

Vizsla Copper Corp.

Consolidated Financial Statements

For the years ended April 30, 2023 and 2022

(Expressed in Canadian dollars)

To the Shareholders of Vizsla Copper Corp.:

Opinion

We have audited the consolidated financial statements of Vizsla Copper Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2023 and April 30, 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at April 30, 2023 and April 30, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company had an accumulated deficit, and the Company's ability to continue as a going concern is dependent upon 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. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description

Exploration and Evaluation Assets Impairment Indicator Assessment

The net book value of exploration and evaluation assets amounted to \$22,301,030 as at April 30, 2023. At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Indicators of impairment in exploration and evaluation assets assessed by the Company include, but are not limited to:

(i) the period for which the entity has the right to explore in the specific area has expired during the year or will expire in the near future; (ii) substantive expenditure on further exploration for an evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) sufficient data exists to determine that extracting the resources will not be technically feasible or commercially viable; and (iv) facts and circumstances which suggest that the carrying amount exceeds the recoverable amount. No impairment indicators were identified by management as at April 30, 2023.

We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of indicators of impairment related to exploration and evaluation assets. This has resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

Refer to Note 4(a) Impairment of Exploration and Evaluation Assets and Note 6 Exploration and Evaluation Assets.

Audit Response

We responded to this matter by performing audit procedures in relation to the impairment indicator assessment for exploration and evaluation assets. Our audit work in relation to this included, but was not restricted to, the following:

- Assessed the judgments made by management in determining whether impairment indicators exist, which included the following:
 - Obtained evidence to support the existence of the right to explore the area and the claim expiration by reference to public government registries;
 - Evaluated board of director resolutions and press releases to obtain evidence of continuing and planned exploration expenditures and evaluations of the work completed in the current year; and
 - Assessed whether there are any indications that extracting resources will not be technically feasible or commercially viable, or if other facts and circumstances exist that may suggest the carrying amount exceeds the recoverable amount, based on evidence obtained in other areas of the audit.
- Assessed the appropriateness of the related disclosures in Note 4(a) and 6 of the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jenny Lee.

Vancouver, British Columbia

August 25, 2023

MNP LLP

Chartered Professional Accountants

Vizsla Copper Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	April 30, 2023	April 30, 2022
		\$	\$
ASSETS			
Current			
Cash		1,170,113	4,573,316
GST/HST receivable		61,418	2,108
Prepays		102,914	31,182
		1,334,445	4,606,606
Exploration and evaluation assets	6	22,301,030	8,119,063
Total assets		23,635,475	12,725,669
LIABILITIES			
Current			
Accounts payable and accrued liabilities		746,275	403,275
Due to related parties	9	13,781	91,093
Flow-through premium liability	7	63,879	195,411
		823,935	689,779
Deferred tax liability	12	1,116,998	1,348,277
Total liabilities		1,940,933	2,038,056
SHAREHOLDERS' EQUITY			
Share capital	8(b)	22,450,329	10,558,305
Reserves		3,981,157	2,637,814
Deficit		(4,736,944)	(2,508,506)
Total shareholders' equity		21,694,542	10,687,613
Total liabilities and shareholders' equity		23,635,475	12,725,669

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved and authorized for issue on behalf of the Board of Directors.

/s/ Craig Parry
Director

/s/ Michael Konnert
Director

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

Vizsla Copper Corp.**Consolidated Statements of Loss and Comprehensive Loss**

(Expressed in Canadian dollars, except per share amounts and number of shares)

	Note	Years ended April 30, 2023	2022
		\$	\$
Operating expenses			
Consulting fees	9	490,447	321,915
Exploration investigation		10,350	68,943
General and administrative		378,081	297,896
Insurance		18,590	31,589
Management fees		86,855	50,536
Marketing and investor relation		237,808	28,908
Professional fees		195,907	419,702
Salaries and wages	9	626,549	306,667
Share-based payments	9	739,474	1,120,338
Transfer agent and filing		66,734	64,361
		2,850,795	2,710,855
Other income (expenses)			
Amortization of flow-through premium liability	7	378,298	53,779
Penalties and interest expense		(8,292)	-
		370,006	53,779
Income taxes			
Income tax recovery	12	231,279	302,832
Net loss and comprehensive loss		(2,249,510)	(2,354,244)
Net loss per share:			
Basic and diluted		(0.06)	(0.15)
Weighted average shares outstanding:			
Basic and diluted		40,493,743	15,223,015

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

Vizsla Copper Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended April 30,	
	2023	2022
	\$	\$
Operating activities:		
Net loss	(2,249,510)	(2,354,244)
Items not affecting cash:		
Shares issued for consulting fees	-	17,083
Share-based payments	739,474	1,120,338
Amortization of flow-through premium liability	(378,298)	(53,779)
Income tax recovery	(231,279)	(302,832)
Changes in non-cash working capital:		
GST/HST receivable	(48,748)	(2,108)
Prepays	(71,732)	(31,182)
Accounts payable and accrued liabilities	(268,751)	403,275
Due to related parties	(77,312)	(60,563)
Cash used in operating activities	(2,586,156)	(1,264,012)
Investing activities:		
Investment in exploration and evaluation assets	(2,575,816)	(323,435)
Cash acquired in Woodjam Arrangement	1,933,682	-
Cash paid for acquisition expenses	(223,163)	(31,620)
Cash used in investing activities	(865,297)	(355,055)
Financing activities:		
Proceeds from exercise of options	48,250	-
Proceeds from issuance of common shares upon the spin-out transaction	-	1,122,356
Proceeds from issuance of common shares in private placement	-	3,572,530
Proceeds from issuance of flow-through shares in private placement	-	1,495,140
Proceeds from exercise of warrants	-	79,676
Share issuance costs	-	(77,319)
Cash provided by financing activities	48,250	6,192,383
Change in cash	(3,403,203)	4,573,316
Cash, beginning of year	4,573,316	-
Cash, end of year	1,170,113	4,573,316
Cash paid during the period for:		
Interest expense	-	-
Income taxes	-	-
Supplemental cash flow information:		
Exploration and evaluation assets in accounts payable and accrued liabilities	172,461	-
Issuance of common shares in Woodjam Arrangement	11,400,991	-
Issuance of common shares as finder's fees in Woodjam Arrangement	342,030	-
Issuance of replacement options in Woodjam Arrangement	405,710	-
Issuance of replacement warrants in Woodjam Arrangement	257,484	-
Issuance of common shares for Woodjam Project	27,500	-
Issuance of common shares for Carruthers Pass Project	35,000	10,000
Share issuance costs	-	21,072

