018 \$145,730 (2017 - \$179,416) related to consulting fees are capitalized in exploration and evaluation properties.

In addition to the total compensation above, were the fair values of options granted to related parties of \$Nil (2017- \$82,224). The fair values were calculated using the Black-Scholes Option Pricing Model.

Significant Accounting Policies

The Company's significant accounting policies are disclosed in Note 2 to the Company's Financial Statements as at August 31, 2018, and for the year then ended. The Financial Statements of the Company, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended August 31, 2018.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock options reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Foreign Currencies

The Company's reporting currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which they operate.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also

recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Financial Instruments

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values.

Exploration and Evaluation Expenditures

The Company records deferred exploration costs, which consist of costs attributable to the investment in and exploration of resource property interests, at cost. All direct and indirect costs relating to the acquisition and exploration of the resource interests, net of recoveries, are capitalized on the basis of specific claim blocks until the resource interests to which they relate are placed into production, the resource interests are disposed of through sale or where management has determined there to be an impairment.

On an ongoing basis, the capitalized costs are reviewed on a property-by-property basis to consider whether there are any conditions that indicate impairment on the subject property. When such conditions are identified, an impairment loss is recognized for the difference between the fair value and carrying value.

Impairment

The Company's tangible and intangible assets are reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in net income (loss). In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Restoration and Environmental Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to net income (loss) for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to net income (loss) in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Financial risk management

Overview

The Company has exposure to credit risk, liquidity risk, foreign currency risk, and market risk from its use of financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The following presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

(a) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through investing its cash with high-credit quality financial institutions.

The carrying value of the Company's cash and amounts receivable represent the maximum exposure to credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash are currently invested in business and savings accounts with high-credit quality financial institutions which are available on demand by the Company for its programs. As at August 31, 2018, the Company had cash balance of \$24,989 to settle current liabilities of \$267,549. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(d) Interest Rate Risk

The Company is subject to interest rate risk with respect to its investments in cash. However, the Company does not hold any interest-bearing debt. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash balances mature impact interest income earned.

(e) Foreign Currency Risk

As at August 31, 2018, the Company's expenditures are in Canadian dollars and US dollars, any future equity raised is expected to be predominantly in Canadian dollars. The Company foreign currency risk relates to accounts payable in US dollars on and US\$ bank accounts maintained by the Company.

(f) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit. The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. The Company manages its capital structure through the issuance of new shares, acquisition or disposition of assets or adjustment of cash. The Company does not have any major capital expenditures committed for the coming year. Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements other than disclosed in the Financial Statement notes. The Company is not subject to any externally imposed capital requirements.

(g) Fair Value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the Financial Statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

August 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value				
Cash	24,989	-	-	24,989
Total	24,989	-	-	24,989

August 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value				
Cash	940,379	-	-	940,379
Total	940,379	-	-	940,379

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's Financial Statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A. Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

Risk Factors

No History of Earnings

The Company has no history of earnings. The Company's properties are in the exploration stage of development. Additional external financing will be required to develop these properties further. There can be no assurances that any of the Company's properties will ever contain an economic ore body.

None of the Company's properties are currently in production, and although the Technical Report indicates mineral resources, there can be no assurance that any proven or probable mineral reserves will be discovered or that any particular level of recovery of minerals will in fact be realized or that an identified mineral reserve or mineral resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The Company's ability to continue operations and fund its liabilities is dependent on management's ability to secure additional financing. Although the Company has been successful in pursuing additional sources of financing in the past, there can be no assurance it will be able to do so in the future. There can be no assurances that additional funding will be available, or available under terms favorable to the Company, or at all.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. Until competing interests, if any, in the mineral lands have been determined, the Company can give no assurance as to the validity of title to those lands or the size of such mineral lands.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals the Company may acquire or discover may be affected by numerous factors that are beyond its control and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, the import and export of minerals and environmental protection, the combination of which factor may result in the Company not receiving an adequate return of investment capital.

All of the claims in which the Company has acquired or has a right to acquire an interest are in the exploration /development stage only and are without a known commercially-mineable ore body. Development of the subject mineral properties would follow only if favorable exploration results are obtained.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of its operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

The Company is required to obtain required permits from various government departments to carry out its work programs. There is no guarantee that all required permits will be granted on terms satisfactory to the Company, or at all. If such permits are not received, the Company may not be able to carry out or complete its business objectives.

Loss of Foreign Issuer Status

The Company may at some future date determine that it has ceased to qualify as a "foreign private issuer" for the purposes of United States federal securities laws. This determination is performed each year as of August 31, being the last business day of its fiscal year end. Should this occur, the Company would not be able to avail itself of the rules and forms designated for foreign private issuers until the Company is able to once again establish its qualification as a foreign private issuer. Absent registration under the U.S. Securities Act, under most circumstances, securities issued by the Company during such times as that the Company fails to qualify as a "foreign private issuer," would be "restricted securities" for the purposes of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and would be issued with a U.S. restrictive legend, regardless of whether they are issued in an "offshore transaction" pursuant to Regulation S, or are issued in the United States pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Company's inability to issue securities outside the United States without resale restrictions imposed by the U.S. Securities Act and regulations thereunder may make it difficult or impossible to complete securities offerings on favorable terms, or at all.

