

**Vizsla Copper Corp.**

**Condensed Interim Financial Statements**

For the three and six months ended October 31, 2021 and 2020

Unaudited - (Expressed in Canadian dollars)

**Notice of Disclosure of Non-Auditor Review of the Condensed Interim Financial Statements for the Three and Six Months ended October 31, 2021 and 2020.**

Pursuant to subsection 4.3(3)(a) of National Instrument 51-102 - Continuous Disclosure Obligations, issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Vizsla Copper Corp. (the "Company") for the interim period ended October 31, 2021 and 2020, have been prepared in accordance with the International Accounting Standard 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board, and are the responsibility of the Company's management.

The Company's independent auditors, MNP LLP, have not performed a review of these condensed interim financial statements.

December 22, 2021

**Vizsla Copper Corp.**

Condensed Interim Statements of Financial Position

As at October 31, 2021 and April 30, 2021

Unaudited - (Expressed in Canadian dollars)

	Note	October 31, 2021	April 30, 2021
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash		5,485,661	-
GST/HST receivable		11,064	-
		<b>5,496,725</b>	-
Exploration and evaluation assets	5	1,672,575	1,493,798
<b>Total assets</b>		<b>7,169,300</b>	<b>1,493,798</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9	42,436	-
Due to related party	9	402,886	151,656
Flow-through premium liability	6	249,190	-
<b>Total liabilities</b>		<b>694,512</b>	<b>151,656</b>
<b>Shareholders' equity</b>			
Share capital	7	7,336,242	-
Net parent investment	2	-	1,493,798
Reserves	7	483,509	-
Deficit		(1,344,963)	(151,656)
<b>Total shareholders' equity</b>		<b>6,474,788</b>	<b>1,342,142</b>
<b>Total liabilities and shareholders' equity</b>		<b>7,169,300</b>	<b>1,493,798</b>

Nature of operations and going concerns (Note 1)

Subsequent events (Note 11)

These condensed interim financial statements are approved and authorized for issuance on behalf the Board of Directors on December XX, 2021.

/s/ Craig Parry  
Director

/s/ Michael Konnert  
Director

*The accompanying notes are an integral part of these condensed interim financial statements.*

**Vizsla Copper Corp.**

Condensed Interim Statements of Loss and Comprehensive Loss  
For the three and six months ended October 31, 2021 and 2020  
Unaudited - (Expressed in Canadian dollars, except number of shares)

		Three months ended		Six months ended	
	Note	2021	October 31, 2020	2021	October 31, 2020
		\$	\$	\$	\$
<b>Operating expenses</b>					
Consulting fees	9	53,896	-	72,796	-
Director fees	9	6,667	-	6,667	-
Exploration and evaluation		9,376	-	60,262	-
General and administrative		69,549	-	150,323	-
Marketing and investor relation		9,000	-	9,000	-
Professional fees	9	383,814	-	383,814	-
Share-based payments	9	462,437	-	462,437	-
Transfer agent and filing		48,008	-	48,008	-
<b>Loss and comprehensive loss for the period</b>		<b>(1,042,747)</b>	<b>-</b>	<b>(1,193,307)</b>	<b>-</b>
<b>Loss per share</b>					
Basic and diluted		(0.03)	-	(0.06)	-
<b>Weighted average number of shares</b>					
Basic and diluted		37,133,618	9,100,001	18,566,809	9,100,001

*The accompanying notes are an integral part of these condensed interim financial statements.*

**Vizsla Copper Corp.**

Condensed Interim Statements of Changes in Shareholders' Equity

For the six months ended October 31, 2021 and 2020

Unaudited - (Expressed in Canadian dollars, except for number of shares)

