



**FORM 2B**

**LISTING APPLICATION**

**VIZSLA ROYALTIES CORP.**

**APPLICATION FOR THE LISTING OF SHARES AND WARRANTS  
IN THE CAPITAL OF VIZSLA ROYALTIES CORP.  
ON THE TSX VENTURE EXCHANGE**

**August 15, 2024**

*No securities regulatory authority or the TSX Venture Exchange has expressed an opinion about the securities which are the subject of this application.*

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## ITEM 2 GLOSSARY

“\$” means Canadian dollars, unless otherwise specified.

“**Applicant**” means Vizsla Royalties Corp., a company existing under the BCBCA.

“**Arrangement Agreement**” means the arrangement agreement dated March 27, 2024 between Vizsla Silver and the Applicant, a copy of which is attached as Schedule C to the Circular.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**Board**” means the board of directors of the Applicant.

“**Canadian Subsidiary**” means Panuco Royalty Corp., a wholly-owned direct subsidiary of the Applicant.

“**Circular**” means the Vizsla Silver management information circular dated May 17, 2024.

“**Consolidation**” has the meaning given to it in Item 5 – Description of the Business – History.

“**First Start-up Loan**” has the meaning given to it in Item 5 – Description of the Business – History.

“**First Start-up Loan Settlement**” has the meaning given to it in Item 5 – Description of the Business – History.

“**Future Royalty Right**” has the meaning given to it in Item 5 – Description of the Business – History.

“**Liquid Investment**” at any date means an investment in or on the security of Canadian dollar obligations: (a) that is issued or guaranteed by the government of Canada or a province thereof; or (b) that is in term deposit receipts or certificates of deposit issued, or drafts accepted by, a Canadian chartered bank which is referred to in Schedule A or B to the *Bank Act* (Canada); or (c) that is issued as bonds and/or debentures by publicly traded Canadian corporations and/or publicly traded Canadian real estate investment trusts.

“**Listing Date**” means the date on which the Shares and Warrants are listed for trading on the TSX Venture Exchange.

“**Mexican Subsidiary**” means Canam Royalties Mexico, S.A. de C.V., a wholly-owned direct subsidiary of the Canadian Subsidiary.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

“**Number of Vizsla Silver Shares**” means 241,481,005, being the number of issued and outstanding Vizsla Silver Shares on the Effective Date.

“**Options**” means stock options in the capital of the Applicant.

“**Other Concessions**” has the meaning given to it Description of the Business – History.

“**Panuco Project**” means Vizsla Silver’s 100% owned flagship Panuco-Copala silver-gold project located in Mexico.

“**Private Placement**” has the meaning given to it in Item 6 – Description of the Business – History.

“**Royalties**” has the meaning given to it in Item 5 – Description of the Business – History.

“**Royalty Agreements**” has the meaning given to it in Item 5 – Description of the Business – History.

“**Royalty Right Agreement**” has the meaning given to it in Item 5 – Description of the Business – History.

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators +, accessible at [www.sedarplus.ca](http://www.sedarplus.ca).

“**Shares**” means common shares in the capital of the Applicant.

“**Silverstone Concessions**” has the meaning given to it in Item 5 – Description of the Business – History.

“**Stock Option Plan**” means the stock option plan of the Applicant, in the form attached as Schedule A to this Application.

“**TSXV**” means the TSX Venture Exchange.

“**Underlying Royalty Buyback Right**” has the meaning given to it in Item 5 – Description of the Business – History.

“**Vizsla Silver**” means Vizsla Silver Corp., a company existing under the BCBCA.

“**Vizsla Silver Shareholders**” means holders of Vizsla Silver Shares.

“**Vizsla Silver Shares**” means common shares in the capital of Vizsla Silver.

**“Vizla Silver Warrants”** means warrants to acquire Vizla Silver Shares.

**“Warrants”** means warrants in the capital of the Applicant.

### ITEM 3 SUMMARY

The following is a summary of the principal features of this listing and should be read together with the more detailed information, financial data and statements contained and incorporated by reference elsewhere in this Application.

The summary information with regard to the business of Vizsla Royalties Corp. (the “**Applicant**”) should be referenced together with the more detailed information and financial statements contained or referred to elsewhere in the Application and the Circular.

#### **Business of the Applicant**

On October 13, 2023, the Applicant was incorporated under the BCBCA as a wholly owned subsidiary of Vizsla Silver. The Applicant’s head office is located at Suite 1723, 595 Burrard Street, Vancouver, British Columbia V7X 1J1 and its registered office is located at Suite 401 – 353 Water Street, Vancouver, British Columbia, V6B 1B8. On June 24, 2024, the Applicant and Vizsla Silver completed a plan of arrangement whereby Vizsla Silver distributed Shares and Warrants to the Vizsla Silver Shareholders in accordance with the terms of the Arrangement Agreement (the “**Arrangement**”). Upon completion of the Arrangement, Vizsla Silver Shareholders became holders of Shares and Warrants. The Applicant became a reporting issuer in each of the provinces and territories of Canada upon closing of the Arrangement.

The Applicant is a growth-oriented precious metals royalty company that is focused on maximizing returns for its shareholders by growing its asset base, both organically and through accretive acquisitions of precious metal and other high-quality royalties.

The Applicant’s initial assets consist of: (a) approximately \$3,952,384 in cash, (b) \$2,000,000 in Liquid Investments, (c) the Royalties, which consist of the royalty in respect of the Other Concessions and the royalty in respect of the Silverstone Concessions, (d) the Future Royalty Right, and (e) the Underlying Royalty Buyback Right.

See Item 5 – Description of the Business.

#### **Management, Directors and Key Employees**

<b>Name</b>	<b>Title</b>
Michael Konnert	Director and Executive Chairman
Simon Cmrlec	Director
Karlene Collier	Director
Keith Bodnarchuk	Director
Michael Pettingell	Chief Executive Officer
Grant Tanaka	Chief Financial Officer
Jennifer Hanson	Corporate Secretary

See Item 16 – Directors and Executive Officers.

#### **Risk Factors**

An investment in the Applicant should be considered highly speculative due to the nature of the Applicant’s business. An investment in the Applicant’s securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk a loss of their entire investment. Investors should consult with their professional advisors to assess an investment in the Applicant’s securities.

See Item 21 – Risk Factors.

#### **Selected Consolidated Financial Information**

Set forth below is a summary of certain selected audited financial information with respect to the Applicant for the periods indicated. The selected financial information of the Applicant has been derived from the applicable Applicant financial statements set out in Schedule B to this Application.

<b>Selected audited financial information</b>	<b>April 30, 2024 (audited)</b>	<b>April 30, 2023 (audited)</b>
Current Assets	\$288,427	\$302,101
Royalty Interests	\$1	\$1

<b>Selected audited financial information</b>	<b>April 30, 2024 (audited)</b>	<b>April 30, 2023 (audited)</b>
Total Current Liabilities	\$1,727,236	\$1,562,815
Total Shareholders' Deficit	(\$1,438,808)	(\$1,260,713)

Set forth below is a summary of certain selected pro forma unaudited financial information with respect to the Applicant for the periods indicated. The selected pro forma unaudited financial information has been derived from the applicable pro forma unaudited financial statements set out in Schedule C to this Application. The pro forma adjustments are based upon the assumptions described in the notes to the unaudited pro forma financial statements. The unaudited pro forma financial statements are for illustrative purposes only and are not necessarily indicative of what the actual results of operations or financial position of the Applicant would have been if all these events had in fact occurred on the dates or for the periods indicated, nor do they purport to project the results of operations or financial position of the Applicant for any future periods or as of any date.

<b>Selected pro forma financial information</b>	<b>April 30, 2024 (unaudited)</b>
Royalty Interests	1 <sup>(1)</sup>
Total Assets	\$5,561,420
Total Liabilities	\$117,924
Total Shareholders' (Deficiency) Equity	\$5,443,496

Note:

(1) Under International Financial Reporting Standards ("IFRS"), the grant of the Royalty by Vizsla Silver to the Applicant is considered to be a transaction between parties under common control and accordingly the value of the Royalties has been recorded for accounting purposes at its historical carrying cost of nil. As the shareholders of Vizsla Silver continue to hold their respective interests in the Applicant, there was no resultant change of control in either company, or the underlying assets acquired. As such, the Plan of Arrangement was considered a capital reorganization and was excluded from the scope of IFRS 3, Business Combinations.

#### **ITEM 4 CORPORATE STRUCTURE**

The Applicant was incorporated under the BCBCA on October 13, 2023. Its registered office is located at 353 Water Street, Suite 401, Vancouver, British Columbia V6M 1A8. The telephone number for the registered office is (604) 260-4889. The corporate website for the Applicant is [www.vizslaroyalties.com](http://www.vizslaroyalties.com).

The Applicant has one wholly-owned subsidiary, being the Canadian Subsidiary, which was incorporated pursuant to the BCBCA. The Canadian Subsidiary has one wholly-owned subsidiary in Mexico, being the Mexican Subsidiary.

Upon completion of the Arrangement, the Applicant became a reporting issuer in each province and territory in Canada.

#### **ITEM 5 DESCRIPTION OF THE BUSINESS**

##### **Overview**

The Applicant was incorporated on October 13, 2023 as a wholly owned subsidiary of Vizsla Silver. On completion of the Arrangement, Vizsla Silver distributed Shares and Warrants to its shareholders in accordance with the terms of the Arrangement Agreement.

The Applicant is a growth-oriented precious metals royalty company that is focused on maximizing returns for its shareholders by growing its asset base, both organically and through accretive acquisitions of precious metal and other high-quality royalties.

The Applicant does not operate mines, develop projects or conduct exploration. The Applicant's business model is focused on managing and growing its portfolio including the Royalties. As the Applicant executes on its business plan, it intends to pursue organic royalty creation and seek to purchase additional royalties from third parties.

## **Principal Operations**

### ***The Royalty Business***

A royalty is a payment to a royalty holder by an operator or owner of a property and is typically based on a percentage of the minerals produced or the revenues or profits generated from the property. Royalty interests are established through a contract between the holder and the property owner. Royalties are not typically working interests in a property and, therefore, the holder is generally not responsible for contributing additional funds for any purpose, including operating or capital costs or environmental or reclamation liabilities.

Royalty interests, which are revenue-based as opposed to profit-based, have limited exposure to operating and capital costs incurred at the operating level. However, the holders share in the upside provided by exploration success, mine life extensions and operational expansions. A royalty business model facilitates greater diversification than is typical for mining companies. Royalty companies generally hold a portfolio of assets (often diversified by mine, jurisdiction or commodity), whereas mining companies generally are dependent on only one or a few key mines. The strength of the royalty business model relative to alternative precious metals investment vehicles has been demonstrated by the equity performance of peer companies across multiple gold price cycles.

### ***Business Model and Strategy***

The Applicant will pursue a two-pronged approach to growth:

1. Pursuing organic royalty creation through (a) deploying its exploration teams in prospective geological terrains for prospecting and staking combined with partner-funded exploration, and (b) funding claim fees or taxes on existing or newly staked mineral properties in exchange for a royalty interest; and
2. Augmenting its royalty portfolio with selective royalty acquisition. The Applicant's principals and advisors will leverage their geological expertise to evaluate emerging opportunities. The goal will be to deploy capital in a disciplined manner, focusing on strong risk-adjusted returns.

The Applicant will seek to acquire other royalties from companies which have projects that range from grassroots projects to advanced stage development projects. In return for making a one-time upfront payment to acquire a precious metals royalties, the Applicant will receive the right to a fixed percentage of the net smelter returns from a mine's sales of produced metals.

In acquiring a royalty, the Applicant's preference is for mineral properties that are in relatively close proximity to an operating mine (~50 km or less) within the Americas or Australasia and its due diligence process focuses on the geology and evidence of mineralization reported through previous exploration.

