

# **VIZSLA ROYALTIES CORP.**

**Condensed Interim Combined and Consolidated Financial Statements**

**For the three and six months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars)

**Notice of Disclosure of Non-auditor Review of the Condensed Interim Combined and Consolidated Financial Statements for the Three and Six Months Ended October 31, 2024 and 2023**

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) 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 interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim combined and consolidated financial statements of Vizsla Royalties Corp. for the interim periods ended October 31, 2024 and 2023, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of the management.

The independent auditors, MNP LLP, have not performed a review of these unaudited condensed interim combined and consolidated financial statements.

December 20, 2024

**VIZSLA ROYALTIES CORP.****Condensed Interim Combined and Consolidated Statements of Financial Position**

(Unaudited - Expressed in Canadian dollars)

	Note	October 31, 2024	April 30, 2024
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	5	4,939,491	22,596
Taxes receivable	6	12,432	265,831
Subscription receivables		99,548	-
Prepaid expenses		11,250	-
		5,062,721	288,427
Royalty interests	7	1	1
<b>Total assets</b>		<b>5,062,722</b>	<b>288,428</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		40,092	15,263
Due to related party	8	-	1,711,973
Subscription liabilities		58,998	-
<b>Total liabilities</b>		<b>99,090</b>	<b>1,727,236</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	9(b)	5,566,635	1
Contributed deficit		(1,316,703)	(1,316,703)
Reserves		2,233,321	-
Accumulated other comprehensive income		(2,402)	37,098
Deficit		(1,517,219)	(159,204)
<b>Total shareholders' equity (deficiency)</b>		<b>4,963,632</b>	<b>(1,438,808)</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>		<b>5,062,722</b>	<b>288,428</b>

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/ "Karlene Collier"

Director

/s/ "Keith Bodnarchuk"

Director

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

**VIZSLA ROYALTIES CORP.**
**Condensed Interim Combined and Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income**  
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended October 31,		Six months ended October 31,	
		2024	2023	2024	2023
		\$	\$	\$	\$
<b>Operating expenses</b>					
Director fees	10	12,500	-	12,500	-
Filing fees		61,976	-	64,937	-
Management fees	10	106,250	-	106,250	-
Marketing expenses		5,314	-	5,314	-
Office and miscellaneous		1,645	49	1,919	111
Professional fees		165,241	5	565,525	1,071
Salary and wages	10	54,789	-	54,789	-
Share-based compensation	9(c), 10	333,850	-	570,715	-
Travel		3,977	-	3,977	-
		<b>(745,542)</b>	<b>(54)</b>	<b>(1,385,926)</b>	<b>(1,182)</b>
<b>Other income (expenses)</b>					
Interest income		25,430	-	25,430	-
Foreign exchange gain (loss)		739	(43,058)	2,481	(1,091)
<b>Net loss for the period</b>		<b>(719,373)</b>	<b>(43,112)</b>	<b>(1,358,015)</b>	<b>(2,273)</b>
Currency translation differences		<b>(16,605)</b>	11,137	<b>(39,500)</b>	<b>(7,266)</b>
<b>Comprehensive loss for the period</b>		<b>(735,978)</b>	<b>(31,975)</b>	<b>(1,397,515)</b>	<b>(9,539)</b>
<b>Loss per share:</b>					
Basic and diluted		<b>(0.04)</b>	(43,112)	<b>(0.08)</b> <sup>(1)</sup>	N/A <sup>(1) (2)</sup>
<b>Weighted average number of common shares:</b>					
Basic and diluted		<b>17,844,035</b>	1	<b>17,844,035</b>	0.10 <sup>(1)</sup>

(1) On August 6, 2024, the Company completed the Share Consolidation (Note 1(c)). As a result, all references to the number of common shares, weighted average number of common shares, loss per share, and number of stock options and share purchase warrants in these financial statements have been retrospectively restated to give effect to the Share Consolidation.

(2) As a result of the Share Consolidation, the Company had only 0.10 outstanding common share during this period and thus, calculating the earnings (loss) per share is not practicable.