	Note	Number of shares	Share capital	Net parent investment	Reserves	Deficit	Total shareholders' equity
		#	\$	\$	\$	\$	\$
<b>Balance, April 30, 2020</b>		9,100,001	-	1,457,886	-	-	1,457,886
Net loss for the period		-	-	-	-	-	-
<b>Balance, October 31, 2020</b>		9,100,001	-	1,457,886	-	-	1,457,886
Contributions from Vizsla Silver	7	-	-	35,912	-	-	35,912
Net loss for the period		-	-	-	-	(151,656)	(151,656)
<b>Balance, April 30, 2021</b>		9,100,001	-	1,493,798	-	(151,656)	1,342,142
Contributions from Vizsla Silver	7	-	-	1,122,356	-	-	1,122,356
Cancellation of Vizsla Copper's shares held by Vizsla Silver upon the spin-out transaction	7	(9,100,001)	-	-	-	-	-
Issuance of shares to Vizsla Silver's shareholders upon the spin-out transaction	7	49,217,108	2,616,154	(2,616,154)	-	-	-
Private placement issuance for cash	7	23,816,866	3,572,530	-	-	-	3,572,530
Private placement of flow-through shares issuance for cash	6, 7	8,306,331	1,495,140	-	-	-	1,495,140
Flow-through premium	6	-	(249,190)	-	-	-	(249,190)
Shares issuance costs	7	-	(98,392)	-	21,072	-	(77,320)
Share-based payments	7, 9	-	-	-	462,437	-	462,437
Net loss for the period		-	-	-	-	(1,193,307)	(1,193,307)
<b>Balance, October 31, 2021</b>		<b>81,340,305</b>	<b>7,336,242</b>	<b>-</b>	<b>483,509</b>	<b>(1,344,963)</b>	<b>6,474,788</b>

The accompanying notes are an integral part of these condensed interim financial statements.

**Vizsla Copper Corp.**

Condensed Interim Statements of Cash Flows  
For the six months ended October 31, 2021 and 2020  
Unaudited - (Expressed in Canadian dollars)

	Note	Six months ended October 31, 2021	2020
		\$	\$
<b>Operating activities</b>			
Net loss for the period		(1,193,307)	-
Items not affecting cash:			
Share-based payments	7	462,437	-
Changes in non-cash working capital:			
GST/HST receivable		(11,064)	-
Accounts payable and accrued liabilities		42,436	-
Due to related party		251,230	-
<b>Net cash used in operating activities</b>		<b>(448,268)</b>	-
<b>Investing activities</b>			
Exploration and evaluation expenditures		(178,777)	-
<b>Net cash used in investing activities</b>		<b>(178,777)</b>	-
<b>Financing activities</b>			
Contributions from Vizsla Silver		1,122,356	-
Proceeds from private placement		5,067,670	-
Shares issuance cost		(77,320)	-
<b>Net cash provided by financing activities</b>		<b>6,112,706</b>	-
Change in cash		5,485,661	-
Cash, beginning of period		-	-
<b>Cash, end of period</b>		<b>5,485,661</b>	-

*The accompanying notes are an integral part of these condensed interim financial statements.*

## Vizsla Copper Corp.

Notes to the Condensed Interim Financial Statements  
For the three and six months ended October 31, 2021 and 2020  
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### 1. NATURE OF OPERATIONS AND GOING CONCERN

#### Business description

Vizsla Copper Corp. (formerly NorthBase Resources Inc.) (the "Company") was incorporated on December 28, 2017 and was acquired by Vizsla Silver Corp. ("Vizsla Silver") on January 16, 2019. The Company changed its name from NorthBase Resources Inc. to Vizsla Copper Corp. ("Vizsla Copper") on April 23, 2021. For all periods presented in these condensed interim financial statements, the Company was under the management of the same principals of Vizsla Silver and are therefore considered to be under common management. The Company operates in one industry segment: mineral exploration; within the geographic segment in Canada.

On April 19, 2021, Vizsla Silver and Vizsla Copper entered into the Arrangement Agreement relating to the previously announced plan of arrangement spin-out transaction (the "Arrangement") of the Vizsla Copper shares to Vizsla Silver's shareholders. On September 20, 2021, the Arrangement closed. As a result, Vizsla Silver distributed Vizsla Copper shares to Vizsla Silver's shareholders on the basis of one Vizsla Copper share for every three Vizsla Silver shares held for no additional consideration (Note 6).