The Applicant is focused on precious metal royalties on mines with low production costs, significant exploration potential and strong management teams. The Applicant expects to target investments in the Americas and Australasia; however, the Applicant will pursue assets globally for appropriate risk-adjusted returns where it can ensure adequate protections and where the asset quality justifies it. As is the case with the Panuco Project, the Applicant will focus on investing in mines and projects where ESG issues are believed to be well-managed by its counterparties. The Applicant will use a differentiated approach to assessing new investment opportunities, supplementing its team with highly-specific third-party experts drawn from an extensive network. The expertise employed and focus on diligence will be tailored for each investment. The Applicant's due diligence process will include an assessment of its counterparties' environmental and local stakeholder management, as good management of these matters promotes the long-term prosperity of operations for all stakeholders. The Applicant expects to operate with a lean core team of professionals in order to maintain low overhead costs in pursuit of its growth-oriented strategy.

Additionally, the Applicant may consider opportunities to restructure its royalties where it believes such a restructuring may provide a long-term benefit to the Applicant's shareholders, even if such restructuring may reduce near-term revenues or result in the Applicant incurring transaction related costs. The Applicant may enter into one or more acquisitions, restructurings or other royalty transactions at any time.

The Board has adopted an investment policy (the "**Investment Policy**") to govern its investment activities. The Investment Policy sets out, among other things, the investment objectives and strategy based on certain fundamental principles. See "Investment Policy" below.

The nature and timing of investments will depend, in part, on the investment opportunities identified and available to the Applicant. The composition of its investment portfolio will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk.

## ***Investment Policy***

The Applicant's investment objectives are to seek an above average return on investment, primarily in the mining sector, through the acquisition of mining royalties, streams on mining projects and mines, equity in mining companies and derivatives tied to mining companies or precious metals.

### Investment Strategy

The Applicant's strategy is flexible and is expected to change over time to reflect prevailing market conditions and the size and diversification of its investment portfolio. The current investment strategy is summarized below.

Investment Sector	The mining industry, including exploration and development projects and producing mines.
Investment Types	Equity, debt, royalties, income and commodity streams, derivatives and any other investment structures or instruments that could be acquired or created.
Investment Size	Unlimited, which may result in the Applicant holding a control position in a target corporation and/or having its assets concentrated in a small number of investments.
Investment Targets	Direct project investments, either through a derivative interest (such as a royalty, stream or other derivative facility) or through direct equity in a project.  Investments in public or private corporations, partnerships, joint ventures or other legal entities, which own, or propose to own, mining assets or derivatives of mining assets.  In addition, the Applicant will also invest a portion of its assets in Liquid Investments.
Investment Diligence	The Applicant will review each potential investment opportunity alongside a team of technical experts with specific experience in the respective investment sector.
Investment Oversight	The Applicant will seek to maintain the ability to actively review and revisit all of its investments on an ongoing basis.
Commodities	The Applicant's objective is to invest in silver, gold and other metals and minerals including, but not limited to: platinum group metals, base metals, ferrous metals, non-ferrous metals, industrial metals, non-industrial metals, agricultural minerals, industrial minerals and other minerals.
Jurisdictions	The Applicant is not limited to any one jurisdiction or region as it pertains to its investments, however, the Applicant's preference will be for mineral properties that are in relatively close proximity to an operating mine.
Timeline	The Applicant's objective is to hold investments for long periods. However, circumstances may cause the Applicant to reconsider its investment time horizon. In addition, certain investments will be short term in nature.
Liquidity	The Applicant will evaluate the liquidity of investments and seek to realize value in a prudent and orderly fashion, however, certain types of investments, such as royalties and streams, are not traded on any exchange or liquid market and may have limited or no liquidity depending on market conditions.

### Composition of Investment Portfolio

The nature and timing of the Applicant's investments will depend, in part, on the investment opportunities identified and available to the Applicant.

The composition of the Applicant's investment portfolio will vary over time depending on its assessment of a number of factors, including the performance of financial markets, commodities markets, geopolitical factors, credit risk and availability of technical team members to provide proper oversight with respect to mining operations in which the Applicant has an investment.

## History

The Applicant was incorporated under the BCBCA on October 13, 2023. A brief description of the Applicant's history since its incorporation is as follows:

### *Royalties*

Pursuant to the royalty agreements dated February 22, 2022 and February 25, 2022 between Vizsla Silver and the Applicant (the "**Royalty Agreements**"), Vizsla Silver granted the Applicant a 2% net smelter returns royalty on certain concessions comprising the Panuco Project (the "**Other Concessions**") and a 0.5% net smelter returns royalty on certain other concessions comprising the Panuco Project (the "**Silverstone Concessions**") (collectively, the "**Royalties**").

### *First Start-up Loan*

Vizsla Silver initially loaned \$1,609,312 (the "**First Start-up Loan**") to the Applicant. The proceeds of the First Start-up Loan were utilized by the Applicant to fund start-up costs including those relating to the Arrangement, and for general business requirements. The First Start-up Loan is unsecured, non-interest bearing and due upon completion of the Arrangement in cash or Shares at the discretion of the Applicant.

### *Second Start-up Loan*

Vizsla Silver loaned an additional \$470,080 (the "**Second Start-up Loan**") to the Applicant following the advance of the First Start-up Loan. The proceeds of the Second Start-up Loan were utilized by the Applicant to fund start-up costs including those relating to the Arrangement, and for general business requirements. The Second Start-up Loan is unsecured, non-interest bearing and due upon completion of the Arrangement in cash or Shares at the discretion of the Applicant.

### *Future Royalty Right*

On May 8, 2024, Vizsla Silver and the Applicant entered into a royalty right agreement (the "**Royalty Right Agreement**"). The Royalty Right Agreement provides that, if Vizsla Silver or any of its affiliates acquires any a mineral property within a two-kilometre boundary around the Panuco Project, it must give notice to the Applicant and offer to grant a net smelter returns royalty on such mineral property to the Applicant on terms proposed by Vizsla Silver (the "**Future Royalty Right**"). The Applicant may then elect to accept the terms of such offer.

The Royalty Right Agreement will terminate upon the earlier of (a) the date which is 24 months from the effective date of the Arrangement, and (b) a change of control of Vizsla Silver or the Applicant.

### *Arrangement*

On March 27, 2024, Vizsla Silver and the Applicant entered into the Arrangement Agreement whereby Vizsla Silver and the Applicant agreed to proceed with a corporate restructuring by way of a statutory plan of arrangement under the BCBCA.

On June 24, 2024, the Applicant and Vizsla Silver completed the Arrangement. Pursuant to the Arrangement, Shares and Warrants were distributed to Vizsla Silver Shareholders on the basis of 1/3 of one Share and 1/3 of one Warrant for every Vizsla Silver Share. An aggregate of 80,493,651 Shares (8,049,365 Shares on a post-Consolidation basis) and 80,493,651 Warrants (8,049,365 Warrants on a post-Consolidation basis) were distributed to Vizsla Silver Shareholders. The Arrangement was approved by the Supreme Court of British Columbia in its final order dated June 19, 2024.

Following the Arrangement, Vizsla Silver Shareholders held approximately 49% of the outstanding Shares. Vizsla Silver retained the remaining approximately 51% of the outstanding Shares.

Pursuant to the Arrangement:

- Each outstanding Vizsla Silver option was replaced with an option to acquire 1/3 of a Share (each an "**Option**"); and
- The Applicant has an obligation to issue Shares to Vizsla Silver Shareholders upon the exercise of Vizsla Silver Warrants at a ratio of 1/3 of one Share per each one Vizsla Silver Share.

The Arrangement was carried out to reorganize and transfer the Royalties to the Applicant, and to allow Vizsla Silver to focus on exploration and development of the Panuco Project.

### ***First Start-up Loan Settlement***

On July 18, 2024, Vizsla Silver and the Applicant settled the principal amount of the First Start-up Loan for an aggregate of 32,186,240 Shares (3,218,624 Shares on a post-Consolidation basis) at a deemed price of \$0.05 per Share (\$0.50 on a post-Consolidation basis) (the “**First Start-up Loan Settlement**”).

Following the First Start-up Loan Settlement, Vizsla Silver held approximately 59% of the issued and outstanding Shares.

### ***Private Placement***

On July 30, 2024, the Applicant completed the Private Placement.

Vizsla Silver did not participate in the Private Placement. Following the Private Placement, Vizsla Silver held approximately 41% of the issued and outstanding Shares.

See Item 6 – Financings.

### ***Consolidation***

Effective August 6, 2024, the Applicant completed a consolidation of its common shares on the basis of one new Share for every ten old Shares (the “**Consolidation**”).

### **Capitalization**

As at the date of this Application, the Applicant has cash in the amount of approximately \$3,952,384 and \$2,000,000 in Liquid Investments.

See Item 5 – Description of the Business – Available Funds and Principal Purposes.

### ***Trends***

Management is not aware of any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on the Applicant’s business, financial condition or results of operations as at the date of this Application, except as otherwise disclosed herein or except in the ordinary course of business.

### ***Material Properties***

The Panuco Project is the Applicant’s only material property for purposes of NI 43-101. The Applicant has a royalty interest in the Panuco Project.

See Schedule E – Information Concerning the Panuco Project.

### ***Available Funds and Principal Purposes***

The Applicant has approximately \$5,952,384 of estimated funds available as of the date of this Application, comprised of the following:

<b>Available Funds</b>	<b>Funds</b>
Working capital of the Applicant on July 31, 2024	\$759,886 <sup>(1)</sup>
Proceeds of the Private Placement	\$5,192,498
<b>Total</b>	<b>\$5,952,384</b>

Notes:

(1) Consists of working capital upon completion of the Arrangement of \$(1,400,000) plus (a) \$80,494 proceeds of the subscription by Vizsla Silver for Warrants, (b) \$1,609,312 representing the amount of debt settled in the First Start-up Loan Settlement, and (c) \$470,080 representing the amount of the Second Start-up Loan.

The expected principal purposes for which the available funds will be used are described below:

<b>Principal Purpose</b>	<b>Funds</b>
Evaluation and acquisition of potential royalty interests <sup>(1)</sup>	\$450,000
Estimated general and administrative costs for 12 months <sup>(2)</sup>	\$822,000
Repayment of the Second Start-up Loan	\$470,080
Acquisition of Liquid Investments <sup>(3)</sup>	\$2,000,000
Unallocated working capital	\$2,210,304
<b>Total</b>	<b>\$5,952,384</b>

Notes:

- (1) The Applicant will augment its royalty portfolio with selective royalty acquisition. The Applicant’s principals and advisors will leverage their geological expertise to identify and evaluate emerging opportunities.
- (2) See below.
- (3) Completed on August 13, 2024.

The Applicant estimates that its working capital will be sufficient to meet its general and administrative costs and exploration expenditures for the twelve-month period following the Listing Date. General and administrative costs for the twelve-month period following the Listing Date are comprised of the following:

Item	Estimated Cost
Management and directors’ fees	\$410,000
Professional fees – legal, accounting and auditing	\$298,000
Office and administrative	\$114,000
<b>Total</b>	<b>\$822,000</b>

## ITEM 6 FINANCINGS

On July 30, 2024, the Applicant completed a private placement (the “**Private Placement**”) of 86,541,636 Shares (8,654,164 Shares on a post-Consolidation basis) at a price of \$0.06 per Share (\$0.60 on a post-Consolidation basis) for aggregate gross proceeds of \$5,192,498. The directors and officers of the Applicant subscribed for 8,299,998 Shares (829,999 Shares on a post-Consolidation basis).

The Applicant has cash in an amount of approximately \$3,952,384 and Liquid Investments in the amount of \$2,000,000 (see Item 5 – Description of the Business – Available Funds and Principal Purposes), with its funding derived from the First Start-up Loan and the Private Placement.

### **Business Objectives and Milestones**

#### *Business Objectives*

The Applicant’s business objectives for the 12-month period after the date of this Application will be to focus on the development of the Panuco Royalty, and to commence the process of identifying further investment opportunities to grow its portfolio of assets.