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

**VIZSLA ROYALTIES CORP.****Condensed Interim Combined and Consolidated Statements of Cash Flows**

(Unaudited - Expressed in Canadian dollars)

	Six months ended	
	2024	October 31, 2023
	\$	\$
<b>Operating activities:</b>		
Net loss for the period	(1,358,015)	(2,273)
Adjustments for:		
Share-based compensation	570,715	-
Foreign exchange gain (loss)	(2,481)	1,091
Changes in non-cash working capital:		
Taxes receivable	232,265	(7,217)
Prepaid expenses	(11,250)	-
Accounts payable and accrued liabilities	24,829	-
<b>Cash used in operating activities</b>	<b>(543,937)</b>	<b>(8,399)</b>
<b>Investing activities:</b>		
Purchase of royalty interest	-	(16,538)
<b>Cash used in investing activities</b>	<b>-</b>	<b>(16,538)</b>
<b>Financing activities:</b>		
Proceeds from private placement	5,192,498	-
Proceeds from warrant exercises	386,880	-
Proceeds received from related party	367,420	-
Payments made to related party	(470,081)	-
<b>Cash provided by financing activities</b>	<b>5,476,717</b>	<b>-</b>
Effect of exchange rate on changes in cash	(15,885)	(8,357)
Change in cash and cash equivalents	4,932,780	(24,937)
Cash and cash equivalents, beginning of period	22,596	55,311
<b>Cash and cash equivalents, end of period</b>	<b>4,939,491</b>	<b>22,017</b>
<b>Supplemental cash flow information:</b>		
Cash interest paid	-	-
Cash income tax paid	-	-
Fair value of Vizsla Royalties Warrants issued	1,839,465	-
Fair value of Vizsla Royalties Warrants exercised	176,859	-

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

**VIZSLA ROYALTIES CORP.**
**Condensed Interim Combined and Consolidated Statements of Changes in Shareholder's Equity (Deficiency)**

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

	Common shares <sup>(1)</sup>	Share capital	Contributed deficit	Reserves	Accumulated other comprehensive income	Retained earnings (deficit)	Total shareholders' equity (deficiency)
	#	\$	\$	\$	\$	\$	\$
Balance, April 30, 2023	0.10	1	(1,303,565)	-	18,423	24,428	(1,260,713)
Currency translation differences	-	-	-	-	(7,266)	-	(7,266)
Net income for the period	-	-	-	-	-	(2,273)	(2,273)
Balance, October 31, 2023	0.10	1	(1,303,565)	-	11,157	22,155	(1,270,252)
Royalty interests	-	-	(13,138)	-	-	-	(13,138)
Currency translation differences	-	-	-	-	25,941	-	25,941
Net loss for the period	-	-	-	-	-	(181,359)	(181,359)
Balance, April 30, 2024	0.10	1	(1,316,703)	-	37,098	(159,204)	(1,438,808)
Cancellation of Vizsla Royalties' share held by Vizsla Silver upon the Spinout Transaction	(0.10)	(1)	1	-	-	-	-
Shares issued in Spinout Transaction	16,349,365	1	(1)	-	-	-	-
Vizsla Royalties Warrants issued	-	(1,839,465)	-	1,839,465	-	-	-
Shares issued in Debt Settlement Agreement	3,218,624	1,609,312	-	-	-	-	1,609,312
Shares issued in Private Placement	8,654,164	5,192,498	-	-	-	-	5,192,498
Shares issued in Vizsla Royalties Warrants exercises	773,921	563,739	-	(176,859)	-	-	386,880
Shares issued in Vizsla Silver Warrants exercises	37,724	40,550	-	-	-	-	40,550
Share-based compensation	-	-	-	570,715	-	-	570,715
Currency translation differences	-	-	-	-	(39,500)	-	(39,500)
Net loss for the period	-	-	-	-	-	(1,358,015)	(1,358,015)
<b>Balance, October 31, 2024</b>	<b>29,033,798</b>	<b>5,566,635</b>	<b>(1,316,703)</b>	<b>2,233,321</b>	<b>(2,402)</b>	<b>(1,517,219)</b>	<b>4,963,632</b>

(1) On August 6, 2024, the Company completed the "Share Consolidation (Note 1(c)). As a result, all references to the number of common shares, weighted average number of common shares, loss per share, and number of stock options and share purchase warrants in these financial statements have been retrospectively restated to give effect to the Share Consolidation.