The head office and principal address of the Company is located at 700-1090 West Georgia Street, Vancouver, B.C., V6E 3V7. On September 30, 2021, the Company's common shares commenced trading on the TSX Venture Exchange ("TSXV") under the ticker symbol "VCU" as of market open.

#### Going concern

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and exploration costs is dependent upon the existence of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

These condensed interim financial statements (the "interim financial statements") have been prepared using accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company emphasizes that attention should be drawn to matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The most significant of these being the Company's ability to carry out its business objectives dependent on the Company's ability to receive continued financial support from related parties, to obtain public equity financing, or to generate profitable operations in the future. Other uncertainties include the fact that the Company is currently in the exploration stage for its interests in the Blueberry property and Carruthers Pass property in British Columbia, Canada (Note 5), the economic viability of which have not been fully assessed. The Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of capitalized costs on the Blueberry property is uncertain and dependent upon projects achieving commercial production or sale. The outcome of these matters cannot be predicted at this time.

The Company is considering a number of alternatives to secure additional capital including obtaining funding facilities or equity financings. Although management intends to secure additional financing there is no assurance management will be successful or that it will establish future profitable operations. These factors together raise significant doubt about the Company's ability to continue as a going concern.

	October 31, 2021	April 30, 2021
	\$	\$
Working capital (deficit)	4,802,213	(151,656)

If the going concern assumption is not appropriate for these interim financial statements, adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the interim statement of financial position classifications used and such amounts would be material.

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities as it can result in operating, supply chain and project development delays that can materially adversely affect the operations of the Company.

**Vizsla Copper Corp.**

Notes to the Condensed Interim Financial Statements  
For the three and six months ended October 31, 2021 and 2020  
Unaudited - (Expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN (continued)**

Operations at the Blueberry property or Carruthers Pass property (the "Arrangement Properties") could be further suspended as actions are taken in an effort to combat the spread of COVID-19. If the exploration or development of the Blueberry property or Carruthers Pass property is further suspended or delayed, it may have a material adverse impact on the Company's results of operations and financial condition. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

**2. BASIS OF PRESENTATION****a) Statement of compliance**

The interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

The interim financial statements present the business of Vizsla Copper, representing the activities, assets and liabilities of the Company that relate to or have been assigned to the Company.

The interim financial statements were authorized for issuance in accordance with a resolution from the Board of Directors on December 22, 2021.

**b) Functional and presentation currency**

The interim financial statements are presented in Canadian dollars, except as otherwise noted. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of Vizsla Copper Corp. is the Canadian dollar.

**c) Basis of measurement**

The interim financial statements have been prepared on a historical cost basis. In addition, except for cash flow information, these interim financial statements have been prepared using the accrual method of accounting.

The financial information for the periods through September 20, 2021 (closing of the Arrangement), have been prepared on a combined basis with transactions and balances relating to the Arrangement Properties and Vizsla Copper related expenses which were incurred and recorded by Vizsla Silver, included in the Company's results.

*Condensed Interim Statement of Financial Position*

The condensed interim statement of financial position includes the assets and liabilities that are the Company-related assets and liabilities, which have been determined in the following manner:

- Exploration and evaluation assets: The acquisition cost of the mineral property is the fair value of the share consideration paid plus the transaction costs less the net fair value of the working capital at acquisition date. Additions made after acquisition have been recorded at cost.
- Due to related party: The loan is from Vizsla Silver and measured at its face value as the term of the loan is due on demand.

*Condensed Interim Statement of Loss and Comprehensive Loss*

The condensed interim statement of loss and comprehensive loss includes operating expenses that were incurred by Vizsla Silver, a related party.