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

Vizsla Copper Corp.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except for number of shares)

	Common shares	Share capital	Reserves	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$
Balance, April 30, 2021	2,600,000	1,365,000	-	(154,262)	1,210,738
Vizsla Silver debt forgiveness	-	-	131,404	-	131,404
Cancellation of Vizsla Copper's shares held by Vizsla Silver upon the spin-out transaction	(2,600,000)	(1,365,000)	1,365,000	-	-
Issuance of shares to Vizsla Silver's shareholders upon the spin-out transaction	14,062,031	7,382,566	-	-	7,382,566
Deferred tax liability upon the spin-out transaction	-	(1,651,109)	-	-	(1,651,109)
Issuance of common shares for cash in private placement	6,804,819	3,572,530	-	-	3,572,530
Issuance of flow-through shares for cash in private placement	2,373,237	1,495,140	-	-	1,495,140
Flow-through premium liability	-	(249,190)	-	-	(249,190)
Shares issuance costs	-	(98,391)	21,072	-	(77,319)
Issuance of shares to Vizsla Silver's shareholders upon warrants exercise	100,896	79,676	-	-	79,676
Shares issued for Carruthers Pass Project	13,605	10,000	-	-	10,000
Shares issued for consulting fees	23,809	17,083	-	-	17,083
Share-based payments	-	-	1,120,338	-	1,120,338
Net loss and comprehensive loss for the year	-	-	-	(2,354,244)	(2,354,244)
Balance, April 30, 2022	23,378,397	10,558,305	2,637,814	(2,508,506)	10,687,613
Reclassification from reserves to deficit upon the expiration of warrants	-	-	(21,072)	21,072	-
Issuance of common shares in Woodjam Arrangement	43,432,346	11,400,991	-	-	11,400,991
Issuance of common shares as finder's fees in Woodjam Arrangement	1,302,970	342,030	-	-	342,030
Issuance of replacement options in Woodjam Arrangement	-	-	405,710	-	405,710
Issuance of replacement warrants in Woodjam Arrangement	-	-	257,484	-	257,484
Shares issued upon exercise of options	276,485	86,503	(38,253)	-	48,250
Shares issued for Woodjam Project	100,000	27,500	-	-	27,500
Shares issued for Carruthers Pass Project	145,834	35,000	-	-	35,000
Share-based payments	-	-	739,474	-	739,474
Net loss and comprehensive loss for the year	-	-	-	(2,249,510)	(2,249,510)
Balance, April 30, 2023	68,636,032	22,450,329	3,981,157	(4,736,944)	21,694,542

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

VIZSLA COPPER CORP.
Notes to the Consolidated Financial Statements
For the years ended April 30, 2023 and 2022
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Vizsla Copper Corp. (the “Company” or “Vizsla Copper”) was incorporated on December 28, 2017 and was acquired by Vizsla Silver Corp. (“Vizsla Silver”) on January 16, 2019. The Company operates in a single industry segment, mineral exploration, within the geographical segment of Canada. The head office and principal address of the Company is 700-1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

On April 19, 2021, Vizsla Silver and the Company entered into an agreement relating to a previously announced plan of arrangement spin-out transaction of the Company shares to Vizsla Silver’s shareholders (the “Arrangement”). On September 20, 2021, the Arrangement closed, resulting in Vizsla Silver distributing the Company shares to Vizsla Silver’s shareholders on the basis of one the Company share for every three Vizsla Silver shares held for no additional consideration (Note 8(b)).

On September 30, 2021, the Company’s common shares commenced trading on the TSX Venture Exchange (“TSX-V”) under the ticker symbol “VCU”. In October 2021, the Company’s common shares commenced trading on the Frankfurt Exchange under the ticker symbol “97E”. On October 11, 2022, the Company’s common shares commenced trading on the OTCQB® Venture Market in the United States under the ticker symbol “VCUFF”.

a) Going concern

These audited consolidated financial statements for the years ended April 30, 2023 and 2022 (the “financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at April 30, 2023, the Company had working capital of \$510,510 (April 30, 2022 - \$3,916,827) and an accumulated deficit of \$4,736,944 (April 30, 2022 - \$2,508,506). For the year ended April 30, 2023, the Company incurred a net loss and comprehensive loss of \$2,249,510 (2022 - \$2,354,244) and used cash in operating activities of \$2,586,156 (2022 - \$1,264,012). These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

b) Share consolidation

On December 13, 2022, the Company completed a consolidation of its common shares on a three and one-half to one basis. All share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on August 25, 2023.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee.

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income, and expense as set out in the accounting policies below.

VIZSLA COPPER CORP.
Notes to the Consolidated Financial Statements
For the years ended April 30, 2023 and 2022
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar. The financial statements are presented in Canadian dollars, except as otherwise noted.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries consolidated in these financial statements as at April 30, 2023 is as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency
Woodjam Copper Corp. ⁽¹⁾	Canada	100%	CAD
Woodjam Horsefly Resources Ltd. ⁽¹⁾	Canada	100%	CAD

(1) On December 13, 2022, the Company acquired a 100% interest in Woodjam Copper Corp. and its wholly owned subsidiary Woodjam Horsefly Resources Ltd. (Note 5).

3. SIGNIFICANT ACCOUNTING POLICIES

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. The Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of exploration and evaluation assets. Option payments are capitalized. Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments are recorded when payment is made and are not accrued. Exploration for and development costs, include, but are not limited to, geological and geophysical studies, exploratory drilling, and sampling. When commercial production commences, these costs are 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) 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. In addition, parties are 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.

d) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, and warrants are classified as equity instruments.