Uninsured or Uninsurable Risks

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to insure fully against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have a material adverse impact on the Company's operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Operating Hazards and Risks

Mineral exploration and development involves risks which even a combination of experience, knowledge and careful examination may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject

to hazards and risks normally incidental to exploration, developments and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. The nature of these risks is such that liabilities might exceed insurance policy limits, the liabilities and hazards might not be insurable or the Company may elect not to insure itself against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition.

Environmental Risks, Regulations, Permits and Licenses and Other Regulatory Requirements

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Company's operations, including development activities and commencement of production on its properties, require permits from various federal, provincial or territorial and local governmental authorities, and such operations are and will be governed by laws, and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that the Company obtains permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or at all or that such laws and regulations will not have an adverse effect on any mining project which it might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fine or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Competition

The mining industry is intensely and increasingly competitive in all its phases, and the Company will compete with other companies that have greater financial and technical resources. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and operated economically and businesses compete for the technical expertise to find, develop, and operate such properties, the skilled labor to operate the properties and the capital for the purpose of financing development of such properties. Such competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties.

Dependence on Management

The Company is largely dependent on the performance of its directors and officers. There is no assurance the Company will be able to maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of any of these persons could have a material adverse effect on the Company and its prospects.

Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist at the time of sale. Factors beyond the Company's control may affect the marketability of metals or minerals discovered, if any. Metal prices have fluctuated widely, particularly in recent years, and the Company will be affected by numerous factors beyond its control.

The effect of these factors on the Company's operations cannot be predicted. If mineral prices decline significantly, it could affect the Company's decision to proceed with further exploration of its properties.

Future Financing

The Company's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms to the Company, if at all. Failure to obtain additional financing on a timely basis may result in delay or indefinite postponement of further exploration and development or forfeiture of some rights in some or all of the Company's properties. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to further explore and develop its properties, take advantage of other opportunities, or otherwise remain in business. Events in the equity market may impact the Company's ability to raise additional capital in the future. The Company's loss of "foreign private issuer" status under US securities law may also adversely affect future financings.

Future Acquisitions

As part of the Company's business strategy, it may seek to grow by acquiring companies, assets or establishing joint ventures that it believes will complement its current or future business. The Company may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for its business. The Company cannot guarantee that it can complete any acquisition it pursues on favorable terms, or that any acquisitions completed will ultimately benefit its business.

Volatility of Share Price

In recent years, the securities markets in the United States and Canada, and the Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in generating revenues, cash flows or earnings.

Conflicts of Interest

Certain directors and officers of the Company will and may continue to be involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the interest of the Company. Directors and officers of the Company with conflicts of interest will be subject to and follow procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Reliability of Historical Information

The Company has relied, and the Technical Report is based, in part, upon historical data compiled by previous parties involved with the La Josefina project. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Dividends

The Company has never paid a dividend on its common shares or preferred shares. It is not anticipated that the Company will pay any dividends on its common shares or preferred shares in the foreseeable future.

Adverse fluctuations in currency exchange rates

The Company will maintain most of its working capital in Canadian and United States dollars. However, a significant portion of the Company's operating costs are incurred in United States dollars. Accordingly, the Company will be subject to fluctuations and volatility in the rates of currency exchange between the Canadian dollar, and United States dollar and these fluctuations could materially affect the Company's financial position and results of operations as costs may be higher than anticipated. The costs of goods and services could increase due to changes in the value of the Canadian dollar, or the United States dollar. Consequently, operation and development of the Company's properties might be more costly than the Company anticipates.

Current Global Economic Conditions

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede the Company's access to capital or increase its cost of capital. Failure to raise capital when needed or on reasonable terms may have a material adverse effect on the Company's business, financial condition and results of operations.

An investment in the Company will involve a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this MD&A in evaluating the Company and its business before making any investment decision in regards to the Company's Common Shares. The Company's business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company may also impair its business operations.

Mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to conduct its planned exploration, meet its administrative overhead and maintain its resource interests.

Going concern

The Company's ability to continue as a going concern is dependent on its ability to secure additional financing to fund planned exploration and its ongoing administrative expenditures, and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

Market for Common Shares

There can be no assurance that an active trading market in the Common Shares will be established and sustained. The market price for the Common Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of its peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Common Shares.

Additional Information

Reference is made in this MD&A to the Company's Financial Statements for the relevant periods as filed on the Company's profile on the SEDAR website at www.sedar.com and at the Company's web site at www.viscountmining.com where additional disclosure relating to the Company is located. Readers are strongly encouraged to review such additional disclosure.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. For further information, please contact: Viscount Investor Relations Email: info@viscountmining.com Phone: 604-960-0535.