*Net Parent Investment*

Net Parent Investment includes the value of contributions to the Arrangement Properties and Vizsla Copper related expenses prior to the Arrangement closing date, with the continuity of Net Parent Investment presented in the condensed interim statement of changes in shareholders' equity.

**Vizsla Copper Corp.**

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**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies set out below have been applied consistently to all periods presented in the interim financial statements.

**a) Cash**

Cash consists of cash on hand and deposits in banks with no restrictions.

**b) Exploration and evaluation assets**

The Company is in the exploration stage with respect to its investment in mineral interests. Accordingly, once a license to explore an area has been secured, the Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of exploration and evaluation assets. Such costs, include, but are not limited to, geological and geophysical studies, exploratory drilling and sampling. When commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable resources. The aggregate costs, related to abandoned exploration and evaluation assets are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

**c) Provision for restoration and rehabilitation**

A provision for restoration and rehabilitation is recognized when there is a present legal or constructive obligation as a result of exploration and development activities undertaken; it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably. The estimated future obligation includes the cost of removing facilities, abandoning sites and restoring the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. The estimated cost is capitalized into the cost of the related asset and amortized on the same basis as the related assets. If the estimated cost does not relate to an asset, it is charged to earnings in the period in which the event giving raises to the liability occurs.

As at October 31, 2021 and April 30, 2021, the Company did not have any provision for restoration and rehabilitation.

**d) Related party transactions**

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.

**e) Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase warrants are recognized as a deduction from equity, net of any tax effects.

**f) Share issue costs**

Professional, consulting, regulatory and other costs directly attributable to equity financing transactions are recorded as share issue costs when the financing transactions are completed if the completion of the transaction is considered likely. Otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred share issue costs related to financing transactions that are not completed are charged to expenses.

**g) Flow-through shares**

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the Income Tax Act (Canada) as qualified Canadian exploration expenses ("CEE"), are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price which relates to the tax benefits that will flow through to the investors. The Company often issues flow-through shares as part of its equity financing transactions in order to fund its Canadian exploration activities. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the flow-through share price over the market share price of the common shares without the flow-through feature at the time of issuance. The premium is recorded as a liability which represents the Company's obligation to spend the flow-through funds on eligible expenditures and is amortized through the statement of loss as the eligible expenditures are incurred.

**Vizsla Copper Corp.**

Notes to the Condensed Interim Financial Statements  
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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****h) Warrants**

Share purchase warrants are classified as a component of equity. Share purchase warrants are initially recorded as a part of warrant reserves in equity at the recognized fair value. The fair value of the common share purchase warrants is determined using the Black-Scholes pricing model. Upon exercise of the share purchase warrants the previously recognized fair value of the warrants exercised is reallocated to share capital from warrant reserves. The proceeds generated from the payment of the exercise price are also allocated to share capital. Should the warrants expire before exercise the previously recognized fair value of the warrants expired is reallocated to contributed surplus from warrant reserves.

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

**i) Share-based payments**

The Company grants share-based compensation to directors, officers, employees and service providers. Each tranche in an award is considered a separate award with its own vesting period. The Company applies the fair value method of accounting for share-based payments and the fair value is calculated using the Black-Scholes option pricing model.

Share-based payments for employees and others providing similar services are determined based on the grant date fair value. Share-based payments for non-employees are determined based on the fair value of the goods/services received or fair value of the share-based payment measured at the date on which the Company obtains such goods/services. Share-based payment is recognized over each tranche's vesting period, in earnings or capitalized as appropriate, based on the number of awards expected to vest.

**j) Income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent it relates to items recognized directly in equity.

**Current income tax**

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

**Deferred income tax**

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**k) Earning (loss) per share**

Basic earnings per share are computed using the weighted average number of common shares outstanding during the year. Diluted earnings per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. If the Company incurs net losses in a fiscal year, basic and diluted losses per share are the same.