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

## **VIZSLA ROYALTIES CORP.**

### **Notes to the Condensed Interim Combined and Consolidated Financial Statements**

#### **For the three and six months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Panuco Royalty Corp. (the “Subsidiary”) was incorporated on January 11, 2021, under the Business Corporations Act (British Columbia) with the name Vizsla Copper Corp. as a wholly owned subsidiary of Vizsla Silver Corp. (“Vizsla Silver”). The Subsidiary changed its name (i) to 1283303 B.C. Ltd. on April 23, 2021, (ii) to Vizsla Royalty Corp. on July 9, 2021, and (iii) to Panuco Royalty Corp. on October 13, 2023.

Vizsla Royalties Corp. (“Vizsla Royalties” or the “Parent”) was incorporated on October 13, 2023 as a wholly owned subsidiary of Vizsla Silver. Vizsla Silver subsequently transferred its ownership of the Subsidiary to the Parent and therefore the Subsidiary became a wholly owned subsidiary of the Parent.

These financial statements present the results of the Parent and the Subsidiary on a combined basis (such combined entity being referred to as the “Company”).

The Company is a royalty-focused company holding net smelter return (“NSR”) royalties on Vizsla Silver’s wholly owned Panuco-Copala properties located in Mexico. The head office and principal address of the Company is located at suite 1723 - 595 Burrard street, Vancouver, British Columbia, V7X 1J1. As at June 24, 2024, the Company became a reporting issuer in all provinces and territories of Canada.

### **a) Going concern**

These condensed interim combined and consolidated financial statements for the three and six months ended October 31, 2024 and 2023 (“financial statements”) have been prepared on a going-concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company’s ability to be a going concern depends on the ongoing financial support of external financing since the Company has not historically and is not expected to generate revenue in the near future. 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.

The Company’s activities for royalty generation are in an emerging nation and consequently may be subject to a higher level of risk compared to other developed countries. Operations, the status of mineral property rights, and the recoverability of investments in emerging nations can be affected by changing economic, legal, regulatory, and political situations.

As at October 31, 2024, the Company has a working capital surplus of \$4,963,631 (April 30, 2024 - deficit of \$1,438,809). During the three and six months ended October 31, 2024, the Company recorded a net loss of \$719,373 and \$1,358,015, respectively (2023 - \$43,112 and \$2,273, respectively). The Company expects to incur further losses in the development of its business, all of which indicate a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. The Company will require additional financing in order to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

### **b) Spinout Transaction**

On March 27, 2024, the Company entered into an arrangement agreement with Vizsla Silver, whereby Vizsla Silver plans to spin out certain common shares and common share purchase warrants of the Company to the shareholders of Vizsla Silver (the “Spinout Transaction”). The Spinout Transaction involves, among other things, the distribution of common shares (the “Vizsla Royalties Shares”) and share purchase warrants of Vizsla Royalties (the “Vizsla Royalties Warrants”) to the shareholders of Vizsla Silver. The purpose of the Arrangement was to reorganize Vizsla Silver into two separate companies: Vizsla Silver and Vizsla Royalties.

On June 24, 2024 (the “Effective Date”), Vizsla Silver and Vizsla Royalties completed the Spinout Transaction. Pursuant to the Spinout Transaction, the shareholders of Vizsla Silver at the Effective Date received, in exchange for each Vizsla Silver common share held at the close of business the day before the Effective Date, one-third of a Vizsla Royalties Share, one-third of a Vizsla Royalties Warrant, and one new common share of Vizsla Silver (the “New Vizsla Silver Share”). As a result, Vizsla Royalties issued 16,349,365 Vizsla Royalties Shares (Note 9(b)) and 8,049,365 Vizsla Royalties Warrants (Note 9(d)) to Vizsla Silver shareholders. Each Vizsla Royalties Warrant entitles the holder to acquire one additional Vizsla Royalties Share at a price of \$0.50 per share until the earlier of: (i) 120 days after the date of a public listing, and (ii) December 31, 2025. Vizsla Silver will pay \$80,494 to the Company for the subscription of 8,049,365 Vizsla Royalties Warrants to be issued to the shareholders of Vizsla Silver. Vizsla Silver continues to hold a number of Vizsla Royalties’ shares which represents more than 41% ownership.