#### *Milestones*

The Applicant intends to identify investment opportunities in projects at various stages in the mining cycle, including:

1. Early-Stage Projects: With early-stage projects, the geological risk is high, as the operator may not ever make a discovery, possibly resulting in the investment being written off, but the cost of the investment is low. If an economic discovery is made that is then developed into a mine, the returns on that royalty against the cost of investment can be significant.
2. Exploration-Stage Projects: Exploration projects have seen sustained geological exploration from grassroots fieldwork and geophysical surveys up to trenching and diamond drilling. As with early-stage projects, they benefit from the project generator model to drive new exploration funding. Geologic risk can be reduced on these projects, both through the use of partner-funded exploration and identification of ongoing targets for follow up work.
3. Advanced Exploration Stage Projects: Advanced exploration projects typically have either a current resource (as defined by NI 43-101) or the Canadian Institute of Mining or have seen sufficient historical drilling to define a mineralized exploration target for further drilling. For projects with a current resource, ongoing work may involve drilling and geological modelling to increase the confidence of the economics of a project through the conversion of inferred resources to indicated resources and measured resources.

The Applicant’s focus is high value projects in politically stable jurisdictions in the Americas and Australasia that have not been identified by larger royalty companies. The Applicant’s vision is to reduce exposure to exploration risks by investing in undervalued or overlooked early stage to advanced exploration opportunities through the purchase of royalty interests. Accordingly, to finance the acquisition of such royalty interests (if any), the Applicant may undertake one or more subsequent financings.

The Silverstone Concessions are subject to a 3% net smelter returns royalty in favour of a third party (the “**Underlying Royalty**”). The Mexican Subsidiary has the right to purchase one-half of the Underlying Royalty for consideration of US\$1,950,000 (the “**Underlying Royalty Buyback Right**”). The Applicant expects to exercise the Underlying

Royalty Buyback Right within the 18-month period after the date of this Application. Prior to such exercise, the Applicant will conduct such additional due diligence as may be necessary to establish title to the Underlying Royalty. The Applicant has sufficient working capital to meet its financial requirements for at least the next 12 months. See “Risk Factors – Uncertainty of Use of Available Funds”.

The Applicant anticipates achieving its objectives through the following means: (i) by acquiring assets through the issuance of Shares; (ii) by raising additional capital through the issuance of Shares or the exercise of existing convertible securities and (iii) by securing credit facilities.

## **ITEM 7 DIVIDENDS AND OTHER DISTRIBUTIONS**

The Applicant has never declared, nor paid, any dividends since its incorporation and does not foresee paying any dividends in the near future since all available funds will be used to conduct exploration activities. Any future payment of dividends will depend on the financing requirements and financial condition of the Applicant and other factors which the board of directors, in its sole discretion, may consider appropriate and in the best interests of the Applicant.

## **ITEM 8 MANAGEMENT’S DISCUSSION AND ANALYSIS**

See Schedule B to this Application.

## **ITEM 9 DISCLOSURE OF OUTSTANDING SECURITY DATA ON FULLY DILUTED BASIS**

### **Shares**

The Shares are the only class of voting or equity securities of the Applicant for which there are securities outstanding.

As of the date of this Application, 28,232,608 Shares are issued and outstanding, consisting of:

- 8,049,365 Shares distributed to Vizsla Silver Shareholders pursuant to the Arrangement;
- 8,300,000 Shares held by Vizsla Silver;
- 3,218,624 Shares issued in connection with the First Start-up Loan Settlement;
- 8,654,164 Shares issued pursuant to the Private Placement;
- 3,587 Shares issued pursuant to the exercise of Warrants following completion of the Arrangement; and
- 6,869 Shares issued pursuant to the exercise of Vizsla Silver Warrants following completion of the Arrangement.

See Item 10 – Description of Securities to be Listed and Item 13 – Prior Sales.

### **Warrants**

As of the date of this Application, 8,045,778 Warrants are outstanding.

3,587 Warrants were exercised following completion of the Arrangement.

See Item 10 – Description of Securities to be Listed and Item 13 – Prior Sales.

### **Options**

As of the date of this Application 765,624 Options are outstanding. See Item 12 – Stock Option Plan.

### **Other**

In addition, as per the terms of the Arrangement, the Applicant has agreed to issue Shares to Vizsla Silver Shareholders upon the exercise of Vizsla Silver Warrants at a ratio of 1/3 of a Share for each one Vizsla Silver Warrant, and Vizsla Silver has agreed to pay the Applicant an amount that is equal to the exercise price under the Vizsla Silver Warrant multiplied by fair market value of 1/3 of a Share at the Listing Date (see Item 11 – Consolidated Capitalization). If all outstanding Vizsla Silver Warrants were exercised, the Applicant would be obligated to issue up to 296,854 Shares.

**ITEM 10  
DESCRIPTION OF SECURITIES TO BE LISTED**

**Shares**

The holders of Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Applicant and each Shares confers the right to one vote in person or by proxy at all meetings of the shareholders of the Applicant. The holders of Shares, subject to the prior rights, if any, of any other class of shares of the Applicant, are entitled to receive such dividends in any financial year as the board of directors of the Applicant may determine. In the event of the liquidation, dissolution or winding-up of the Applicant, whether voluntary or involuntary, the holders of Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Applicant, the remaining property and assets of the Applicant.

**Warrants**

Each Warrant entitles the holder thereof to purchase one Share at an exercise price of \$0.50 per Share (\$0.05 on a pre-Consolidation basis) for a period expiring on the earlier of: (a) 120 days after the Listing Date; and (b) December 31, 2025.

**ITEM 11  
CONSOLIDATED CAPITALIZATION**

Other than as described in this Application (including the table below), there have been no material changes in the share capitalization or the indebtedness of the Applicant since April 30, 2024. The following table sets out the capitalization of the Applicant as of April 30, 2024 and the date of this Listing Statement. See “Prior Sales”, “Description of Share Capital – Shares” and “Description of Share Capital – Options”. The following table must be read in conjunction with the audited financial statements of the Applicant.

Designation	Amount Authorized	Amount Outstanding as of April 30, 2024	Amount Outstanding as of the Date of this Application
Shares	Unlimited	1	28,232,608 <sup>(1)</sup>
Warrants	N/A	Nil	8,045,778 <sup>(2)(3)(4)</sup>
Options	10% “rolling plan”	Nil	765,624 <sup>(5)(6)</sup>
<b>Total</b>			<b>37,041,942</b>

Notes:

- (1) See Item 9 – Disclosure of Outstanding Security Data on Fully Diluted Basis and Item 10 – Description of Securities to be Listed – Shares.
- (2) Issued pursuant to the Arrangement. See Item 10 – Description of Securities to be Listed – Warrants.
- (3) In addition, as per the terms of the Arrangement, the Applicant has agreed to issue Shares to Vizsla Silver Shareholders upon the exercise of Vizsla Silver Warrants at a ratio of 1/3 of a Share for each one Vizsla Silver Warrant, and Vizsla Silver has agreed to pay the Applicant an amount that is equal to the exercise price under the Vizsla Silver Warrant multiplied by fair market value of 1/3 of a Share at the Listing Date (see Item 11 – Consolidated Capitalization). If all outstanding Vizsla Silver Warrants were exercised, the Applicant would be obligated to issue up to 296,854 Shares.
- (4) All of these Warrants have an exercise price of \$0.50 per Share (\$0.05 on a pre-Consolidation basis).
- (5) Issued pursuant to the Arrangement. See Item 9 – Disclosure of Outstanding Security Data on Fully Diluted Basis, Item 10 – Description of Securities to be Listed – Options, and Item 12 – Stock Option Plan.
- (6) These Options have exercise prices ranging from \$0.212 per Share (\$0.0212 on a pre-Consolidation basis) to \$0.414 per Share (\$0.0414 on a pre-Consolidation basis) and expiry dates ranging from December 30, 2024 to February 27, 2029.

The Applicant expects to issue additional Options in the normal course after the Listing Date.

**ITEM 12  
STOCK OPTION PLAN**

The board of directors of the Applicant has approved the Stock Option Plan. The purpose of the Stock Option Plan is to provide the Applicant with a share-related mechanism to attract, retain and motivate qualified executives, employees and consultants, to incentivize such individuals to contribute toward the Applicant’s long-term goals, and to encourage such individuals to acquire the Shares as long-term investments. The Stock Option Plan is a 10% rolling plan and will be administered by the board of directors of the Applicant.

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan attached as Schedule A to this Application.

The following is a summary of key elements of the Stock Option Plan:

- an Option granted under the Option Plan will have an expiry date not to exceed ten years from the date of grant;
- any Option granted that expires or terminates for any reason without having been exercised will again be available under the Option Plan;
- the maximum number of Options which may be granted to any one holder under the Option Plan within any 12 month period will be 5% of the outstanding shares, unless the Applicant obtains disinterested shareholder approval;
- the maximum number of Options which may be granted to insiders within any 12 month period must not exceed 10% of the outstanding shares (including any Options which are granted and exercised within that 12 month period), unless the Applicant obtains disinterested shareholder approval;
- the Options will vest as required by the TSXV and as may be determined by the administrator of the Option Plan, or in the absence of such body, the Board;
- the minimum exercise price of any Option issued under the Option Plan may not be less than the closing trading price of the Applicant's shares on the day immediately preceding the grant date, subject to any discount allowed by the policies of the TSXV;
- for stock options held by executives who cease to hold such position other than by reason of death or disability, the expiry date will be the 30th day following the date the holder ceases to hold such position, unless otherwise determined by the Board and in any event such date not to exceed one year. If the holder ceases to hold such position as a result of (i) ceasing to meet the corporate law qualifications of the position previously held, (ii) having been removed by such position by a special resolution of shareholders, or (iii) a regulatory authority order, the stock option held by such executive will expire on the date such holder ceases to hold such position;
- the Applicant cannot grant Options to any one consultant in any 12 month period which could, when exercised, result in the issuance of shares exceeding 2% of the issued and outstanding Shares;
- the Applicant cannot grant Option in any 12 month period to persons employed or engaged by the Applicant to perform investor relations activities which could, when exercised, result in the issuance of common shares exceeding, in aggregate, 2% of the issued and outstanding shares of the Applicant and stock options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the stock options vested in any three month period;
- in connection with the exercise of an Option, as a condition to such exercise the Applicant may require the optionee to pay to the Applicant an amount as necessary so as to ensure that the Applicant is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such stock option; and
- subject to the approval of the TSXV, in the case of a change of control the Board may, without the consent of option holders cause all or a portion of any of stock options to terminate or be exchanged for stock options of another corporation upon the occurrence of a change of control in such ratio and at such exercise price as the Board deems appropriate, acting reasonably; and
- in lieu of exercising an Option to receive Shares, the Board may permit participants to elect to undertake a "cashless exercise" or a "net exercise" in respect of Options.

### ITEM 13 PRIOR SALES

See Item 9 – Disclosure of Outstanding Security Data on Fully Diluted Basis.

#### Shares

On October 13, 2023, the Applicant issued one Share to Vizsla Silver at a price of \$0.01 (the "Incorporator's Share"). On June 21, 2024, the Applicant subdivided the Incorporator's Share into 163,493,651 Shares (16,349,365 Shares on a post-Consolidation basis), all of which continued to be held by Vizsla Silver. Pursuant to the Arrangement, Vizsla Silver distributed 80,493,651 (being the Number of Vizsla Shares multiplied by 1/3) of these Shares (8,049,365 Shares

on a post-Consolidation basis) to the Vizsla Silver Shareholders. Following the Arrangement, Vizsla Silver held the balance of the 83,000,000 Shares (8,300,000 Shares on a post-Consolidation basis).

On July 18, 2024, the Applicant issued 32,186,240 Shares (3,218,624 Shares on a post-Consolidation basis) to Vizsla Silver at a deemed price of \$0.05 per Share (\$0.50 on a post-Consolidation basis) in connection with the First Start-up Loan Settlement.