**Vizsla Copper Corp.**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**l) Financial instruments**

Financial assets

The Company classifies its financial assets in the following categories:

- i. Fair value through profit or loss (FVTPL)
- ii. Fair value through other comprehensive income (FVTOCI)
- iii. Amortized cost

The determination of the classification of financial assets is made at initial recognition. The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statements of loss and comprehensive loss.

Financial assets at FVTOCI

Financial assets carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive loss.

Financial assets at amortized cost

A financial asset is measured at amortized cost if the objective is to hold the financial asset for the collection on contractual cash flows and the asset's contractual cash flows are comprised solely of payments of principal and interest. The financial asset is classified as current or non-current based on its maturity date and is initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company classifies cash and due from related parties and loan receivables in this category.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Financial liabilities at FVTPL

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statements of loss and comprehensive loss.

Other financial liabilities

This category includes accounts payable and accrued liabilities and due to related party, which are recognized at amortized cost using the effective interest method.

The effective interest method calculates the amortized cost of a financial liability and allocates interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial liability, or, where appropriate, a shorter period. Transaction costs in respect of financial liabilities at fair value through profit or loss are recognized in the statements of operations and comprehensive loss immediately while transaction costs associated with other financial liabilities are included in the initial measurement of the financial liability.

**Vizsla Copper Corp.**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

The financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Financial liabilities are derecognized when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

**m) Standards issued but not yet effective**

The new standards or amendments issued but not yet effective are either not applicable or not expected to have a significant impact on the Company's interim financial statements.

**n) Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

**4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of the interim financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosure. 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.

Judgment is used mainly in determining how a balance or transaction should be recognized in the interim financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

Significant areas where management's judgment has been applied include:

- Impairment of exploration and evaluation assets (E&E assets)

In accordance with the Company's accounting policy, the Company's E&E assets are evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, metal prices, future plans for the Company's mineral properties and mineral resources and/or reserve estimates.

- The acquisition of a company may result in the reporting of the acquisition as a business combination, or an asset acquisition as defined within IFRS. Judgment is required to determine the basis of accounting for the acquisition.

- The interim financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations for the foreseeable future.

Significant areas requiring the use of management estimates and assumptions include:

- Fair value calculation of share-based payments

The fair value of share-based payments in relation to the warrants and options granted is calculated using a Black Scholes option pricing model. There are a number of estimates used in the calculation such as the expected option life, rate of forfeiture of options granted, risk-free interest rate used and the future price volatility of the underlying security which can vary from actual future events. The factors applied in the calculation are management's best estimates based on industry average and future forecasts.

**Vizsla Copper Corp.**

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**4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)**

- Assessing whether deferred tax assets and liabilities are recognized in accordance with IAS 12, *Income Taxes*.

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made

- Acquisition of a company requires substantially all identifiable assets, liabilities and contingent considerations to be recorded at the date of acquisition at their respective fair values which requires significant judgement and estimation. Assumptions have been made by management regarding the likelihood of meeting future milestones. Discount rates applied are consistent with external industry information reflecting the risk associated with the voluntary pooling restrictions.

**5. EXPLORATION AND EVALUATION ASSETS**

	October 31, 2021	April 30, 2021
	\$	\$
Blueberry Project	1,546,585	1,457,886
Carruthers Pass Project	125,990	35,912
<b>Total</b>	<b>1,672,575</b>	<b>1,493,798</b>

**Blueberry Project**

The Blueberry property comprises a 20,265 hectare land package known as the Blueberry Property in the Babine porphyry copper district in central British Columbia which is located approximately 60 kilometres southwest of the town of Houston, British Columbia. The property falls within the jurisdiction of the Omineca Mining Division. All claims are under protection from the Government of British Columbia due to COVID-19 and the expiry dates were extended to December 31, 2021.