## VIZSLA ROYALTIES CORP.

### Notes to the Condensed Interim Combined and Consolidated Financial Statements

#### For the three and six months ended October 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars, except where noted)

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

Pursuant to the terms of the Spinout Transaction, Vizsla Silver's outstanding stock options (the Vizsla Silver Options") and share purchase warrants (the "Vizsla Silver Warrants") were adjusted as follows:

- Each outstanding Vizsla Silver Option was exchanged for: (a) one Vizsla Silver replacement option (the Vizsla Silver Replacement Options") to acquire one New Vizsla Silver Share, and (b) one Vizsla Royalties option (the Vizsla Royalties Options") to acquire one-third of Vizsla Royalties Shares. Each whole Vizsla Royalties Option has an exercise price equal to the product of the original exercise price of the Vizsla Silver Option multiplied by the fair market value of one-third of the Vizsla Royalties Share at the Effective Date, divided by the total of the fair market value of one New Vizsla Silver Share and one-third of the Vizsla Royalties Share at the Effective Date. As a result, the Company issued 2,726,624 Vizsla Royalties Options with an average exercise price of \$1.44 and will expire between December 30, 2024 and September 25, 2029 (Note 9(c)).
- Each outstanding Vizsla Silver Warrant was amended to allow the holder to acquire: (a) one New Vizsla Silver Share, and (b) one-third of Vizsla Royalties Shares at the original exercise price. Upon the exercise of the Vizsla Silver Warrants, Vizsla Silver will collect and pay to the Company an amount for each one-third of the Company issued common share that is equal to the exercise price under the Vizsla Silver Warrant multiplied by the fair market value of one-third of Vizsla Royalties Share at the Effective Date divided by the total of the fair market value of one New Vizsla Silver Share and one-third of Vizsla Royalties Share at the Effective Date.

### c) Share Consolidation

On August 6, 2024, the Company completed a consolidation of its issued and outstanding common shares (the "Share Consolidation") on the basis of one new common share for every ten existing common shares. As a result, all references to the number of common shares, weighted average number of common shares, loss per share, and number of stock options and share purchase warrants in these financial statements have been retrospectively restated to give effect to the Share Consolidation.

## 2. BASIS OF PREPARATION

### a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on December 20, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended April 30, 2024 and 2023 (the "Annual Financial Statements").

### 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 set out in the accounting policies below. In addition, these Financial Statements have been prepared using the accrual basis of accounting other than the combined and consolidated statements of cash flows.

### 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 is the Canadian dollar. The Financial Statements are presented in Canadian dollars, except as otherwise noted. References to "\$" or "CAD" are to Canadian dollars, references to "US\$" are to United States dollars, and references to "MXN" are to Mexican pesos.

**VIZSLA ROYALTIES CORP.****Notes to the Condensed Interim Combined and Consolidated Financial Statements****For the three and six months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**2. BASIS OF PREPARATION (continued)****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 included in these financial statements as at October 31, 2024 is as follows:

<b>Subsidiary</b>	<b>Country of incorporation</b>	<b>Percentage ownership</b>	<b>Functional currency</b>	<b>Principal activities</b>
Canam Royalties Mexico, S.A. de C.V.	Mexico	100%	MXN	Royalty company
Panuco Royalty Corp.	Canada	100%	CAD	Royalty company

**3. MATERIAL ACCOUNTING POLICIES**

In preparation of these financial statements, the Company used the same accounting policies disclosed in the notes to the Annual Financial Statements.

**4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments, which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

**5. CASH AND CASH EQUIVALENTS**

On August 12, 2024, the Company acquired a short-term investment held with a reputable bank in Canada for \$2,000,000. The short-term investment bears an annual interest rate of 4% and matures on August 11, 2025. As at October 31, 2024, the balance of the short-term investment of \$2,000,000 (April 30, 2024 - \$nil) was included in cash and cash equivalents on the Company's statement of financial position.