On July 30, 2024, the Applicant issued 86,541,636 Shares (8,654,164 Shares on a post-Consolidation basis) at a price of \$0.06 (\$0.60 on a post-Consolidation basis) in connection with the Private Placement.

On July 10, 2024, the Applicant issued 1,000 Shares (100 Shares on a post-Consolidation basis) pursuant to the exercise of Warrants.

On July 12, 2024, the Applicant issued 267 Shares (27 Shares on a post-Consolidation basis) pursuant to the exercise of Warrants.

On July 18, 2024, the Applicant issued 20,965 Shares (2,097 Shares on a post-Consolidation basis) pursuant to the exercise of Warrants.

On July 19, 2024, the Applicant issued 4,099 Shares (410 Shares on a post-Consolidation basis) pursuant to the exercise of Warrants.

On July 22, 2024, the Applicant issued 22,533 Shares (2,253 Shares on a post-Consolidation basis) pursuant to the exercise of Vizsla Silver Warrants.

On July 24, 2024, the Applicant issued 403 Shares (40 Shares on a post-Consolidation basis) pursuant to the exercise of Warrants.

On July 25, 2024, the Applicant issued 1,666 Shares (167 Shares on a post-Consolidation basis) pursuant to the exercise of Vizsla Silver Warrants.

On July 26, 2024, the Applicant issued 5,832 Shares (583 Shares on a post-Consolidation basis) pursuant to the exercise of Warrants.

On July 26, 2024, the Applicant issued 23,805 Shares (2,381 Shares on a post-Consolidation basis) pursuant to the exercise of Vizsla Silver Warrants.

On July 29, 2024, the Applicant issued 20,683 Shares (2,068 Shares on a post-Consolidation basis) pursuant to the exercise of Vizsla Silver Warrants.

On July 30, 2024, the Applicant issued 666 Shares (66 Shares on a post-Consolidation basis) pursuant to the exercise of Warrants.

On August 2, 2024, the Applicant issued 2,638 Shares (264 Shares on a post-Consolidation basis) pursuant to the exercise of Warrants.

### **Warrants**

On June 21, 2024, the Applicant issued 80,493,651 Warrants to Vizsla Silver at a price of \$0.001 per Warrant. Pursuant to the Arrangement, Vizsla Silver distributed 80,493,651 (being the Number of Vizsla Shares multiplied by 1/3) of these Warrants (8,049,365 Warrants on a post-Consolidation basis) to the Vizsla Silver Shareholders. Following such distribution, Vizsla Silver did not hold any Warrants.

## **ITEM 14**

### **ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER**

To the knowledge of the Applicant, the following securities of the Applicant are subject to escrow:

<b>Name</b>	<b>Designation of Class</b>	<b>Number of Securities held in escrow or that are subject to contractual restrictions on resale<sup>(1)</sup></b>	<b>Percentage of Class</b>
Vizsla Silver Corp.	Shares	11,518,624	41%
	Warrants	Nil	N/A
	Options <sup>(2)</sup>	Nil	N/A
Michael Konnert	Shares	79,790	<1%
	Warrants	79,790	<1%
	Options <sup>(2)</sup>	162,433	1%

Simon Cmrlec	Shares	37,857	<1%
	Warrants	37,857	<1%
	Options <sup>(2)</sup>	70,833	<1%
Karlene Collier	Shares	Nil	N/A
	Warrants	Nil	N/A
	Options	10,167	<1%
Keith Bodnarchuk	Shares	233	<1%
	Warrants	233	<1%
	Options <sup>(2)</sup>	Nil	N/A
Michael Pettingell	Shares	2,065	<1%
	Warrants	2,065	<1%
	Options <sup>(2)</sup>	43,500	<1%
Grant Tanaka	Shares	216	<1%
	Warrants	216	<1%
	Options <sup>(2)</sup>	833	<1%
Jennifer Hanson	Shares	1,068	<1%
	Warrants	1,068	<1%
	Options <sup>(2)</sup>	16,157	<1%

Notes:

(1) Does not include Shares acquired pursuant to the Private Placement.

(2) All Options with an exercise price below \$0.60 are subject to escrow pursuant to policies of the TSXV.

The Shares, Warrants and Options set out in the table above (the “**Escrowed Securities**”) have been deposited in escrow with Computershare Investor Services Inc. pursuant to a 36-month Value Security Escrow Agreement and will be released as follows: 10% of the Escrowed Securities released upon the date of issuance of the Exchange Bulletin and an additional 15% of the Escrowed Securities released every six months thereafter, until all Escrowed Securities have been released (i.e., 36 months following the date of the Exchange Bulletin). Any additional Shares acquired by the above listed persons upon exercise of Warrants or Options (including Vizsla Silver Warrants outstanding as of the closing of the Arrangement) will be placed in escrow.

There are no Shares, Warrants or Options subject to contractual restrictions on transfer other than the Escrowed Securities. All Shares issued pursuant to the Private Placement, including those issued to Insiders, are subject to a statutory hold period of four months and one day pursuant to applicable securities laws.

## ITEM 15 PRINCIPAL SECURITYHOLDERS

To the knowledge of the Applicant, as of the date of this Application and after giving effect to the Arrangement and the Private Placement, there are no persons who directly or indirectly, own or exercise control or direction over, securities carrying more than 10% of the voting rights attached to any class of voting securities of the Applicant other than Vizsla Silver.

As at the date of this Application, Vizsla Silver holds 11,518,624 or approximately 41% of the outstanding Shares. See “Escrowed Securities and Securities Subject to Restrictions on Transfer”.

## ITEM 16 DIRECTORS AND EXECUTIVE OFFICERS

The names, municipality of residence and positions with the Applicant of the directors and executive officers of the Applicant are set out below.

Name and Jurisdiction of Residence <sup>(1)</sup>	Director/Officer Since	Principal Occupations during Last Five Years <sup>(1)</sup>	Securities Beneficially Owned or Controlled on the Listing Date <sup>(2)(3)</sup>
Michael Konnert British Columbia, Canada <i>Director and Executive Chairman</i>	October 13, 2023	Chief Executive Officer of Vizsla Silver Corp. and Managing Partner of Inventa Capital Corp.	329,790 Shares 79,790 Warrants 162,433 Options

Name and Jurisdiction of Residence <sup>(1)</sup>	Director/Officer Since	Principal Occupations during Last Five Years <sup>(1)</sup>	Securities Beneficially Owned or Controlled on the Listing Date <sup>(2)(3)</sup>
Simon Cmrlec <sup>(4)</sup> British Columbia, Canada <i>Director</i>	April 24, 2024	Chief Operating Officer of Vizsla Silver Corp. Previously Chief Operating Officer at Ausenco Limited.	371,190 Shares 37,857 Warrants 70,833 Options
Karlene Collier <sup>(4)</sup> British Columbia, Canada <i>Director</i>	April 24, 2024	Vice President Operations of Inventa Capital Corp.	8,333 Shares Nil Warrants 10,333 Options
Keith Bodnarchuk <sup>(4)</sup> British Columbia Canada <i>Director</i>	April 24, 2024	President and Chief Executive Officer of Cosa Resources Corp.	33,566 Shares 233 Warrants Nil Options
Michael Pettingell British Columbia, Canada <i>Chief Executive Officer</i>	April 25, 2024	Senior Vice-President, Business Development and Strategy of Vizsla Silver Corp.	102,065 Shares 2,065 Warrants 43,500 Options
Grant Tanaka British Columbia, Canada <i>Chief Financial Officer</i>	April 25, 2024	Chief Financial Officer of Vizsla Copper Corp.	83,549 Shares 216 Warrants 833 Options
Jennifer Hanson British Columbia, Canada <i>Corporate Secretary</i>	April 25, 2024	President, JC Hanson Corporate Services Inc. (corporate services firm), through which she acts as Corporate Secretary for Vizsla Silver, Outback Goldfields, Tarachi Gold Corp., Vizsla Copper Corp., Targa Exploration Corp. and other public and private companies.	14,401 Shares 1,068 Warrants 16,157 Options

Notes:

- (1) The information as to residence, principal occupation or employment and Shares beneficially owned, directly or indirectly, or controlled has been furnished by the respective director or officer. Includes Shares acquired pursuant to the Private Placement.
- (2) Does not include Shares issuable upon the exercise of Vizsla Silver Warrants.
- (3) Includes securities acquired through the Arrangement and the Private Placement. See table below.
- (4) Member of the Audit Committee.

The securities beneficially owned by the directors and executive officers of the Applicant were acquired through the Arrangement and through the Private Placement, as outlined in the following table:

Name <sup>(1)</sup>	Acquired Through the Arrangement	Acquired Through the Private Placement	Total
Michael Konnert	79,790 Shares 79,790 Warrants 162,433 Options	250,000 Shares	329,790 Shares 79,790 Warrants <sup>(2)</sup> 162,433 Options <sup>(3)</sup>
Simon Cmrlec	37,857 Shares 37,857 Warrants 70,833 Options	333,333 Shares	371,190 Shares 37,857 Warrants <sup>(2)</sup> 70,833 Options <sup>(4)</sup>
Karlene Collier	Nil Shares Nil Warrants 10,333 Options	8,333 Shares	8,333 Shares Nil Warrants <sup>(2)</sup> 10,333 Options <sup>(5)</sup>
Keith Bodnarchuk	233 Shares 233 Warrants Nil Options	33,566 Shares	33,566 Shares 233 Warrants <sup>(2)</sup> Nil Options
Michael Pettingell	2,065 Shares 2,065 Warrants 43,500 Options	100,000 Shares	102,065 Shares 2,065 Warrants <sup>(2)</sup> 43,500 Options <sup>(6)</sup>

Name <sup>(1)</sup>	Acquired Through the Arrangement	Acquired Through the Private Placement	Total
Grant Tanaka	216 Shares 216 Warrants 833 Options	83,333 Shares	83,549 Shares 216 Warrants <sup>(2)</sup> 833 Options <sup>(7)</sup>
Jennifer Hanson	1,068 Shares 1,068 Warrants 16,157 Options	13,333 Shares	14,401 Shares 1,068 Warrants <sup>(2)</sup> 16,157 Options <sup>(8)</sup>