The Company records proceeds from share issuances net of issue costs and any tax effects in equity. Common shares issued for consideration other than cash are valued based on their fair value on the date of issuance.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Share issuance 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 issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

f) 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, 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 as other income through the statement of loss and comprehensive loss as the eligible expenditures are incurred.

g) Share purchase warrants

Share purchase warrants are classified as a component of equity. Share purchase warrants are initially recorded as a part of reserves in equity at their fair value. The fair value of the share purchase warrants is determined using the Black-Scholes option pricing model. Upon exercise of the share purchase warrants the previously recognized fair value of the warrants exercised is reallocated to share capital from reserves. The proceeds generated from the payment of the exercise price are likewise allocated to share capital.

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.

h) Share-based payments

The Company has a stock option plan, which allows grants of options to purchase common shares by the Company's directors, officers, employees, and consultants. The Company accounts for the stock options at their fair value and recognizes the cost as compensation expense over the vesting period, with the offset recorded to stock options and warrants reserve. The amount recognized as share-based payments expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

The fair value of options granted to directors and employees is measured using the Black-Scholes option pricing model on the date of issuance. Share-based payments to non-employees are measured at the fair value of the goods or services received, or at the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured, and is recorded at the date the goods or services are received.

Consideration received on the exercise of stock options is recorded as share capital, and the amount previously recognized in stock options and warrants reserves is transferred to share capital. For options that expire unexercised, the initial fair value recorded remains in stock options and warrants reserve.

i) Earnings (loss) per share

Basic earnings (loss) 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 calculated in the same manner. In the Company's case, diluted loss per share is the same as basic loss per share as the effect of outstanding share options and warrants on loss per share would be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Exploration tax credits

The Company may receive refundable exploration tax credits and grants from provincial jurisdictions in Canada equal to a specified rate of qualifying expenditures incurred on properties located within those jurisdictions. The Company records these exploration tax credits and grants as a reduction of qualifying expenditures as it incurs the related expenditures.

k) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of its financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument-by-instrument basis) on the day of acquisition to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

A summary of the Company's classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

Financial instruments	Classification
Financial assets	
Cash	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

l) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the exchange, as the aggregate of the fair value of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Under the guidance of IFRS 10 *Consolidated Financial Statements*, control is established by having power over the acquiree, exposure or rights to variable returns from the investor's involvement with the acquiree, and the ability to use its power over the acquiree to affect the amount of the acquirer's returns. The acquiree's identifiable assets, liabilities, and contingent liabilities are recognized at their fair value at the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Income taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive income (loss) or directly in equity, in which case it is recognized in other comprehensive income (loss) or in equity, respectively. Mining duties, taxes, royalties, and withholding taxes are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax. This is considered to be the case when they are imposed by a government authority and the amount payable is calculated by reference to taxable income.

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

Deferred tax expense is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax expense is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax expense is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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.

Deferred income tax assets and deferred income tax liabilities are offset only when there is a legally enforceable right to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

n) Comparative figures

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

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to exercise significant judgments in applying the Company's accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual future outcomes could differ from present estimates and assumptions, which may require material adjustments to the Company's financial statements. Revisions to accounting estimates are accounted for prospectively.

Significant judgments exercised by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

a) Going concern presentation

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Management assesses the Company's ability to continue as a going concern at each reporting date using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates and assumptions of future cash flows and other events (Note 1(a)), subsequent changes could materially impact the validity of the assessment.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

b) Asset acquisition versus business combination

At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets is acquired. More specifically, consideration is given to the extent to which significant processes are acquired. When the acquisition does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized. The Woodjam Arrangement was accounted for as an asset acquisition (Note 5).

Significant assumptions about the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities in the next year are as follows:

a) Review of asset carrying values and impairment assessment

In accordance with the Company's accounting policy, the Company's exploration and evaluation 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 and forecasts, future plans for the Company's mineral properties and mineral resources and/or reserve estimates.

The determination of fair value less costs to sell and value in use requires management to make estimates and assumptions about expected production, sales volumes, commodity prices, discount rates, mineral resources, operating costs, taxes, and future capital expenditures. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in profit or loss.

b) Deferred income tax assets and liabilities

The valuation of deferred tax assets and liabilities requires the Company to estimate the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities. The Company applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

5. WOODJAM ARRANGEMENT

Woodjam Copper Corp. ("Woodjam") is a mineral exploration company incorporated on July 20, 2011 in the Province of British Columbia. Woodjam's principal business activity is the exploration of mineral properties located in British Columbia. Woodjam has a wholly owned subsidiary, Woodjam Horsefly Resources Ltd.

On September 7, 2022, the Company entered into an agreement to acquire 100% of the issued and outstanding common shares of Woodjam Copper Corp. (the "Woodjam Arrangement").

On December 13, 2022, the Company acquired 100% of the issued and outstanding common shares of Woodjam.

Immediately prior to the Woodjam Arrangement, the Company completed a consolidation of its common shares on the basis of one post-consolidation share for every three and one-half shares issued and outstanding immediately prior to the consolidation.

Under the terms of the Woodjam Arrangement, 100% of the issued and outstanding Woodjam shares were exchanged for Vizsla Copper shares on the basis of approximately 0.31 of a Vizsla Copper share for each Woodjam share. Pursuant to the Woodjam Arrangement, Vizsla Copper issued an aggregate of 43,432,346 Vizsla Copper shares to Woodjam shareholders. In addition, all outstanding Woodjam stock options were exchanged for 2,826,296 replacement options of Vizsla Copper and all Woodjam warrants became 3,072,061 Vizsla Copper warrants exercisable to acquire common shares of the Company.

VIZSLA COPPER CORP.
Notes to the Consolidated Financial Statements
For the years ended April 30, 2023 and 2022
(Expressed in Canadian dollars)

5. WOODJAM ARRANGEMENT (continued)

In connection to the Woodjam Arrangement, the Company entered into a finder's fee agreement with an arm's length party. As compensation for the introduction of the Company and Woodjam, the Company issued to the finder's 1,302,970 common shares at approximately \$0.26 per share for an aggregate fair value of \$342,030.

The Company incurred transaction costs of \$223,163 comprised of legal fees and due diligence costs prior to the closing of the Woodjam Arrangement and the amount is allocated as part of the consideration.

The acquisition of Woodjam has been accounted for by the Company as an asset acquisition. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Woodjam at the time of acquisition. Therefore, the acquisition was accounted for in accordance with guidance provided in IFRS 2 *Share-based payment*. Accordingly, no goodwill was recorded with respect to the acquisition.