	April 30, 2020 and 2021	Additions	October 31, 2021
	\$	\$	\$
<b>Acquisition costs</b>			
Shares	1,357,467	-	1,357,467
	1,357,467	-	1,357,467
<b>Exploration costs</b>			
Analysis	15,365	-	15,365
Equipment	13,800	-	13,800
Geophysical consulting	45,499	88,699	134,198
Project management	6,130	-	6,130
Travel, supplies and field expenses	19,625	-	19,625
	100,419	88,699	189,118
<b>Balance</b>	<b>1,457,886</b>	<b>88,699</b>	<b>1,546,585</b>

**Carruthers Pass Project**

On February 17, 2021 (the "Effective Date"), the Company entered into an option agreement to acquire an interest in the Carruthers Pass Project from Cariboo Rose. The Carruthers Pass is a volcanogenic massive sulfide project (base and precious metal), discovered in 1997 by the Phelps Dodge Corporation of Canada (now Freeport-McMoRan Inc.).

The Carruthers Pass property consists of eight contiguous mineral claims covering 3,250 hectares approximately 200 kilometers northeast of the community of Smithers. The Kemess Mine Road passes 25 kilometers north and east of the claims while industrial logging roads extend from Takla Lake northward to within 35 kilometers of the property. The property covers an isolated group of topographically high peaks and the lower area surrounding the range.

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**5. EXPLORATION AND EVALUATION ASSETS (continued)**

	April 30, 2020	Additions	April 30, 2021	Additions	October 31, 2021
	\$	\$	\$	\$	\$
<b>Acquisition costs</b>					
Cash	-	20,000	20,000	11,620	<b>31,620</b>
<b>Exploration costs</b>					
Geophysical surveying and consulting	-	15,912	15,912	78,458	<b>94,370</b>
<b>Balance</b>	-	<b>35,912</b>	<b>35,912</b>	<b>90,078</b>	<b>125,990</b>

Vizsla Copper has the option to acquire a 60% interest in the project by making the following payments:

Payment period	Expenditures	Cash payment	Share issuance
	\$	\$	\$
Effective Date (completed)	-	20,000	-
First Anniversary of Effective Date (Note 11)	-	20,000	10,000
Second Anniversary of Effective Date	400,000	40,000	35,000
Third Anniversary of Effective Date	600,000	75,000	40,000
Fourth Anniversary of Effective Date	1,000,000	110,000	75,000
Fifth Anniversary of Effective Date	1,000,000	135,000	90,000
<b>Total</b>	<b>3,000,000</b>	<b>400,000</b>	<b>250,000</b>

The number of Vizsla Copper shares to be issued on an anniversary of the Effective Date is to be determined at a price equal to the ten-day volume weighted average trading price of the Vizsla Copper shares prior to any proposed issuance. As per the TSX Venture Exchange rules, this issue price is subject to a floor price of \$0.11 per share.

**6 FLOW-THROUGH PREMIUM LIABILITY**

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a common share at that date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

On September 20, 2021, in connection with the Arrangement, the Company issued 8,306,331 flow-through shares at a purchase price of \$0.18 per flow-through share for proceeds of \$1,495,140. The flow-through shares were issued at a premium of \$0.03 per share. As a result, a flow-through premium liability of \$249,190 was recorded.

**7. SHARE CAPITAL****a) Authorized**

Unlimited number of common shares without par value.

**b) Issued and outstanding**Escrowed shares

On September 20, 2021, an escrow agreement (the "Escrow Agreement") between the Company and certain shareholders of the Company has been completed resulting in 9,212,993 common shares (the "Escrowed Shares") being deposited in escrow. Pursuant to the Escrow Agreement, 10% of the Escrowed Shares was released from escrow on the Escrow Agreement date (the "Initial Release") and an additional 15% to be released on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months following the Initial Release. These Escrowed Shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities. As at October 31, 2021, 921,299 shares have been released from escrow.

Six months ended October 31, 2021

The Company received a total amount of \$1,122,356 of cash contributions from Vizsla Silver.