**Notes:**

- (1) The information as to securities beneficially owned, directly or indirectly, or controlled has been furnished by the respective director or officer.
- (2) All of these Warrants have an exercise price of \$0.50 per Share (\$0.05 on a pre-Consolidation basis).
- (3) 11,667 of these Options have an exercise price of \$0.381 per Share (\$0.0381 on a pre-Consolidation basis), 10,767 of these Options have an exercise price of \$0.3260 per Share (\$0.0326 on a pre-Consolidation basis), 33,333 of these Options have an exercise price of \$0.394 per Shares (\$0.0394 on a pre-Consolidation basis), 16,667 of these Options have an exercise price of \$0.3970 per Share (\$0.0397 on a pre-Consolidation basis), 50,000 of these Options have an exercise price of \$0.34 per Shares (\$0.034 on a pre-Consolidation basis), and 40,000 of these Options have an exercise price of \$0.397per Shares (\$0.0397 on a pre-Consolidation basis).
- (4) 4,167 of these Options have an exercise price of \$0.212 per Share (\$0.0212 on a pre-Consolidation basis), 3,333 of these Options have an exercise price of \$0.258 per Share (\$0.0258 on a pre-Consolidation basis), 3,333 of these Options have an exercise price of \$0.266 per Share (\$0.0266 on a pre-Consolidation basis), 3,333 of these Options have an exercise price of \$0.381 per Share (\$0.0381 on a pre-Consolidation basis), 4,167 of these Options have an exercise price of \$0.326 per Share (\$0.0326 on a pre-Consolidation basis), 6,667 of these Options have an exercise price of \$0.394 per Share (\$0.0394 on a pre-Consolidation basis), 3,333 of these Options have an exercise price of \$0.397 per Share (\$0.0397 on a pre-Consolidation basis), 5,833 of these Options have an exercise price of \$0.34 per Share (\$0.034 on a pre-Consolidation basis), and 36,667 of these Options have an exercise price of \$0.397 per Share (\$0.0397 on a pre-Consolidation basis).
- (5) 2,667 of these Options have an exercise price of \$0.212 per Share (\$0.0212 on a pre-Consolidation basis), 2,500 of these Options have an exercise price of \$0.381 per Share (\$0.0381 on a pre-Consolidation basis), 667 of these Options have an exercise price of \$0.394 per Share (\$0.0394 on a pre-Consolidation basis), 333 of these Options have an exercise price of \$0.397 per Share (\$0.0397 on a pre-Consolidation basis), 1,167 of these Options have an exercise price of \$0.34 per Share (\$0.034 on a pre-Consolidation basis), and 1,667 of these Options have an exercise price of \$0.397 per Share (\$0.0397 on a pre-Consolidation basis).
- (6) 7,333 of these Options have an exercise price of \$0.404 per Share (\$0.0404 on a pre-Consolidation basis), 4,000 of these Options have an exercise price of \$0.397 per Share (\$0.0397 on a pre-Consolidation basis), 1,667 of these Options have an exercise price of \$0.352 (\$0.0352 on a pre-Consolidation basis), 20,500 of these Options have an exercise price of \$0.34 per Share (\$0.034 on a pre-Consolidation basis), and 10,000 of these Options have an exercise price of \$0.397 per Share (\$0.0397 on a pre-Consolidation basis).
- (7) 833 of these Options have an exercise price of \$0.394 per Share (\$0.0394 on a pre-Consolidation basis).
- (8) 333 of these Options have an exercise price of \$0.266 per Share (\$0.0266 on a pre-Consolidation basis), 1,667 of these Options have an exercise price of \$0.381 per Share (\$0.0381 on a pre-Consolidation basis), 2,991 of these Options have an exercise price of \$0.326 (\$0.0326 on a pre-Consolidation basis), 2,167 of these Options have an exercise price of \$0.394 per Share (\$0.0394 on a pre-Consolidation basis), 1,333 of these Options have an exercise price of \$0.397 per Share (\$0.0397 on a pre-Consolidation basis), 333 of these Options have an exercise price of \$0.352 (\$0.0352 on a pre-Consolidation basis), 2,333 of these Options have an exercise price of \$0.34 per Share (\$0.034 on a pre-Consolidation basis), and 5,000 of these Options have an exercise price of \$0.397 per Share (\$0.0397 on a pre-Consolidation basis).

**Director and Officer Biographies**

***Michael Konnert, Executive Chairman and Director***

Mr. Konnert is a current director and the founder of Vizsla Silver Corp., and he currently serves as the President, Chief Executive Officer, and a Director. Mr. Konnert is also a director of Vizsla Copper Corp. Mr. Konnert is co-founder and Partner of Inventa Capital Corp., a private natural resource investment company based in Vancouver, BC. Previously, he was co-founder and CEO of Cobalt One Energy Corp. which was acquired by Blackstone Minerals Ltd. (ASX-BSX) in 2017. Mr. Konnert is an advisor to several companies and a Director of Summa Silver Corp. Mr. Konnert has nearly a decade of experience in the natural resources industry, specifically in executing successful corporate strategies for mineral exploration companies.

***Simon Cmrlec, Director***

Mr. Cmrlec is a highly experienced senior engineer with over 30-years of industry experience who has been a director of Vizsla Silver since its formation and he currently serves as Chief Operating Officer. He has most recently held the position of Chief Operating Officer of Ausenco, a global mining engineering and consulting firm. He has extensive experience in building mining projects around the world and across a number of different commodities and will be

tasked with advancing Vizsla Silver's world-class Panuco silver-gold Project towards production, with the goal of becoming one of the world's largest single-asset silver producers.

Mr. Cmrlec began his career with Western Mining Corporation (WMC) at its Olympic Dam Mine in South Australia where he held several technical and operations roles. He was an Owners Representative for the Olympic Dam Expansion Project (ODP) where he supported the design, construction and commissioning of the Smelter and Hydrometallurgical facilities. Following the completion of the ODP project, Mr. Cmrlec joined Kvaerner and was involved in the construction and commissioning of various base metals, iron ore and gold projects in the US, South America, Middle East and South Africa. In 2001, he joined Inco on the Goro Nickel project in New Caledonia as the Project Manager responsible for the Refinery facility. Mr. Cmrlec held a number of roles on the Goro Nickel project including Senior Project Manager and Construction director in his eight years there. Mr. Cmrlec joined Ausenco in 2009 as the Manager, Project Delivery before assuming the role of President APAC/Africa. In 2015, Mr. Cmrlec moved to Canada and became Ausenco's President North America before transitioning to President Americas in 2017 and the Chief Operating Officer in 2019.

Simon attended the Gartrell School of Mining, Metallurgy and Applied Geology at the University of South Australia and graduated with a B.Eng (Hons) in Metallurgical Engineering in 1994.

***Karlene Collier, Director***

Ms. Collier has 15 years' experience in capital markets, mergers and acquisitions and publicly listed companies listed on the TSXV, focused on the natural resource sector. Ms. Collier scaled the first publicly listed cryptocurrency company in Canada with a market capitalization of over \$200 million and has guided start-up companies from private to publicly listed entities, including leading management through the regulatory landscape. Ms. Collier is experienced in overseeing business operations located both locally and internationally, leading operations in five different countries.

***Keith Bodnarchuk, Director***

Mr. Bodnarchuk is a Professional Geologist with a master's degree in Business Administration. With over 15 years of experience in exploration/mining and capital markets, he most recently led strategy and corporate development for IsoEnergy in Vancouver, BC. Prior to this, he served as Project Geologist at Denison Mines, with a focus on North American and African projects. Mr. Bodnarchuk currently serves as President, Chief Executive Officer and a director of Cosa Resources Corp.

***Michael Pettingell, Chief Executive Officer***

Mr. Pettingell is a geologist with over 10 years of experience working in both pre-producing and operating mines, as well as the capital markets. Mr. Pettingell is current the SVP, Business Development and Strategy at Vizsla Silver Corp. Prior to joining Vizsla Silver, Mr. Pettingell spent the last four years working in equity research at Canaccord Genuity covering junior precious and base metal explorers and developers in the mining and metals sector. Prior to Canaccord, Mr. Pettingell worked for Hecla Mining, first in exploration at its Lucky Friday unit, and then in corporate development located in Vancouver. Michael started his career as an exploration geologist for Romarco Minerals at its Haile Gold mine prior to it being acquired by OceanaGold in 2015. Michael holds a Bachelor of Science in both Geology and Economics from the University of South Carolina and a Master of Applied Science in Mining Engineering from the University of British Columbia.

***Grant Tanaka, Chief Financial Officer***

Mr. Tanaka brings over 15 years of financial leadership experience in the mining industry and is currently the Chief Financial Officer of Vizsla Copper Corp. and Golden Shield Resources Inc. Previously, he was the Director, Finance Operations with Ma'aden Gold & Base Metals. Grant has held senior financial positions at Teck Resources Limited, New Gold, Copper Mountain Mining Corporation, and Nevsun Resources. He has experience at both the corporate and operational levels having worked throughout North America, Mexico, Africa and the Middle East in gold, base metals and coal operations. Mr. Tanaka has a Bachelor's of Business Administration, specializing in Entrepreneurial Leadership and is a Canadian Chartered Professional Accountant (CPA). Mr. Tanaka will not work for the Applicant on a full-time basis; however, will devote such time as required in connection with his duties as Chief Financial Officer.

**Jennifer Hanson, Corporate Secretary**

Ms. Hanson has over 20 years of corporate finance, accounting and regulatory experience in several industries. She currently is Corporate Secretary for a number of Canadian-listed public companies.

**Director and Officer Experience – Prior 5 Years**

<b>Name</b>	<b>Name and Jurisdiction of Reporting Issuer</b>	<b>Name of Trading Market</b>	<b>Position</b>	<b>From / To</b>
Michael Konnert	Vizsla Silver Corp.	TSXV	CEO, Director	October 2018 – Present
	Vizsla Copper Corp.	TSXV	Director	May 2021 - Present
	Summa Silver Corp.	TSXV	Director	August 2020 – Present
	Benz Mining Corp.	TSXV	Director	March 2017 – August 2017
	Greenbank Ventures Inc.	TSXV	Director	April 2018 – March 2019
	NorthX Nickel Corp.	CSE	Director	January 2022 – March 22, 2024
	TinOne Resources Inc.	TSXV	Director and CEO	December 2022 - February 2024
	Tarachi Gold Corp.	CSE	Director	March 2018 - September 2023
	GK Resources Ltd.	TSXV (NEX)	Director	June 2021 - August 2023
Simon Cmrlec	Vizsla Silver Corp.	TSXV	Director	February 2019 – Present
	Vizsla Copper Corp.	TSXV	Director	May 2021 - Present
Karlene Collier	Baltic I Acquisition Corp.	TSXV	Director	May 2021 – Present
	Vizsla Copper Corp.	TSXV	Director	May 2021 - Present
	TinOne Resources Inc.	TSXV	Director	December 2021 – May 2024
	Tarachi Gold Corp.	CSE	Director	September 2023 - Present
	Targa Exploration Corp.	CSE	Director	September 2020 - Present
Michael Pettingell	Vizsla Silver Corp.	TSXV	SVP, Business Development	August 2021 – Present
Keith Bodnarchuk	Cosa Resources Corp.	TSXV	CEO, Director	November 2020 - Present
	NorthX Nickel Corp.	CSE	Interim CEO	September 2021 – September 2022
Jennifer Hanson	Vizsla Silver Corp.	TSXV	Corporate Secretary	December 2018 – Present
	Vizsla Copper Corp.	TSXV	Corporate Secretary	May 2021 - Present
	Tarachi Gold Corp.	CSE	Corporate Secretary	December 2020 – Present
	Outback Goldfields Corp.	CSE	Corporate Secretary	December 2020 – Present
	Greenbank Ventures Inc.	TSXV	Corporate Secretary	March 2020 – March 2023
	Geyser Brands Inc.	TSXV	Corporate Secretary	October 2019 – March 2020
	Naturally Splendid Enterprises Ltd.	TSXV	Corporate Secretary	March 2018 –

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From / To
				March 2019
	GK Resources Ltd.	TSXV:NEX	Corporate Secretary	May 2021 - Present
	Targa Exploration Corp.	CSE	Corporate Secretary	September 2022 - Present
	Quetzal Copper Corp.	TSXV	Corporate Secretary	March 2024 - Present
	Gold Bull Resources Corp.	TSXV	Corporate Secretary	February 2022 - Present
	Golden Shield Resources Inc.	CSE	Corporate Secretary	February 2022 - Present
	TinOne Resources Inc.	TSXV	Corporate Secretary	December 2021 - Present
Grant Tanaka	Vizsla Copper Corp.	TSXV	CFO	May 2021 – Present
	GK Resources Ltd.	TSXV:NEX	CFO and Director	May 2021 – Present
	TinOne Resources Inc.	TSXV	CFO	February 2022 – July 2024
	Golden Shield Resources Inc.	CSE	CFO	February 2022 - Present

#### **Corporate Cease Trade Orders or Bankruptcies**

No current director or executive officer of the Applicant has, within the last ten years prior to the date of this Application, been a director, chief executive officer or chief financial officer of any issuer (including the Applicant) that, (i) while the person was acting in the capacity as director, chief executive officer or chief financial officer, was the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or (ii) was subject to an order that resulted, after the director, executive officer or securityholder holding a sufficient number of securities of the Applicant to affect materially the control of the Applicant ceased to be a director, chief executive officer or chief financial officer of an issuer, in the issuer being the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while that person was acting as a director, chief executive officer or chief financial officer of the issuer.