A summary of the Company's consideration paid and the net assets acquired from Woodjam as at the December 13, 2022 acquisition date is as follows:

	\$
Purchase price:	
Fair value of common shares issued to Woodjam shareholders	11,400,991
Fair value of finders' shares	342,030
Fair value of Woodjam options exchanged	405,710
Fair value of Woodjam warrants exchanged	257,484
Transaction costs	223,163
	12,629,378
Purchase price allocation:	
Cash	1,933,682
Accounts receivable	19,981
GST/HST receivable	10,562
Exploration and evaluation assets (Note 6)	11,351,209
Accounts payable and accrued liabilities	(439,290)
Flow-through premium liability (Note 7)	(246,766)
	12,629,378

Accounts receivable consists of a \$19,981 mining exploration tax credit receivable from the Government of British Columbia.

The amount of \$11,351,209 allocated to the exploration and evaluation assets was pro-rated between the three properties owned by Woodjam: the Woodjam Project, the Megaton Project and the Magalloy Project for \$10,344,910, \$629,186, and \$377,113, respectively (Note 6).

6. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	April 30, 2023	April 30, 2022
	\$	\$
Blueberry Project	7,937,875	7,802,375
Carruthers Pass Project	2,385,043	316,688
Woodjam Projects	11,978,112	-
	22,301,030	8,119,063

VIZSLA COPPER CORP.
Notes to the Consolidated Financial Statements
For the years ended April 30, 2023 and 2022
(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

a) Blueberry Project

A summary of the Company's Blueberry Project exploration and evaluation asset is as follows:

	April 30, 2021	Additions	April 30, 2022	Additions	April 30, 2023
	\$	\$	\$	\$	\$
Acquisition costs					
Common shares issued (Note 8(b))	1,357,467	6,109,710	7,467,177	-	7,467,177
	1,357,467	6,109,710	7,467,177	-	7,467,177
Exploration costs					
Analysis	15,365	-	15,365	20,193	35,558
Camp costs	19,625	-	19,625	42,558	62,183
Equipment	13,800	-	13,800	-	13,800
Geophysical consulting	45,499	228,369	273,868	35,608	309,476
Project management	6,130	6,410	12,540	37,141	49,681
	100,419	234,779	335,198	135,500	470,698
	1,457,886	6,344,489	7,802,375	135,500	7,937,875

b) Carruthers Pass Project

On February 17, 2021, the Company entered into an option agreement with Cariboo Rose Resources Ltd. ("Cariboo Rose") to acquire 60% interest in the exploration and evaluation assets ("Carruthers Pass Project").

On November 23, 2021, the Company and Cariboo Rose announced the amendment of the option agreement dated February 17, 2021 to acquire a 60% interest in the project by complying with the following conditions:

Due date	Exploration expenditures	Cash payment	Share issuance
	\$	\$	\$
February 17, 2021 (completed)	-	20,000	-
February 17, 2022 (completed)	-	20,000	10,000
February 17, 2023 (completed)	400,000	40,000	35,000
February 17, 2024	600,000	75,000	40,000
February 17, 2025	1,000,000	110,000	75,000
February 17, 2026	1,000,000	135,000	90,000
	3,000,000	400,000	250,000

The number of Vizsla Copper shares issued are determined at a price equal to the ten-day volume weighted average trading price of the Vizsla Copper shares prior to issuance. On February 17, 2022, 13,605 shares were issued at the price of \$0.74 per share for a fair value of \$10,000. On February 17, 2023, the Company issued 145,834 common shares at a deemed value of \$0.24 per share for a fair value of \$35,000 (Note 8(b)).

VIZSLA COPPER CORP.
Notes to the Consolidated Financial Statements
For the years ended April 30, 2023 and 2022
(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

A summary of the Company's Carruthers Pass Project exploration and evaluation asset is as follows:

	April 30, 2021	Additions	April 30, 2022	Additions	April 30, 2023
	\$	\$	\$	\$	\$
Acquisition costs					
Cash	20,000	31,620	51,620	41,128	92,748
Common shares issued (Note 8(b))	-	160,500	160,500	35,000	195,500
	20,000	192,120	212,120	76,128	288,248
Exploration costs					
Airborne Geophysical Survey	-	-	-	167,256	167,256
Analysis	-	-	-	72,383	72,383
Camp costs	-	1,660	1,660	365,215	366,875
Drilling	-	-	-	1,051,953	1,051,953
Equipment	-	-	-	24,437	24,437
Geophysical consulting	15,912	84,831	100,743	190,929	291,672
Project management	-	2,165	2,165	120,054	122,219
	15,912	88,656	104,568	1,992,227	2,096,795
	35,912	280,776	316,688	2,068,355	2,385,043

c) Woodjam Projects

On December 13, 2022, the Company completed the previously announced Woodjam Arrangement to acquire all Woodjam's issued and outstanding shares. Woodjam is engaged in copper, gold and molybdenum exploration and development in central British Columbia. Pursuant to the Woodjam Arrangement, the Company acquired a 100% interest of four exploration projects consisting of the Woodjam Project, the Megaton Project, the Magalloy Project and the Rand Project (collectively the "Woodjam Projects").

A summary of the Company's Woodjam Projects exploration and evaluation assets is as follows:

	April 30, 2023	April 30, 2022
	\$	\$
Woodjam Project	10,948,812	-
Megaton Project	639,717	-
Magalloy Project	380,766	-
Rand Project	8,817	-
	11,978,112	-

Woodjam Project

Pursuant to the Woodjam Arrangement, the Company owns a 100% interest in the Woodjam Project, which is located in elephant country in the prolific Quesnel terrane in South-Central British Columbia.

On February 3, 2023, two additional claims totaling 1,069 hectares were acquired and added to the Woodjam Project. The claims were purchased from an arms-length vendor for 100,000 common shares of the Company at a fair value of \$0.275 per share for a total fair value of \$27,500 and are unencumbered by any royalties or other interests.