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**7. SHARE CAPITAL (continued)**

On April 19, 2021, the Company and Vizsla Silver entered into the Arrangement Agreement relating to the previously announced plan of arrangement spin-out transaction (the "Arrangement") of the Company's shares to Vizsla Silver's shareholders. At the time of entering into the Arrangement Agreement with the Company, Vizsla Silver was the registered holder of 9,100,001 Vizsla Copper shares, representing all of the issued and outstanding Vizsla Copper shares. Immediately following completion of the Arrangement, Vizsla Silver did not beneficially own, or control and direct, directly or indirectly, any Vizsla Copper shares. As a result, 9,100,001 common shares of the Company held by Vizsla Silver were cancelled.

On September 20, 2021, pursuant to the Arrangement, holders of common shares of Vizsla Silver exchanged their Vizsla Silver shares for one new common share of Vizsla Silver and 1/3 of a Vizsla Copper common share, for a total of 49,217,108 Vizsla Copper shares being issued to Vizsla Silver shareholders under the Arrangement.

Pursuant to the Arrangement, the Company is obligated to issue up to 11,161,444 common shares pursuant to the exercise of Vizsla Silver warrants that have expiry dates ranging from November 2021 to December 2022.

On September 20, 2021, in connection with the Arrangement, the Company closed a non-brokered private placement for gross proceeds of \$5,067,670, consisting of 23,816,866 common shares at a purchase price of \$0.15 per share for proceeds of \$3,572,530, and 8,306,331 flow-through shares at a purchase price of \$0.18 per flow-through share for proceeds of \$1,495,140.

The Company paid finders' fees in respect of the non-brokered private placement totaling \$77,320 in cash and 507,960 finders' warrants each exercisable into one Vizsla Copper share with a 12-month term and an exercise price of \$0.25 per share.

Year ended April 30, 2021

The company received an amount of \$35,912 from Vizsla Silver as contributions for the expenditures on Carruthers Pass project (Note 5).

As at April 30, 2021, the Company had 9,100,001 common shares issued and outstanding, which were held by Vizsla Silver.

**c) Warrants**

On September 20, 2021, in connection with the Arrangement, the Company paid finders' fees in respect of the non-brokered private placement totaling \$77,320 in cash and 507,960 finders' warrants each exercisable into one Vizsla Copper share with a 12-month term and an exercise price of \$0.25 per share. As a result, an amount of \$21,072 was recorded in reserves for fair value of the finders' warrants. The fair values of the warrants are determined by the Black-Scholes option pricing model and the following assumptions:

	<b>September 20, 2021</b>
Expected life	1.00
Expected volatility	110%
Risk-free rate	0.43%
Dividend yield	-

The following is a summary of the Company's warrants for the six months ended October 31, 2021 and the year ended April 30, 2021:

	<b>Warrants</b>	<b>Weighted average exercise price</b>
	#	\$
Balance, April 30, 2020 and 2021	-	-
Issued	507,960	0.25
<b>Balance, October 31, 2021</b>	<b>507,960</b>	<b>0.25</b>

<b>Expiry date</b>	<b>Warrants</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life</b>
	#	\$	years
September 16, 2026	507,960	0.25	0.89
<b>Balance, October 31, 2021</b>	<b>507,960</b>	<b>0.25</b>	<b>0.89</b>

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**7. SHARE CAPITAL (continued)****d) Options**

On October 21, 2021, the Company granted 7,220,000 incentive stock options to certain directors, officers, and consultants of the Company. The options are exercisable at a price of \$0.25 per share, have a term of five years, and will vest over a period of 24 months.

The following is a summary of the Company's stock options for the six months ended October 31, 2021 and the year ended April 30, 2021:

	Number of options	Weighted average exercise price
	#	\$
Balance at April 30, 2020 and 2021	-	-
Granted	7,220,000	0.25
<b>Balance, October 31, 2021</b>	<b>7,220,000</b>	<b>0.25</b>

  

Expiry date	Weighted average exercise price	Options outstanding	Options exercisable
	\$	#	#
October 21, 2026	0.25	7,220,000	1,444,000
	<b>0.25</b>	<b>7,220,000</b>	<b>1,444,000</b>

The weighted average remaining contractual life of the Company's options as at October 31, 2021, was 4.98 years.