No current director or executive officer of the Applicant has, within the last ten years prior to the date of this Application, been a director or executive officer of any company (including the Applicant) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

#### **Penalties or Sanctions**

No current director or officer or securityholder holding a sufficient number of securities of the Applicant to affect materially the control of the Applicant has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### **Personal Bankruptcies**

No current director or officer or securityholder holding a sufficient number of securities of the Applicant to affect materially the control of the Applicant has, within the last ten years prior to the date of this Application, been a director or executive officer of any company (including the Applicant) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement for compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In addition, no current director or officer or securityholder holding a sufficient number of securities of the Applicant to affect materially the control of the Applicant has, within the last ten years prior to the date of this Application, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to

or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or securityholder.

**Conflicts of Interest**

There are no existing material conflicts of interest between the Applicant and any director or officer of the Applicant. Directors and officers of the Applicant may serve as directors and/or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Applicant may participate, certain directors may have a conflict of interest in negotiating and conducting terms in respect of any transaction involving such companies. In the event that such conflict of interest arises at a meeting of the Board, a director who has such a conflict is required to disclose such conflict and abstain from voting for or against the approval of such transaction.

The directors and officers of the Applicant will not be devoting all of their time to the Applicant. The directors and officers of the Applicant are directors and officers of other companies, some of which are in the same business as the Applicant. Certain of the directors and officers of the Applicant are directors and officers of Vizsla Silver, which is a Control Person of the Applicant. The directors and officers are required by law to act in the best interests of the Applicant. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Applicant may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Applicant to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Applicant. Such conflicting legal obligations may expose the Applicant to liability to others and impair its ability to achieve its business objectives.

**ITEM 17  
EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

At this time, no compensation has been paid to any of the officers or directors of the Applicant, and the Applicant executive officers will not receive salaried compensation until after the Listing Date. As of the date of this Application, and as outlined in the following table, the only executive compensation that has been determined is the base salary for certain officers and the annual retainer for directors, all of which will commence after the Listing Date:

Name and Position <sup>(1)</sup>	Base Salary / Annual Retainer <sup>(2)</sup>
Michael Pettingell <i>Chief Executive Officer and Director</i>	\$100,000
Grant Tanaka <i>Chief Financial Officer</i>	\$100,000
Michael Konnert <sup>(2)</sup> <i>Director and Executive Chairman</i>	\$90,000
Simon Cmrlec <sup>(2)</sup> <i>Director</i>	\$30,000
Karlene Collier <sup>(2)</sup> <i>Director</i>	\$30,000
Keith Bodnarchuk <sup>(2)</sup> <i>Director</i>	\$30,000

Notes:

(1) Pursuant to Form 51-102F6V section 1.3(8)(b), this is the compensation to be awarded to, earned by, paid to, or payable to the named executive officers and directors of the Applicant after the Listing Date, to the extent this compensation has been determined.

(2) Non-executive directors will be paid an annual retainer of \$30,000, and the Board chair will be paid an annual retainer of \$90,000.

Following the Listing Date, it is anticipated that the Applicant will adopt a more comprehensive compensation structure for its executive officers that is appropriate for its size and the nature of its operations, while also providing an incentive for growth.

The Applicant expects that each director will be entitled to participate in any security-based compensation arrangement or other plan adopted by the Applicant, from time to time, with the approval of the Board. The Board will periodically review the adequacy and form of the compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director.

### **Termination of Employment, Changes in Responsibility and Employment Contracts**

The Applicant and its subsidiaries have no contract, agreement, plan or arrangement that provides for payments at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Applicant or its subsidiaries or a change in responsibilities following a change in control.

There are no termination clauses or change of control benefits in employment agreements, or any other contract, agreement, plan or arrangement.

### **Option-Based Awards**

The Stock Option Plan will be administered by the Board, which will designate, in each year, the recipients of options and the terms and conditions of each grant, in each case in accordance with applicable securities laws and stock exchange requirements. The options and shares available to be issued under the Stock Option Plan will be used to retain and motivate current directors, officers, employees, consultants and attract new directors, officers, employees and consultants.

## **ITEM 18 INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No individual who is a director or executive officer of the Applicant, or an associate or affiliate of such an individual, is indebted to the Applicant.

## **ITEM 19 AUDIT COMMITTEES AND CORPORATE GOVERNANCE**

### **Audit Committee Overview**

The Audit Committee is responsible for monitoring the Applicant's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Applicant's external auditors. The committee is also responsible for reviewing the Applicant's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the board.

### **Audit Committee Charter**

It is anticipated that the Board will adopt an audit committee charter following the Arrangement, substantially in the form attached as Schedule D this Application mandating the role of the Audit Committee in supporting the Board in meeting its responsibilities to the Applicant's shareholders.

### **Composition of the Audit Committee**

The Audit Committee will consist of at least three directors as determined by the Board.

All members of the Audit Committee are financially literate. For the purposes of the Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Applicant's financial statements.

If the Applicant ceases to be a "venture issuer" (as that term is defined in NI 52-110), then: (i) the Audit Committee will be composed of a minimum of three directors of the Applicant and (ii) all of the members of the Audit Committee will be required to be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

Simon Cmrlec, Keith Bodnarchuk and Karlene Collier have been appointed as the initial members of the Audit Committee. Unless a Chair is appointed by the board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

### **Relevant Education and Experience**

Education and experience relevant to the performance of responsibilities as an Audit Committee member include any education or experience that would provide the member with:

- an understanding of the accounting principles used by the Applicant to prepare its financial statements;

- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Applicant’s financial statements, or experience actively supervising one or more persons engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

The following summarizes the education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member:

- **Simon Cmrlec:** Mr. Cmrlec serves as Chief Operating Officer at Vizsla Silver Corp. He is responsible for leading teams all over the world. Mr. Cmrlec has previously been involved with project management, designing, constructing and commissioning different mining projects. Based on his business experience, Mr. Cmrlec is financially literate.
- **Karlene Collier:** Ms. Collier is a current director of Vizsla Copper Corp., Baltic I Acquisition Corp., Tarachi Gold Corp. and Targa Exploration Corp. Based on her business experience, Ms. Collier is financially literate.
- **Keith Bodnarchuk:** Mr. Bodnarchuk is a Professional Geologist with a Master’s degree in Business Administration. With over 15 years of experience in exploration/mining and capital markets, he is currently the President and Chief Executive Officer of Cosa Resources Corp. He most recently led strategy and corporate development for IsoEnergy Limited in Vancouver, British Columbia. Prior to this, he served as Project Geologist at Denison Mines, with a focus on North American and African projects. Mr. Bodnarchuk has been the Corporate Development Manager of Vizsla Copper Corp. since September 2021. Based on his business experience and education, Mr. Bodnarchuk is financially literate.

#### **Pre-Approval Policies and Procedures**

The Board has adopted the Charter, in the form attached as Schedule D to this Application, which contains policies and procedures for the engagement of non-audit services. The Audit Committee will be responsible for the pre-approval of all audit services and permissible non-audit services to be provided to the Applicant by the external auditors subject to any exceptions provided in NI 52-110.

#### **External Auditors Service Fees (By Category)**

In the last two fiscal years, in respect of audit fees, audit-related fees, tax fees or other fees the Applicant has paid only the following fees, which were paid to MNP LLP in respect of the audit of the Applicant’s financial statements:

<b>Year</b>	<b>Type of Fees</b>	<b>Amount</b>
2024	Audit Fees	\$22,000
2023	Audit Fees	\$30,000

#### **Exemption in Section 6.1 of NI 52-110**

The Applicant is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) as it is a “venture issuer” as that term is defined under NI 52-110.

National Policy 58-201 - *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines which apply to all reporting issuers. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The Board considers that some of the guidelines in NP 58-201 are not suitable for the Applicant at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices, which disclosure is set out below.

#### **Board of Directors**

The Board is currently comprised of four directors, being Michael Konnert, Simon Cmrlec, Keith Bodnarchuk and Karlene Collier. The Board considers Keith Bodnarchuk and Karlene Collier to be “independent” in that they will be independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director’s ability to act in the best interests of the Applicant, other than interests and relationships arising from shareholding, following the Arrangement. Michael Konnert and Simon Cmrlec

are not considered independent based upon the test for independence set forth in NI 52-110, as Mr. Konnert is the Chief Executive Officer of Vizsla Silver and Mr. Cmrlec is the Chief Operating Officer of Vizsla Silver.

### **Directorships**

Certain of our proposed directors are presently directors of other reporting issuers (or equivalent) in Canada, as set out below:

<b>Director</b>	<b>Reporting Issuer</b>
Michael Konnert	Vizsla Silver Corp. Vizsla Copper Corp. Summa Silver Corp.
Simon Cmrlec	Vizsla Silver Corp. Vizsla Copper Corp.
Karlene Collier	Baltic I Acquisition Corp. Targa Exploration Corp. Tarachi Gold Corp. Vizsla Copper Corp.
Keith Bodnarchuk	Cosa Resources Corp.

### **Orientation and Continuing Education**

The Applicant has not yet developed a formal orientation and training program for directors. If and when new directors are added, they will be provided with:

- (a) information respecting the functioning of the board, committees and copies of the Applicant's corporate governance policies;
- (b) access to recent, publicly filed documents of the Applicant, technical reports and the Applicant's internal financial information;
- (c) access to management and technical experts and consultants; and
- (d) a summary of significant corporate and securities responsibilities.

The Board members will be encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Applicant's properties. The Applicant's board members will have full access to the Applicant's records.

### **Ethical Business Conduct**

The Board has responsibility for the stewardship of the Applicant, including responsibility for strategic planning, identification of the principal risks of the Applicant's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management) and the integrity of the Applicant's internal control and management information systems. To facilitate meeting this responsibility, the Board seeks to foster a culture of ethical conduct by striving to ensure that the Applicant carries out its business in line with high business and moral standards and applicable legal and financial requirements.

In that regard, the Board:

- (a) will adopt a written Code of Conduct for its directors, officers, employees and consultants. A copy of which will be posted under its profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca);
- (b) encourages management to consult with legal and financial advisors to ensure that the Applicant is meeting those requirements;
- (c) is cognizant of the Applicant's timely disclosure obligations upon becoming a reporting issuer under Canadian securities laws and will review material disclosure documents such as financial statements, MD&A and press releases prior to their distribution;
- (d) will rely on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Applicant's external auditor; and
- (e) will actively monitor the Applicant's compliance with the Board's directives and ensure that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

### **Nomination of Directors**

The Applicant does not have a stand-alone nomination committee. The full Board will have responsibility for identifying potential the Board candidates. The Board will assess potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining industry will be consulted for possible candidates.

### **Compensation**

The full board of directors of the Applicant has the responsibility for determining compensation for the directors and senior management.

To determine future compensation payable, the Board will review compensation paid to directors and CEOs of companies of similar size and stage of development in the mineral exploration/mining industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Applicant. In setting the compensation, the Board will annually review the performance of the CEO, in light of the Applicant's objectives, and consider other factors that may have impacted the success of the Applicant in achieving its objectives.

The Applicant has no current arrangements, standard or otherwise, pursuant to which directors are compensated by the Applicant for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert.

### **Board Committees**

The Applicant plans to initially have one committee upon closing of the Arrangement, being the Audit Committee. The Audit Committee is comprised of three of the Applicant's directors: Simon Cmrllec, Keith Bodnarchuk and Karlene Collier.

As the directors are expected to be actively involved in the operations of the Applicant and the size of the Applicant's operations does not warrant a larger board of directors, the Board has determined that additional standing committees are not necessary at this stage of the Applicant's development.

### **Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Applicant's development. The Board will conduct informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. To assist in its review, the Board expects to conduct informal surveys of its directors.

## **ITEM 20 AGENT, SPONSOR OR ADVISOR**

The Applicant has not retained, and does not anticipate to retain, any agent, sponsor or advisor in connection with this Application or the Private Placement.

The Applicant has received a waiver from the sponsorship requirements under Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the TSXV Corporate Finance Manual.