VIZSLA COPPER CORP.
Notes to the Consolidated Financial Statements
For the years ended April 30, 2023 and 2022
(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

A summary of the Company's Woodjam Project exploration and evaluation asset is as follows:

	April 30, 2022 and 2021	Additions	April 30, 2023
	\$	\$	\$
Acquisition costs			
Securities issued (Note 5)	-	10,344,910	10,344,910
Common shares issued (Note 8(b))	-	27,500	27,500
	-	10,372,410	10,372,410
Exploration costs			
Airborne geophysical survey	-	420,789	420,789
Geophysical consulting	-	11,875	11,875
Project management	-	143,738	143,738
	-	576,402	576,402
	-	10,948,812	10,948,812

Megaton Project

Pursuant to the Woodjam Arrangement, the Company acquired a 100% interest in the Megaton Project, which is located in the northeast of the Southeast Zone and includes the Three Firs zone which was discovered in 2012. Under the arrangement assumed from Woodjam (the "Megaton Option Agreement"), the Company is to make cash payments to the vendors ("Megaton Vendors") totaling \$1,000,000 (\$90,000 paid and an additional \$60,000 paid subsequent to April 30, 2023 (Note 13)), incur a minimum of \$2,081,728 in exploration expenditures by 2027 (\$846,527 completed), and reserve a 2% net smelter royalty for the private vendors that may be reduced to 1% for a cash payment of \$1,000,000.

A summary of the Company's Megaton Project exploration and evaluation asset is as follows:

	April 30, 2022 and 2021	Additions	April 30, 2023
	\$	\$	\$
Acquisition costs			
Securities issued (Note 5)	-	629,186	629,186
	-	629,186	629,186
Exploration costs			
Airborne geophysical survey	-	10,531	10,531
	-	639,717	639,717

On April 30, 2023, the Company signed an amendment to the Megaton Option Agreement to include an additional 1,061 hectares of land contiguous with the Woodjam Project (the "Megaton Extension") and move the exploration commitment dates of May 6, 2026 and May 6, 2027 up by one year to May 6, 2025 and May 6, 2026, respectively. Subsequent to April 30, 2023, on June 2, 2023, as consideration for the Megaton Extension, the Company issued 300,000 common shares to the Megaton Vendors (Note 13).

VIZSLA COPPER CORP.**Notes to the Consolidated Financial Statements****For the years ended April 30, 2023 and 2022**

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

As a result of the amendment to the Megaton Option Agreement, the Company has the right to earn up to 100% ownership of the claims by complying with the following conditions:

Due date	Exploration expenditures	Cash payment	Share issuance
	\$	\$	#
May 6, 2013 (Completed)	Nil	40,000	Nil
May 6, 2014 (Completed)	250,000	50,000	Nil
May 6, 2018 (Completed)	206,957	Nil	450,000
May 6, 2023 (Completed, refer to Note 13)	124,771	60,000	Nil
May 6, 2024	Nil	100,000	Nil
May 6, 2025	500,000	250,000	Nil
May 6, 2026	1,000,000	250,000	Nil
May 6, 2027	Nil	250,000	Nil
	2,081,728	1,000,000	450,000

Magalloy Project

Pursuant to the Woodjam Arrangement, the Company acquired a 100% interest in the Magalloy Project, which is located within the boundaries of the Woodjam Project. Under the terms arrangement of the option agreement Woodjam signed for a 100% interest in the Magalloy Project, the Company is required to make cash payments to the vendors totaling \$300,000 over a four-year term (\$180,000 paid and another \$120,000 paid as a subsequent event - Note 13), and reserve a 1.5% net smelter royalty for the private vendors, which may be purchased outright for a cash payment of \$1,500,000. Subsequent amendments allowed the Company to reacquire 0.5% of the net smelter royalty for a cash payment of \$500,000.

A summary of the Company's Magalloy Project exploration and evaluation asset is as follows:

	April 30, 2022 and 2021	Additions	April 30, 2023
	\$	\$	\$
Acquisition costs			
Securities issued (Note 5)	-	377,113	377,113
		377,113	377,113
Exploration costs			
Airborne Geophysical Survey	-	3,653	3,653
	-	380,766	380,766

Rand Project

Pursuant to the Woodjam Arrangement, the Company owns a 51% interest in the Rand Project, which is located directly north of the Megaton Project within the boundaries of the Woodjam Project.

A summary of the Company's Rand Project exploration and evaluation asset is as follows:

	April 30, 2022 and 2021	Additions	April 30, 2023
	\$	\$	\$
Exploration costs			
Airborne geophysical survey	-	8,817	8,817

7. 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 2,373,237 flow-through shares at a purchase price of \$0.63 per flow-through share for proceeds of \$1,495,140. The flow-through shares were issued at a premium of approximately \$0.11 per share. As a result, a flow-through premium liability of \$249,190 was recorded. During the year ended April 30, 2023, the Company incurred \$1,172,465 (2022 - \$322,675) of qualifying exploration expenditures. As a result, the flow-through premium liability was fully amortized and an amortization of flow-through premium liability of \$195,411 (2022 - \$53,799) was recorded.

On December 13, 2022, in connection with the Woodjam Arrangement, the Company acquired \$246,766 flow-through premium liability as part of the Woodjam Arrangement (Note 5) with an associated expenditure requirement of \$792,540. During the year ended April 30, 2023, the Company incurred \$587,379 of qualifying exploration expenditures related to the Woodjam Project. As a result, an amortization of flow-through premium liability of \$182,887 was recorded.

A summary of the Company's flow-through premium liability and remaining eligible expenditure obligation is as follows:

	Flow-through funding and eligible expenditures	Flow-through premium liability
	\$	\$
Balance, April 30, 2021	-	-
Flow-through funds raised	1,495,140	249,190
Eligible expenditures renounced	(322,675)	(53,779)
Balance, April 30, 2022	1,172,465	195,411
Woodjam assets acquisition (Note 5)	792,540	246,766
Eligible expenditures renounced	(1,759,844)	(378,298)
Balance, April 30, 2023	205,161	63,879

8. 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 was completed resulting in 2,632,284 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 and an additional 15% to be released on the dates, which are 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the Escrow Agreement date. These Escrowed Shares may not be transferred, assigned, or otherwise dealt without the consent of the regulatory authorities. As at April 30, 2023, 1,447,756 shares were released from escrow, and the remaining balance of Escrowed Shares is 1,184,527.