On October 7, 2024, the Company acquired a short-term investment held with a reputable bank in Canada for \$2,000,000. The short-term investment bears an annual interest rate of 4.58% and matures on November 6, 2024. During the three and six months ended October 31, 2024, the Company recorded interest income on the short-term investment of \$8 and \$8, respectively (2024 - \$nil and \$nil, respectively). As at October 31, 2024, the balance of the short-term investment of \$2,000,008 (April 30, 2024 - \$nil) was included in cash and cash equivalents on the Company's statement of financial position.

**6. TAXES RECEIVABLE**

A summary of the Company's taxes receivable is as follows:

	<b>October 31, 2024</b>	April 30, 2024
	\$	\$
Mexican VAT in connection with purchase of royalty interests (Note 7)	<b>12,432</b>	265,831

## VIZSLA ROYALTIES CORP.

### Notes to the Condensed Interim Combined and Consolidated Financial Statements

#### For the three and six months ended October 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars, except where noted)

## 7. ROYALTY INTERESTS

On February 25, 2022, the Company signed two agreements to purchase a 0.5% and 2.0% NSR on properties that are part of the Panuco-Copala properties in Mexico from Minera Canam S.A. de C.V. ("Minera Canam"), a subsidiary of Vizsla Silver and an entity under common control with the Company. The Company paid US\$100,000 for the 0.5% NSR and US\$900,000 for the 2.0% NSR.

On November 16, 2022, the Company signed three agreements to purchase a 2.0% NSR royalty on multiple properties that are part of the Panuco-Copala properties in Mexico from Minera Canam for the following payments:

- US\$3,500 for the 2.0% royalty on the La Cruz Negra and La Cruz Negra 2 properties.
- US\$2,000 for the 2.0% royalty on the San Antonio property.
- US\$5,000 for the 2.0% royalty on the Maria Chuchena property.

On July 23, 2023, the Company signed an agreement to purchase a 2.0% NSR royalty on multiple properties that are part of the Panuco-Copala properties in Mexico from Minera Canam. On October 26, 2023, the Company paid US\$10,000 for the 2.0% royalty on the El Oregano, El Oregano 2, and Dos Compadres properties.

Under IFRS Accounting Standards, the purchase of the NSR from Minera Canam by the Company is a transaction between parties under common control. Accordingly, the royalty interests are recorded at fair value which is determined to be \$1 (April 30, 2024 - \$1). For the year ended April 30, 2024, the difference between the fair value and the agreed consideration of \$13,138 (US\$10,000) is recorded as contributed deficit in equity.

## 8. DUE TO RELATED PARTY

A summary of the Company's due to related party is as follows:

	\$
Balance, April 30, 2023	1,546,277
Additions	165,696
Balance, April 30, 2024	1,711,973
Additions	367,420
Debt settlement agreement	(1,609,312)
Payments	(470,081)
<b>Balance, October 31, 2024</b>	<b>-</b>

On July 3, 2024, the Company entered into a debt settlement agreement with Vizsla Silver to settle the outstanding debt balance of \$1,609,312 by issuing the Company's common shares. On July 18, 2024, the Company issued 3,218,624 common shares to Vizsla Silver at a deemed price of \$0.50 per share to settle the fair value of the outstanding debt balance (Note 9(b)).

On July 29, 2024, the Company settled the remaining outstanding balance due to Vizsla Silver by making a cash payment of \$470,081. As at October 31, 2024, the due to related party balance is \$nil (April 30, 2024 - \$1,711,973).

## 9. SHARE CAPITAL

On August 6, 2024, the Company completed a consolidation of its issued and outstanding common shares (the "Share Consolidation") on the basis of one new common share for every ten existing common shares. As a result, all references to the number of common shares, weighted average number of common shares, loss per share, and number of stock options and share purchase warrants in these financial statements have been retrospectively restated to give effect to the Share Consolidation.