During the six months ended October 31, 2021, the Company incurred share-based payments of \$462,437 in connection with options vested (2020 - \$nil). The Company used the Black-Scholes option pricing model and the following assumptions to determine the fair values of the stock options granted:

	October 21, 2021
Expected life	5.00
Expected volatility	110%
Risk-free rate	1.35%
Dividend yield	-

**8. CAPITAL DISCLOSURES**

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue the acquisition and development of mineral property interest. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund activities. In order to carry out planned acquisition and development and pay for administrative costs, the Company will spend its existing working and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financing resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes to the Company's approach to capital management during the three and six months ended October 31, 2021 and the year ended April 30, 2021. The Company is not subject to externally imposed capital restrictions.

**9. RELATED PARTY TRANSACTIONS**

As at October 31, 2021, the Company is indebted to Vizsla Silver for a total amount of \$402,886 (April 30, 2021 - \$151,656) related to payments made by Vizsla Silver for exploration expenditures and funding of the costs associated with the Arrangement and the Vizsla Copper private placement. The amounts are unsecured, non-interest bearing and due on demand.

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**9. RELATED PARTY TRANSACTIONS (continued)**

During the three and six months ended October 31, 2021 and 2020, the Company had the following transactions with related parties:

	Three months ended October 31		Six months ended October 31	
	2021	2020	2021	2020
	\$	\$	\$	\$
Consulting fees	53,896	-	72,796	-
Director fees	6,667	-	6,667	-
Professional fees	11,389	-	11,389	-
Share-based payments	263,564	-	263,564	-

As at October 31, 2021, there were \$25,000 (April 30, 2021 - \$nil) of consulting fees and \$6,667 (April 30, 2021 - \$nil) of director fees included in accounts payable and accrued liabilities.

**10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****Fair value**

The fair value of the Company's financial instruments is approximated by their carrying value due to their short-term nature.

IFRS 13 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 - quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
- Level 3 - inputs for the asset or liability that are not based upon observable market data.

The financial instruments of due to related parties is carried on the statements of financial position at amortized cost.

The Company's financial instruments are exposed to liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's exposure to these risks and its methods of managing the risks remain consistent.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by trying to maintain an adequate level of cash to meet its ongoing obligations.

The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash equivalents to capital and operating needs. As at October 31, 2021, the Company had a cash balance of \$5,485,661 (April 30, 2021 - \$nil). The cash balance will not be sufficient to meet required administrative and exploration and evaluation expenditures over the next twelve months and the Company may be required to raise additional capital from Vizsla Silver in the future to fund its operations.

**11. SUBSEQUENT EVENTS**

In November 2021, 191,408 warrants of Vizsla Silver with different exercise prices from \$0.40 to \$2.50 outstanding before the Arrangement were exercised. For every warrant exercised the holder receives 1 Vizsla Silver share and 1/3 Vizsla Copper share. As a result, 63,470 Vizsla Copper shares were issued. The total proceeds shared with Vizsla Copper was \$15,663.

On November 23, 2021, the Company and Cariboo Rose Resources Ltd. announced the amendment of the option agreement dated February 1, 2021, whereby Vizsla Copper may earn a 60% interest in the Carruthers Pass Project. The amendment defers the first anniversary requirement to complete \$100,000 of expenditures to the second-year anniversary whereby Vizsla Copper will now be required to complete \$400,000 in exploration expenditures. To maintain the Option in good standing, Vizsla Copper is required to complete \$3,000,000 in exploration expenditures, make cash payments of \$400,000 and provide \$250,000 of share issuances over a five-year term.

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**11. SUBSEQUENT EVENTS (continued)**

An airborne geophysical survey was completed at the Blueberry property during the month of November 2021. Data analysis and interpretation are underway.