## **ITEM 21 RISK FACTORS**

An investment in the securities of the Applicant is highly speculative, involves a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prior to investing in such securities, you should carefully consider the risks described below, together with other information included in or incorporated by reference into this Application. If any of the following risks materialize, the business, financial condition, results of operation and future prospects of the Applicant will likely be materially and adversely affected. This could cause actual future events to differ materially from those described in forward-looking statements and may cause the trading price of the Applicant's securities to decline.

The risks presented below should not be considered exhaustive and may not be all the risks the Applicant may face. Management of the Applicant believes that factors set out below could cause actual results to be different from expected and historical results. Other sections of this Application include additional factors that could have an effect on the business and financial performance of the Applicant's business. New risks may emerge from time to time and management may not be able to predict all of them, or be able to predict how they may cause actual results to be

different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results.

#### *ROYALTIES, STREAMS AND SIMILAR INTERESTS MAY NOT BE HONOURED BY OPERATORS OF A PROJECT*

Royalties, streams and similar interests are typically contractually based. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects.

Non-performance by the Applicant's counterparties may occur if such counterparties find themselves unable to honour their contractual commitments due to financial distress or other reasons. In such circumstances, the Applicant may not be able to secure similar agreements on as competitive terms or at all. No assurance can be given that the Applicant's financial results will not be adversely affected by the failure of a counterparty or counterparties to fulfill their contractual obligations in the future. Such failure could have a material adverse effect on the Applicant's business, results of operations and financial condition.

To the extent grantors of royalties, streams and similar interests that are or may be held by the Applicant do not abide by their contractual obligations, the Applicant may be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and, as with all litigation, no guarantee of success can be made. Should any such decision be determined adversely to the Applicant, it may have a material adverse effect on the Applicant's business, results of operations and financial condition.

#### *LIMITED OR NO ACCESS TO DATA OR THE OPERATIONS UNDERLYING ITS INTERESTS*

The Applicant is not, and will not be, the owner or operator of any of the properties underlying its current or future royalties, streams and similar interests and has no input in the exploration, development or operation of such properties. Consequently, the Applicant has limited or no access to related exploration, development or operational data or to the properties themselves. This could affect the Applicant's ability to assess the value of a royalty or similar interest. This could also result in delays in cash flow from that anticipated by the Applicant, based on the stage of development of the properties underlying its royalties and similar interests. The Applicant's entitlement to payments in relation to such interests may be calculated by the royalty payors in a manner different from the Applicant's projections and the Applicant may not have rights of audit with respect to such interests. In addition, some royalties, streams or similar interests may be subject to confidentiality arrangements that govern the disclosure of information with regard to such interests and, as a result, the Applicant may not be in a position to publicly disclose related non-public information. The limited access to data and disclosure regarding the exploration, development and production of minerals from, or the continued operation of, the properties in which the Applicant has an interest may restrict the Applicant's ability to assess value, which may have a material adverse effect on the Applicant's business, results of operations and financial condition. The Applicant attempts to mitigate this risk by building relationships with various owners, operators and counterparties, in order to encourage information sharing.

#### *RISKS FACING OWNERS AND OPERATORS*

To the extent that they relate to the exploration, development and production of minerals from, or the continued operation of, the properties in which the Applicant holds or may hold royalties, streams or similar interests, the Applicant will be subject to the risk factors applicable to the owners and operators of such mines or projects.

Mineral exploration, development and production generally involves a high degree of risk. Such operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of metals, including weather related events, unusual and unexpected geology formations, seismic activity, environmental hazards and the discharge of toxic chemicals, explosions and other conditions involved in the drilling, blasting and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to property, injury or loss of life, environmental damage, work stoppages, delays in exploration, development and production, increased production costs and possible legal liability. Any of these hazards and risks and other acts of God could shut down such activities temporarily or permanently. Mineral exploration, development and production is subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability for the owners or operators thereof. The exploration for, and development, mining and processing of, mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate.

## *DEPENDENCE ON FUTURE PAYMENTS FROM OWNERS AND OPERATORS*

The Applicant will be dependent to a large extent on the financial viability and operational effectiveness of owners and operators of the properties underlying the royalties, streams and similar interests that are or may be held by the Applicant. Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues. Payments may be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, recovery by the operators of expenses, the establishment by the operators of mineral reserves for such expenses or the bankruptcy, insolvency or other adverse financial condition of the operator. The Applicant's rights to payment under royalties and similar interests must, in most cases, be enforced by contract without the protection of a security interest over property that the Applicant could readily liquidate. This inhibits the Applicant's ability to collect outstanding royalties in the event of a default. In the event of a bankruptcy, insolvency or other arrangement of an operator or owner, the Applicant will be treated like any other unsecured creditor, and therefore have a limited prospect for full recovery of royalty or similar revenue.

## *INVESTMENT PRICE RISKS*

The value of the Applicant's current and future equity investments, is and will be exposed to fluctuations in the quoted market price depending on a number of factors, including general market conditions, company specific operating performance and the market price of certain commodities. The Applicant does not utilize any derivative contracts to reduce this exposure. The Applicant may be unable to sell its entire interest in an investment without having an adverse effect on the fair value of the security due to low trading volumes on some investments.

## *RISKS RELATED TO MINERAL RESERVES AND RESOURCES*

The mineral reserves and resources on properties underlying the royalties, streams or similar interests that are or may be held by the Applicant are estimates only, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of minerals will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted by the owners or operators of the properties. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change. Market price fluctuations of commodities, as well as increased production and capital costs or reduced recovery rates, may render the proven and probable reserves on properties underlying the royalties, streams or similar interests that are or may be held by the Applicant unprofitable to develop at a particular site or sites for periods of time or may render reserves containing relatively lower grade mineralization uneconomic. Moreover, short-term operating factors relating to the reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause reserves to be reduced or not extracted. Estimated reserves may have to be recalculated based on actual production experience. The economic viability of a mineral deposit may also be impacted by other attributes of a particular deposit, such as size, grade and proximity to infrastructure; by governmental regulations and policy relating to price, taxes, royalties, land tenure, land use permitting, the import and export of minerals and environmental protection; and by political and economic stability.

Resource estimates in particular must be considered with caution. Resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill holes or other limited information, which is not necessarily indicative of the conditions between and around drill holes. Such resource estimates may require revision as more drilling or other exploration information becomes available or as actual production experience is gained. Further, resources may not have demonstrated economic viability and may never be extracted by the operator of a property. It should not be assumed that any part or all of the mineral resources on properties underlying the royalties, streams or similar interests that are or may be held by the Applicant constitute or will be converted into reserves. Any of the foregoing factors may require operators to reduce their reserves and resources, which may have a material adverse effect on the Applicant's business, results of operations and financial condition.

## *RIGHTS OF THIRD PARTIES*

Some royalty, stream and similar interests that are or may be held by the Applicant may be subject to buy-down right provisions, pursuant to which an operator may buy-back all or a portion of the stream or royalty; pre-emptive rights, pursuant to which parties have the right of first refusal or first offer with respect to a proposed sale or assignment of the stream or royalty; or claw back rights, pursuant to which the seller of a stream or royalty has the right to re-acquire the stream or royalty. The exercise of any such rights by the holders thereof may adversely affect the value of the applicable royalty, stream or similar interest of the Applicant.

### *COSTS MAY INFLUENCE RETURN*

Net profit royalties and similar interests allow the operator to account for the effect of prevailing cost pressures on the project before calculating a royalty. These cost pressures may include costs of labour, equipment, electricity, environmental compliance, and numerous other capital, operating and production inputs. Such costs will fluctuate in ways the Applicant will not be able to predict, will be beyond the control of the Applicant and can have a dramatic effect on the revenue payable on these royalties and similar interests. Any increase in the costs incurred by operators on applicable properties will likely result in a decline in the royalty revenue received by the Applicant. This, in turn, will affect overall revenue generated by the Applicant, which may have a material adverse effect on its business, results of operations and financial condition.

### *GLOBAL FINANCIAL CONDITIONS*

Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the Applicant's ability, or the ability of the owners or operators of the properties in respect of which it holds royalties or other interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. In the event of increased levels of volatility or a rapid destabilization of global economic conditions, the Applicant's profitability, results of operations and financial condition and the trading price of its securities could be adversely affected.

### *LIQUIDITY CONCERNS AND FUTURE FINANCING REQUIREMENTS*

The Applicant has no current source of operating revenue and may require additional financing in order to fund its business plan. The Applicant's ability to arrange such financing in the future will depend, in part, on prevailing capital market conditions, as well as its business success. There can be no assurance that the Applicant will be successful in any efforts to arrange additional financing on terms satisfactory to it, or at all. If additional financing is raised by the issuance of Shares or securities exchangeable for or convertible into Shares, control of the Applicant may change, and investors may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Applicant may not be able to operate its business at its maximum potential, to expand, to take advantage of other opportunities, or to otherwise remain in business.

Because of their size and scale, the success of some resource-based projects depends on the ability of the owners to raise the capital required to successfully explore, develop and operate a project. This ability may be affected by general economic and market conditions, including the perceived threat or actual occurrence of an economic recession or liquidity issues. If market conditions are not favorable, major resource-based projects could be cancelled or delayed, and any return to the Applicant would be extinguished or significantly delayed or diminished.

In the event that the Applicant is unable to secure necessary financing in the future, it may be forced to liquidate some or all of its assets, including its investments in other publicly traded issuers. In such event, there is no certainty that such sales would yield sufficient proceeds and such sales could have a material adverse effect on the Applicant's business, results of operations and financial condition.

### *COMPETITION FOR ROYALTIES, STREAMS AND OTHER SIMILAR INTERESTS*

The business of the Applicant is competitive in all phases, with many companies engaged in the acquisition of royalties, streams and similar interests, including large, established companies with substantial financial resources and long earnings records. Moreover, there is only a limited number of active projects globally and, accordingly, there will be limited opportunities for additional acquisitions and investments by the Applicant. The Applicant may be at a competitive disadvantage in acquiring additional interests, whether by way of royalty, stream or other form of investment, as competitors may have greater financial resources and technical staff. There can be no assurance that the Applicant will be able to compete successfully against other companies in acquiring additional royalties, streams or similar interests. In addition, the Applicant may be unable to acquire royalties, streams or similar interests at acceptable valuations, which may have a material adverse effect on the Applicant's business, results of operations and financial condition.

### *RISKS RELATED TO FOREIGN JURISDICTION AND EMERGING MARKETS*

Some of the properties on which the Applicant holds or may hold royalties, streams or similar interests are located outside of Canada. In addition, future investments may expose the Applicant to additional jurisdictions. The exploration, development and production of minerals from, or the continued operation of, these properties by their

owners and operators are subject to the risks normally associated with conducting business in foreign countries. These risks include, depending on the country, nationalization and expropriation, social unrest and political instability, less developed legal and regulatory systems, uncertainties in perfecting mineral titles, trade barriers, exchange controls and material changes in taxation. These risks may, among other things, limit or disrupt the ownership, development or operation of properties, mines or projects in respect of which the royalties, streams or similar interests that are or may be held by the Applicant, restrict the movement of funds, or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation.

#### *LACK OF LIQUIDITY IN MINING COMPANY INVESTMENTS*

The Applicant may make additional investments in securities of companies involved in the mining industry in the future. Some of the companies in which the Applicant may invest may be thinly traded and some may have no market at all. There are no restrictions on the investment by the Applicant in illiquid securities. It is possible that the Applicant may not be able to sell such positions, in whole or in part, without facing substantially adverse prices. If the Applicant is required to transact in such securities before its intended investment horizon, the performance of the Applicant could suffer.

#### *LIMITED OPERATING HISTORY AND UNCERTAINTY OF FUTURE REVENUES*

The Applicant has a limited operating history. It is therefore difficult to evaluate the Applicant's business and future prospects. In particular, the Applicant is at an early stage of development with operating losses expected to continue for the foreseeable future. The future success of the Applicant is dependent on the Board's ability to implement its strategy. While the Board is optimistic about the Applicant's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Applicant faces risks frequently encountered by developing companies. In particular, its future growth and prospects will depend on its ability to manage growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, while at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Applicant growth could have a material adverse effect on the Applicant's business, financial condition and results of operations.