### a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

**VIZSLA ROYALTIES CORP.****Notes to the Condensed Interim Combined and Consolidated Financial Statements****For the three and six months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**9. SHARE CAPITAL (continued)****b) Issued share capital**

During the six months ended October 31, 2024, the Company has the following share capital transactions:

- On June 24, 2024, pursuant to the completion of the Spinout Transaction, 0.10 common share of the Company held by Vizsla Silver was cancelled and the related value of \$1 was reclassified to contributed deficit.
- On June 24, 2024, pursuant to the completion of the Spinout Transaction, the Company issued 16,349,365 common shares of which 8,300,000 common shares with a fair value of \$0.51 were issued to Vizsla Silver and 8,049,365 with a fair value of \$0.49 were issued to Vizsla Silver's shareholders.
- On July 18, 2024, the Company issued 3,218,624 common shares to Vizsla Silver at a deemed price of \$0.50 per share for total of \$1,609,312 pursuant to the Debt Settlement Agreement (Note 8).
- On July 29, 2024, the Company closed a first tranche of a non-brokered private placement (the "Private Placement") and issued 8,279,164 common shares at a price of \$0.60 per share for gross proceeds of \$4,967,498.
- On August 1, 2024, the Company closed the second and final tranche of the Private Placement and issued 375,000 common shares at a price of \$0.60 per share for gross proceeds of \$225,000.
- During the six months ended October 31, 2024, the Company issued in total 773,921 common shares pursuant to Vizsla Royalties Warrant exercises at an exercise price of \$0.50 for total gross proceeds of \$386,880.
- During the six months ended October 31, 2024, in connection with the terms of the Spinout Transaction (Note 1(b)), the Company issued in total 37,724 common shares pursuant to Vizsla Silver Warrant exercises at a weighted average exercise price of \$1.08 for total gross proceeds of \$40,550.

As at April 30, 2024, the Company had 0.10 common share with no par value was issued and outstanding.

**c) Stock options**

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

	Number of stock options	Weighted average exercise price
	#	\$
Balance, April 30, 2024 and 2023	-	-
Issued (Note 1(b))	2,726,624	1.44
<b>Balance, October 31, 2024</b>	<b>2,726,624</b>	<b>1.44</b>

**VIZSLA ROYALTIES CORP.****Notes to the Condensed Interim Combined and Consolidated Financial Statements****For the three and six months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**9. SHARE CAPITAL (continued)**

A summary of the Company's stock options outstanding as at October 31, 2024, is as follows:

<b>Date of Expiry</b>	<b>Number of stock options</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life</b>
	<b>#</b>	<b>\$</b>	<b>Years</b>
December 30, 2024	14,166	0.26	0.16
January 7, 2025	2,000	0.26	0.19
June 29, 2025	15,667	0.27	0.66
August 6, 2025	49,667	0.38	0.76
October 1, 2025	2,000	0.32	0.92
December 1, 2025	3,333	0.32	1.08
January 12, 2026	60,924	0.34	1.20
June 22, 2026	114,367	0.39	1.64
July 12, 2026	7,333	0.40	1.70
July 27, 2026	4,634	0.40	1.74
September 24, 2026	65,833	0.40	1.90
February 1, 2027	333	0.40	2.25
June 2, 2027	15,233	0.35	2.59
February 10, 2028	57,000	0.34	3.28
May 19, 2028	109,633	0.34	3.55
November 15, 2028	21,667	0.32	4.04
February 26, 2029	20,167	0.21	4.33
June 12, 2029	201,667	0.40	4.62
September 25, 2029	1,961,000	1.86	4.90
	<b>2,726,624</b>	<b>1.44</b>	<b>4.33</b>

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for stock options issued during the six months ended October 31, 2024 is as follows:

Share price	<b>0.60</b>
Exercise price	<b>1.44</b>
Risk-free interest rate	<b>3.78%</b>
Expected life	<b>2.54 years</b>
Expected volatility	<b>100.09%</b>
Expected annual dividend yield	<b>0.00%</b>

The risk-free rate of periods within the expected life of the stock options is based on the Canadian government bond rate. The annualized volatility assumptions are based on the historical results of benchmark companies.

During the three and six months ended October 31, 2024, the Company recorded share-based compensation related to options granted of \$333,850 and \$570,715, respectively (2023 - \$nil and \$nil, respectively).