On December 13, 2022, in connection with the completion of the Woodjam Arrangement, the Company issued a total of 1,302,970 finder's shares, to an arm's length third party, as a finder's fee. The finder's shares are subject to a voluntary escrow arrangement ("Woodjam Escrow Agreement"). Pursuant to the Woodjam Escrow Agreement, 12.5% of the finder's shares will be released from escrow on the dates, which are 6 months, 12 months, 18 months, and 24 months after the closing of the Woodjam Arrangement, and 25% of the finder's shares will be released from escrow on the dates, which are 30 months and 36 months after the closing of the Woodjam Arrangement. As at April 30, 2023, 1,302,970 finder's shares remained in escrow.

VIZSLA COPPER CORP.
Notes to the Consolidated Financial Statements
For the years ended April 30, 2023 and 2022
(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

During the year ended April 30, 2023, the following share issuances occurred:

- On December 13, 2022, pursuant to the closing of the Woodjam Arrangement, the Company issued 43,432,346 common shares of the Company to Woodjam at a fair value of approximately \$0.26 per share, for an aggregate value of \$11,400,991 (Note 5). In connection with the Woodjam Arrangement, the Company issued 1,302,970 common shares to finders at approximately \$0.26 per share for an aggregate value of \$342,030. The finder's shares are subject to a voluntary escrow arrangement (Note 8(b)).
- On January 10, 2023, the Company issued 61,441 common shares for gross proceeds of \$10,750 on the exercise of stock options. As a result, \$5,541 was reallocated from reserves to share capital.
- On February 3, 2023, the Company issued 100,000 common shares at a fair value of \$0.275 per share for a total fair value of \$27,500 as a consideration for two additional claims totaling 1,069 hectares in relation to the Woodjam Project (Note 6(c)).
- On February 17, 2023, the Company issued 145,834 common shares at a fair value of \$0.24 per share for a total fair value of \$35,000 to Cariboo Rose as per the second anniversary requirements of the Carruthers Pass option agreement dated February 17, 2021 (Note 6(b)).
- On April 19, 2023, the Company issued 215,044 common shares for gross proceeds of \$37,500 on the exercise of stock options. As a result, \$32,712 was reallocated from reserves to share capital.

During the year ended April 30, 2022, the following share issuances occurred:

- On September 20, 2021, Vizsla Silver completed the Arrangement to spin out the shares of Vizsla Copper to the shareholders of Vizsla Silver. At the time of entering into the Arrangement Agreement with the Company, Vizsla Silver was the registered holder of 2,600,000 Vizsla Copper shares, representing all of the issued and outstanding Vizsla Copper shares. Immediately following completion of the Arrangement on September 20, 2021, Vizsla Silver did not beneficially own, or control and direct, directly or indirectly, any Vizsla Copper shares. As a result, 2,600,000 common shares of the Company held by Vizsla Silver were cancelled and the related value was reclassified to reserves. 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 one third of a Vizsla Copper common share, for a total of 14,062,031 Vizsla Copper shares at the price of \$0.53 per share being issued to Vizsla Silver shareholders under the Arrangement. The fair value of Vizsla Copper shares is \$7,382,566. Vizsla Silver concurrently made a cash contribution of \$1,122,356 to Vizsla Copper. The net amount of \$6,260,210 was allocated to Blueberry Project and Carruthers Pass Project pro-rated for \$6,109,710 and \$150,500 respectively (Note 6). \$1,651,109 of deferred tax liability was recognized upon the spin-out transaction. In addition, as part of the Arrangement, Vizsla Silver forgave \$131,404 of debt owed by Vizsla Copper incurred prior to the Arrangement.
- 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 6,804,819 common shares at a purchase price of \$0.53 per share for proceeds of \$3,572,530, and 2,373,237 flow-through shares at a purchase price of \$0.63 per flow-through share for proceeds of \$1,495,140 (Note 7). The Company paid finders' fees in respect of the non-brokered private placement totaling \$77,319 in cash and issued 145,131 finders' warrants, each exercisable into one Vizsla Copper share with a 12-month term to expiry and an exercise price of \$0.88 per share.
- Under the terms of the Arrangement, the Company is obligated to issue up to 3,188,984 common shares pursuant to the exercise of Vizsla Silver warrants that have expiry dates ranging from November 2021 to December 2022. During the year ended April 30, 2022, 1,059,428 warrants of Vizsla Silver with exercise prices from \$0.40 to \$2.50 outstanding before the Arrangement were exercised. For every warrant exercised, the holder received one Vizsla Silver share and one third of one Vizsla Copper share. As a result, 100,896 Vizsla Copper shares, on a post-consolidation basis, were issued. The total proceeds shared with the Company was \$79,676. As at April 30, 2023, all outstanding Vizsla Silver warrants have expired.
- On February 17, 2022, the Company issued 13,605 common shares at the price of \$0.74 per share towards the Carruthers Pass Project for a fair value of \$10,000 (Note 6(b)).
- On April 27, 2022, the Company issued 23,809 common shares for payment of consulting services with aggregate fair value of \$17,083, or \$0.72 per share.

VIZSLA COPPER CORP.
Notes to the Consolidated Financial Statements
For the years ended April 30, 2023 and 2022
(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

c) Warrants

During the year ended April 30, 2023, in connection with the Woodjam Arrangement, all warrants of Woodjam became exercisable to acquire common shares of the Company, in amounts and at exercise prices adjusted in accordance with the terms of the Woodjam Arrangement. As a result, 3,072,061 warrants, each exercisable into one Vizsla Copper share, were granted at an exercise price of \$0.65 per share and expire on April 14, 2024. A summary of the Company's assumptions used in the Black-Scholes option pricing model for warrants granted on the acquisition date of December 13, 2022 is as follows:

Share price	\$0.26
Expected life	1.34 years
Expected volatility	122.89%
Risk-free rate	3.74%
Dividend yield	0.00%

During the year ended April 30, 2022, in connection with the Arrangement, the Company paid finders' fees in respect of the non-brokered private placement totaling \$77,319 in cash and 145,131 finders' warrants each exercisable into one Vizsla Copper share with a 12-month term to expiry and an exercise price of \$0.88 per share. As a result, \$21,072 was recorded to reserves for the fair value of the finders' warrants. A summary of the Company's assumptions used in the Black-Scholes option pricing model for warrants granted on September 20, 2021 is as follows:

Share price	\$0.53
Expected life	1 year
Expected volatility	110.00%
Risk-free rate	0.43%
Dividend yield	0.00%

A summary of the Company's warrant activity is as follows:

	Number of warrants #	Weighted average exercise price \$
Balance, April 30, 2021	-	-
Issued	145,131	0.88
Balance, April 30, 2022	145,131	0.88
Issued	3,072,061	0.65
Expired	(145,131)	0.88
Balance, April 30, 2023	3,072,061	0.65

As at April 30, 2023, the Company had 3,072,061 warrants outstanding with an exercise price of \$0.65 and a remaining life of 0.96 years. As at April 30, 2022, the Company had 145,131 warrants outstanding with an exercise price of \$0.88 and a remaining life of 0.39 years.

d) Options

The Company has a rolling stock option plan ("the Plan") whereby a maximum of 10% of the issued common shares will be reserved for issuance under the Plan. Options granted under the Plan vest immediately or over a period at the discretion of the Board of Directors.

Under the Plan, the number of shares reserved for issuance to any optionee will not exceed 5% of the then issued and outstanding shares unless the Company has obtained disinterested shareholder approval. The options are non-assignable and non-transferable and will be exercisable up to 10 years from the date of grant. The exercise price of an option will be set by the Board of Directors.

VIZSLA COPPER CORP.
Notes to the Consolidated Financial Statements
For the years ended April 30, 2023 and 2022
(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

During the year ended April 30, 2023, in connection with the Woodjam Arrangement, all outstanding stock options of Woodjam were exchanged for replacement options of the Company. As a result, 2,826,296 stock options with exercise prices ranging from \$0.16 to \$0.49 were granted. The terms range from 0.05 to 3.76 years and were all vested on the grant date. A summary of the Company's assumptions used in the Black-Scholes option pricing model for stock options granted on the acquisition date of December 13, 2022 is as follows:

Share price	\$0.26
Expected life	0.05 to 3.76 years
Expected volatility	122.89%
Risk-free rate	3.16% to 3.74%
Dividend yield	0.00%

On January 11, 2023, the Company granted 1,825,000 stock options to certain directors, officers, employees and consultants of the Company. The options are exercisable at a price of \$0.27 per share, have a term of five years, and will vest over a period of 24 months. A summary of the Company's assumptions used in the Black-Scholes option pricing model for stock options granted on January 11, 2023 is as follows:

Share price	\$0.29
Expected life	5 years
Expected volatility	122.89%
Risk-free rate	3.13%
Dividend yield	0.00%

During the year ended April 30, 2022, the Company granted 2,062,857 incentive stock options to certain directors, officers, and consultants of the Company. The options are exercisable at a price of \$0.88 per share, have a term of five years, and will vest over a period of 24 months. A summary of the Company's assumptions used in the Black-Scholes option pricing model for stock options granted during the year ended April 30, 2022 is as follows:

Share price	\$1.03
Expected life	5 years
Expected volatility	110.00%
Risk-free rate	1.35%
Dividend yield	0.00%

A summary of the Company's stock option activity is as follows:

	Number of options	Weighted average exercise price
	#	\$
Balance, April 30, 2021	-	-
Granted	2,062,857	0.88
Balance, April 30, 2022	2,062,857	0.88
Granted	4,651,296	0.29
Exercised	(276,485)	0.17
Balance, April 30, 2023	6,437,668	0.48

During the year ended April 30, 2023, the weighted average share price on the date of exercise was \$0.26 per share.

VIZSLA COPPER CORP.
Notes to the Consolidated Financial Statements
For the years ended April 30, 2023 and 2022
(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding and exercisable at April 30, 2023 is as follows:

Expiry date	Weighted average exercise price	Options outstanding	Options exercisable	Weighted average remaining life
	\$	#	#	years
December 13, 2023	0.41	706,574	706,574	0.62
December 13, 2023	0.49	307,206	307,206	0.62
December 13, 2023	0.16	537,611	537,611	0.62
December 13, 2023	0.21	61,441	61,441	0.62
December 9, 2024	0.16	92,162	92,162	1.62
December 24, 2024	0.16	61,441	61,441	1.66
April 27, 2026	0.16	230,405	230,405	3.00
August 29, 2026	0.21	61,441	61,441	3.34
September 15, 2026	0.41	491,530	491,530	3.38
October 21, 2026	0.88	2,062,857	1,650,284	3.48
January 11, 2028	0.27	1,825,000	365,000	4.71
	0.48	6,437,668	4,565,095	3.04

During the years ended April 30, 2023, the Company incurred share-based payments of \$739,474 (2022 - \$1,120,338) in connection with the vesting of stock options.

9. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, officers and companies controlled by key management personnel.

A summary of the Company's related party transactions for the years ended April 30, 2023 and 2022 is as follows:

	2023	2022
	\$	\$
Consulting fees	478,750	290,296
Management fees	86,855	50,536
Salaries and wages	253,460	135,738
Share-based payments	423,798	638,530
	1,242,863	1,115,100

As at April 30, 2023, the Company had \$13,781 due to related parties (April 30, 2022 - \$91,093). The amounts are unsecured, due on demand, and are non-interest bearing.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of financial instruments

As at April 30, 2023 and 2022, the financial instruments were comprised of cash, accounts payable and accrued liabilities, and due to related parties, and are classified and measured at amortized cost. The carrying value of cash, accounts payable and accrued liabilities, and due to related parties approximate their respective fair values due to the short-term nature of these financial instruments.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk relates primarily to cash. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk related to cash to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that sufficient funds are raised from equity offerings or debt financing to meet its operating requirements, after taking into account existing cash and expected exercise of stock options and share purchase warrants. The Company's cash is held in business accounts, which are available on demand for the Company's programs. Refer to Note 1 with respect to going concern matters. As at April 30, 2023, the Company had working capital of \$510,510 (April 30, 2022 - \$3,916,827).

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. The Company is not exposed to significant interest rate risk on the basis that it does not hold any financial liabilities subject to movements in interest rates. The Company does not have any financial assets subject to changes in exchange rates. As a result, the Company does not expect exchange rates to impose any impact to the Company.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its mineral properties to commercial production.

Historically, the Company has depended on external financing to fund its activities. As at April 30, 2023, the capital structure of the Company currently consists of shareholders' equity, which was \$21,694,542 (April 30, 2022 - \$10,687,613). The Company manages its capital structure and makes adjustments to it for changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties.

In order to maintain or adjust its capital structure, the Company may issue new shares through equity offerings or sell assets to fund operations. Management reviews the Company's capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

There have not been changes to the Company's capital management policy during the year ended April 30, 2023.

VIZSLA COPPER CORP.
Notes to the Consolidated Financial Statements
For the years ended April 30, 2023 and 2022
(Expressed in Canadian dollars)

12. INCOME TAX EXPENSE

a) Income tax recovery (expense)

A summary of the Company's income tax recovery (expense) for the years ended April 30, 2023 and 2022 is as follows:

	2023	2022
	\$	\$
Current tax expense	-	-
Deferred tax recovery	(231,279)	(302,832)
Income tax expense	(231,279)	(302,832)

A summary of the Company's reconciliation of income taxes at statutory rates for the years ended April 30, 2023 and 2022 is as follows:

	2023	2022
	\$	\$
Loss before income taxes	(2,480,789)	(2,657,076)
Combined federal and provincial statutory income tax rates	27%	27%
Expected income tax recovery	(669,813)	(717,410)
Non-deductible expenditures and non-taxable revenues	104,828	304,664
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	5,690	29,468
Share issuance costs	-	12,581
Impact of flow through shares	481,526	72,602
Impact of debt forgiveness	-	35,479
Temporary differences originated in the year	3,993	-
Change in unrecognized deferred tax assets	(157,503)	(40,216)
Total income tax recovery	(231,279)	(302,832)

The deferred taxes assets and liabilities reflect the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values.

b) Deferred taxes

A summary of the Company's recognized deferred tax liability as at April 30, 2023 and 2022 is as follows:

	2023	2022
	\$	\$
Exploration and evaluation assets	(2,257,783)	(1,741,308)
Financing costs	11,587	22,897
Intangible assets	30,910	-
Non-capital loss carry forwards	1,091,690	370,134
Property, plant and equipment	6,598	-
Deferred tax liability	(1,116,998)	(1,348,277)

A summary of the Company's unrecognized deductible temporary differences as at April 30, 2023 and 2022 is as follows:

	2023	Expiry date range	2022	Expiry date range
	\$		\$	
Financing costs	117,763	2044 to 2046	-	-
Non-capital loss carry forwards	1,084,441	2031 to 2043	-	-
	1,202,204		-	-

13. SUBSEQUENT EVENTS

On May 6, 2023, the Company paid cash consideration of \$60,000 as part of the conditions set out in the Megaton Option Agreement, and \$120,000 as part of the conditions set out in the Magalloy option agreement.

On May 10, 2023, the Company agreed to acquire 100% of the issued and outstanding shares of RG Copper Corp., which holds the right to acquire up to 70% interest in the Redgold Copper-Gold Project, by satisfying the conditions of the underlying agreement with the owners of the Redgold Copper-Gold Project ("RG Copper Acquisition"). The Redgold Copper-Gold Project consists of 58 mineral claims covering an area of 8,278 hectares contiguous with Vizsla Copper's Woodjam Project (the "Redgold Copper-Gold Project"). Pursuant to the acquisition agreement with RG Copper Corp., the Company issued 12,000,000 common shares to RG Copper Corp. shareholders. The RG Copper Corp. acquisition was completed on June 28, 2023.

On June 2, 2023, the TSX-V approved the share issuance of 300,000 shares to the Megaton Vendors as per the Megaton Extension. The shares are subject to a four-month and one day hold period under applicable securities laws in Canada.

On June 2, 2023, the Company closed a private placement for aggregate gross proceeds of \$6,022,000. In connection with the private placement, the Company issued 9,100,000 units at a price of \$0.22 per unit for gross proceeds of \$2,002,000 and 16,668,333 flow-through shares at a price of \$0.24 per flow-through share for gross proceeds of \$4,000,400. Each unit will consist of one common share and one-half of one transferable common share purchase warrant. Each whole transferable common share purchase warrant is exercisable into one additional common share for 24 months from the closing date at an exercise price of \$0.30 per share. In connection, the Company paid the lead agent a cash commission of \$330,144 and issued 1,421,050 compensation options of the Company. Each compensation option entitles the lead agent to purchase one common share at an exercise price of \$0.22 per share for a period of 24 months following the closing of the private placement. Directors and officers of the Company subscribed for an aggregate of 2,125,200 flow-through shares and 45,500 units for gross proceeds of \$520,058.

On June 2, 2023, the Company entered into an agreement with Peak Investor Marketing Corp. ("Peak") to provide marketing services for the Company. As consideration, the Company will pay \$144,000 for the initial twelve months and \$12,000 per month thereafter. The two companies have an arm's length relationship. In addition, the Company will grant 400,000 stock options subject to TSX-V and regulatory approvals.

On June 12, 2023, the Company signed an option agreement with Trailbreaker Resources Ltd. ("Trailbreaker") to acquire four claims from Trailbreaker's Eagle Lake Project which covers approximately 6,479 hectares which are contiguous to the Woodjam Project. Pursuant to the agreement, the Company will issue an aggregate of 400,000 shares on agreed dates over a three-year period, which are subject to a four-month hold period under applicable securities laws in Canada. On June 22, 2023, the Company received conditional approval from the TSX-V for the option agreement and in accordance with the terms of the agreement, the Company issued 150,000 common shares.

On June 19, 2023, the Company acquired a 100% interest in 40 claims covering an area of 37,466 hectares referred to as the "Copperview Project". Pursuant to the acquisition agreement, the Company issued 600,000 common shares, granted a 1% and 2% net smelter royalty and paid \$5,000. The Company has the right to repurchase one half of the net smelter royalty for \$3,000,000 in cash.

On June 28, 2023, Vizsla Silver agreed to extend the loan repayment period from April 30, 2023 to April 30, 2024. The balance owing of \$324,563 will bear an accrued interest at the Bank of Canada prime rate starting May 1, 2023.

On July 5, 2023, the Company granted 3,600,000 stock options to certain directors, officers, employees, and consultants of the Company. The options are exercisable at a price of \$0.24 per share, have a term of five years, and will vest over a period of 24 months.