**d) Share purchase warrants**

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

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
	<b>#</b>	<b>\$</b>
Balance, April 30, 2024 and 2023	-	-
Issued (Note 1(b))	8,049,365	0.50
Exercised (Note 9(b))	(773,921)	0.50
<b>Balance, October 31, 2024</b>	<b>7,275,444</b>	<b>0.50</b>

**VIZSLA ROYALTIES CORP.****Notes to the Condensed Interim Combined and Consolidated Financial Statements****For the three and six months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**9. SHARE CAPITAL (continued)**

A summary of the Company's share purchase warrants outstanding as at October 31, 2024, is as follows:

<b>Date of Expiry</b>	<b>Number of warrants</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life</b>
	<b>#</b>	<b>\$</b>	<b>Years</b>
December 24, 2024	7,275,444	0.50	0.15

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for share purchase warrants issued during the six months ended October 31, 2024 is as follows:

Share price	<b>\$0.60</b>
Exercise price	<b>\$0.50</b>
Risk-free interest rate	<b>3.94%</b>
Expected life	<b>0.5 year</b>
Expected volatility	<b>108.16%</b>
Expected annual dividend yield	<b>0.00%</b>

The risk-free rate of periods within the expected life of the warrants is based on the Canadian government bond rate. The annualized volatility assumptions are based on the historical results of benchmark companies.

**10. RELATED PARTY TRANSACTIONS**

Key management personnel are 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 and Corporate Officers.

A summary of the Company's related party transactions is as follows:

	Three months ended		Six months ended	
	2024	2023	2024	2023
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Director fees	<b>12,500</b>	-	<b>12,500</b>	-
Management fees	<b>106,250</b>	-	<b>106,250</b>	-
Salary and wages	<b>54,789</b>	-	<b>54,789</b>	-
Share-based compensation	<b>108,224</b>	-	<b>300,586</b>	-
	<b>281,763</b>	-	<b>474,125</b>	-

As at October 31, 2024, there was \$13,125 (April 30, 2024 - \$nil) due to related parties and was included in accounts payable and accrued liabilities. The amounts due are unsecured, due on demand and are non-interest bearing.

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities. The carrying value of cash and cash equivalent, accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these financial instruments.

**VIZSLA ROYALTIES CORP.**

**Notes to the Condensed Interim Combined and Consolidated Financial Statements**

**For the three and six months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

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**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

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:

**a) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's primary exposure to credit risk is through its cash and cash equivalents. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. The Company manages its credit risk relating to cash and cash equivalents through the use of major financial institutions which have a high credit quality as determined by rating agencies. Cash and cash equivalents are held with reputable banks in Canada and Mexico. The Company assesses its credit risk as low.

**b) Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no sources of revenue and has obligations to settle its accounts payable and accrued liabilities. The Company manages this risk by careful management of its working capital to ensure the Company's expenditure will not exceed available resources. As at October 31, 2024, the Company had a working capital surplus of \$4,963,631 (April 30, 2024 - deficit of \$1,438,809). The Company assesses its liquidity risk as low.

**c) Foreign exchange risk**

Foreign exchange risk is the risk that a variation in exchange rates between the Canadian dollar, the United States dollar, and Mexican Peso will affect the Company's operations and financial results. The Company and its subsidiaries are exposed to foreign exchange risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

The Company measures the effect on total assets or total receipts of reasonably foreseen changes in foreign exchange rates. The analysis is used to determine if these risks are material to the financial position of the Company. A 1% change in the foreign exchange rate between the CAD to the MXN and the USD would increase (decrease) the net loss and comprehensive loss for the six months ended October 31, 2024, by approximately \$2,494 (2023 - \$3,080). Actual financial results for the coming year will vary since the balances of financial assets are expected to decline as funds are used for Company expenses.

**12. CAPITAL MANAGEMENT**

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

In order to maintain or adjust the capital structure, the Company depends on Vizsla Silver's financial support. Vizsla Silver may issue new shares through short-form prospectuses, private placements, sell assets, incur debt, or return capital to shareholders.

There were no changes in the Company's approach to capital management during the six months ended October 31, 2024. In the management of capital, the Company includes the components of shareholder's equity. As at October 31, 2024, the Company is not subject to externally imposed capital requirements.

**13. SUBSEQUENT EVENTS**

No subsequent events to report.