#### *ACQUISITION OR BUSINESS ARRANGEMENT*

The Applicant will seek new opportunities in the mining royalty industry. In pursuit of such opportunities, the Applicant may fail to select appropriate investments or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their workforce into the Applicant. Ultimately, any acquisitions would be accompanied by risks, which could include change in commodity prices, difficulty with integration, failure to realize anticipated synergies, significant unknown liabilities, delays in regulating approvals and exposure to litigation. Any material issues that the Applicant encounters in connection with an acquisition could have a material adverse effect on its business, results or operations and financial position.

#### *MARKET PRICE AND TRADING OF THE SHARES AND THE WARRANTS*

An active and liquid market for the Shares and the Warrants may not develop or, if developed, may not be maintained. If an active public market does not develop or is not maintained, investors may have difficulty selling their Shares and Warrants at any given time at a price that the investor may consider reasonable. The lack of an active market may also reduce the fair market value and increase the volatility of the Shares and the Warrants and may impair the Applicant's ability to raise capital by selling the Shares.

#### *MINING IS A HIGH-RISK BUSINESS*

The Applicant's principal operation will be the acquisition of royalties, streams and similar interests. Its operations will be subject to all of the hazards and risks normally encountered in the mining and processing of minerals. These include unusual and unexpected geological formations, rock falls, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to or loss of life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, operations are subject to hazards, which may result in environmental pollution and consequent liability which could have a material adverse effect on the business, operations and financial performance of the Applicant. As is common with all mining operations, there is uncertainty and therefore risk associated with the Applicant's operating parameters and costs. These can be difficult to predict and are often affected by factors outside the Applicant's control.

## *GOVERNMENT REGULATION RISK*

The properties underlying the royalties, streams or similar interests that are or may be held by the Applicant are subject to various laws governing prospecting, development, production, exports, imports, taxes, labour standards and occupational health and safety, mine safety, toxic substances, waste disposal, environmental protection and remediation, protection of endangered and protected species, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could have an adverse effect on the Applicant's financial position. Amendments to current laws, regulations and permits governing development activities and activities of mining and exploration companies, or more stringent or different implementation, could have a material adverse impact on the Applicant's financial position. Failure to comply with any applicable laws, regulations or permitting requirements may result in enforcement actions against the Applicant. Any such regulatory or judicial action could negatively impact the Applicant's operations.

## *ENVIRONMENTAL RISKS AND HAZARDS*

All phases of the properties underlying the royalties, streams or similar interests that are or may be held by the Applicant are subject to environmental regulation in the jurisdictions in which they operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set out limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will likely, in the future, require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the mining industry.

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

## *NO HISTORY OF DIVIDENDS*

The Applicant has not paid a dividend on the Shares since incorporation. The Applicant intends to continue to retain earnings and other cash resources for its business. Any future determination to pay dividends will be at the discretion of the Board and will depend upon the capital requirements of the Applicant, results of operations and such other factors as the Board considers relevant.

## *THE APPLICANT MAY BECOME, IN THE FUTURE, SUBJECT TO LEGAL PROCEEDINGS*

The Applicant may become party to legal claims arising in the ordinary course of business. There can be no assurance that any such legal claims will not result in significant costs to the Applicant. In addition, potential litigation may arise on a property underlying the royalties, streams and similar interests that are or may be held by the Applicant (for example, litigation between joint venture partners or between operators and original property owners or neighbouring property owners). As a royalty, stream or similar interest holder, the Applicant will not generally have any influence on the litigation and will not generally have any access to data. Any such litigation that inhibits the exploration, development and production of minerals from, or the continued operation of, a property underlying the royalties, streams and similar interests that are or may be held by the Applicant could have a material adverse effect on the Applicant's business, results of operations and financial condition.

## *DEPENDENCE ON GOOD RELATIONS WITH EMPLOYEES*

The success of the Applicant's operations depends on the skills and abilities of its employees. There is intense competition for individuals with expertise in mining, natural resources and finance. The ability of the Applicant to hire and retain these individuals is key to the mining operations. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in the jurisdictions in which the mining operations are conducted. Changes in such legislation or otherwise in the Applicant's relationships with its employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on the mining operations, results of operations and financial condition.

## *UNINSURABLE RISKS*

In the course of development of the properties underlying the royalties, streams or similar interests that are or may be held by the Applicant, the Applicant is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, mechanical failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, delays in mining, monetary losses and possible legal liability.

## *MANAGEMENT*

The success of the Applicant will be largely dependent on the performance of its board of directors and its senior management. There is no assurance the Applicant can maintain the services of its board of directors and management or other qualified personnel required to operate its business. Failure to do so could have material adverse effect on the Applicant and its prospects.

## *KEY PERSONNEL*

The Applicant's success is highly dependent on the retention of key personnel who possess specialized expertise and are well versed in the natural resource, mining and finance sectors. The availability of persons with the necessary skills to execute the Applicant's business strategy is very limited and competition for such persons is intense. As the Applicant's business activity grows, additional key financial and administrative personnel, as well as additional staff, may be required. Although the Applicant believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Applicant is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations may be affected.

## *CORRUPTION AND BRIBERY LAWS*

The Applicant's operations are governed by, and involve interactions with, many levels of government in numerous countries. The Applicant is required to comply with anti-corruption and anti-bribery laws, including the Criminal Code, and the Canadian Corruption of Foreign Public Officials Act, as well as similar laws in the countries in which the Applicant conducts its business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anticorruption and antibribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Although the Applicant has adopted steps to mitigate such risks, including the implementation of training programs, internal monitoring, reviews and audits, and policies to ensure compliance with such laws, such measures may not always be effective in ensuring that the Applicant, its employees, contractors or third-party agents will comply strictly with such laws. If the Applicant finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Applicant resulting in a material adverse effect on the Applicant's reputation and results of its operations.

## *THE APPLICANT'S FINANCIAL STATEMENTS AND PRO FORMA FINANCIAL STATEMENTS MAY NOT REFLECT WHAT THE APPLICANT'S FINANCIAL POSITION, RESULTS OF OPERATIONS OR CASH FLOWS WILL BE IN THE FUTURE*

The Applicant believes management has made reasonable assumptions underlying the Applicant's financial statements and pro forma financial statements, including reasonable allocations of corporate expenses from Vizsla Silver, such as expenses related to employee benefits, finance, human resources, legal, information technology and executive management. However, because the Applicant's financial statements are based on certain assumptions and include allocations of corporate expenses from Vizsla Silver, the Applicant's financial statements may not reflect what the Applicant's financial position, results of operations or cash flows would have been had the Applicant operated as a stand-alone company during the historical periods presented or what the Applicant's financial position, results of operations or cash flows will be in the future.

## *REPORTING ISSUER OBLIGATIONS*

The Applicant's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Applicant's compliance costs and the risk of non-compliance, which could adversely impact the Applicant's share price.

The Applicant is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements.

The Applicant's efforts to comply with such legislation could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

#### *INCOME, FEDERAL, STATE AND MUNICIPAL TAXES*

The Applicant is subject to income taxes in Canada. No assurance can be given that new taxation rules will not be enacted in Canada, or that existing rules will not be applied in a manner which could result in the Applicant's profits being subject to increased income tax.

#### *CHANGE IN CLIMATE CONDITIONS*

Governments are moving to introduce climate change legislation and treaties at the international, national, state/province and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, the Applicant expects that this will result in increased costs. In addition, physical risk of climate change may also have an adverse effect on the Applicant's operations. These risks include: sea level rise, extreme weather events, and resource shortages due to disruption of delivery items. The Applicant can provide no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on its operations.

#### *PUBLIC HEALTH CRISES*

The Applicant's business could be significantly adversely affected by the outbreak of epidemics or pandemics or other public health crises. The Applicant cannot accurately predict the impact epidemics, pandemics or public health crises will have on third parties' ability to meet their obligations with the Applicant. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for the Applicant's services and likely impact operating results.

#### *INFORMATION SYSTEMS*

Targeted attacks on the Applicant's systems (or on systems of third parties that the Applicant relies on), failure or non-availability of a key information technology ("IT") systems or a breach of security measures designed to protect the Applicant's IT systems could result in disruptions to the Applicant's operations, extensive personal injury, property damage or financial or reputational risks. The Applicant has engaged IT consultants to implement and test system controls and disaster recovery infrastructure for certain IT systems. As the threat landscape is ever-changing, the Applicant must make continuous mitigation efforts, including: risk prioritized controls to protect against known and emerging threats; tools to provide automate monitoring and alerting and backup and recovery systems to restore systems and return to normal operations.

#### *THE POSSIBLE ISSUANCE OF ADDITIONAL THE SHARES MAY IMPACT THE VALUE OF THE SHARES*

The Applicant is authorized to issue an unlimited number of Shares without par value. Sales of substantial amounts of the Shares (including the Shares issuable upon the exercise of the Options and the Warrants), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the common shares and the ability of the Applicant to raise equity capital in the future.

#### *ADDITIONAL FINANCINGS MAY RESULT IN DILUTION*

The Applicant may require additional funds to further its activities and objectives. To obtain such funds, the Applicant may issue additional securities, including Shares or securities convertible into or exchangeable for the Shares. As a result, the Applicant's shareholders could be substantially diluted. In addition, there can be no assurance that the Applicant will be able to obtain sufficient financing in the future on terms favourable to the Applicant or at all.

**ITEM 22  
PROMOTERS**

Under applicable Canadian securities laws, Vizsla Silver may be considered a promoter of the Applicant in that it took initiative in substantially reorganizing the business of the Applicant.

As at the date of this Application, Vizsla Silver holds 11,518,624 or approximately 41% of the outstanding Shares. See “Escrowed Securities and Securities Subject to Restrictions on Transfer”.

**ITEM 23  
LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

The Applicant is not aware of any actual or pending material legal proceedings to which the Applicant is or is likely to be party or of which any of its business or property is or is likely to be subject.

There are no (a) penalties or sanctions imposed against the Applicant by a court relating to securities legislation or by a securities regulatory authority during its most recently completed financial year; (b) other penalties or sanctions imposed by a court or regulatory body against the Applicant that would likely be considered important to a reasonable investor in making an investment decision in the Applicant; or (c) settlement agreements the Applicant entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed financial year.

**ITEM 24  
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Except as set out elsewhere in this Application, none of the directors or executive officers of the Applicant, or any person that is expected to beneficially own or control or direct more than 10% of any class or series of shares of the Applicant, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any past transaction within the three years before the date of this Application, or any proposed transaction, that has materially affected or would materially affect the Applicant or any of its subsidiaries.

Certain directors and officers of the Applicant are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations to other engaged companies in the resource sector may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of the Applicant may not be made available to the Applicant but, rather, may be offered to a company with competing interests. The directors and senior officers of the Applicant are required by law to act honestly and in good faith with a view to the best interests of the Applicant and to disclose any personal interest which they may have in any project or opportunity of the Applicant, and to abstain from voting on such matters.

**ITEM 25  
INVESTOR RELATIONS ARRANGEMENTS**

The Applicant has not entered into and does not presently intend to enter into, any written or oral agreement or understanding with any person to provide promotional or investor relations services to the Applicant.

**ITEM 26  
AUDITORS, TRANSFER AGENTS AND REGISTRARS**

MNP LLP, Suite 2200, MNP Tower, 1021 West Hastings Street, Vancouver, British Columbia V6E 0C3, are the auditors of the Applicant. MNP LLP are the auditors for Vizsla Silver and were appointed in 2017.

The transfer agent and registrar for the Shares is Computershare. The register of transfers for the Shares is maintained by Computershare at its offices in Vancouver, British Columbia.

**ITEM 27  
MATERIAL CONTRACTS**

Other than contracts entered into in the ordinary course of business, the only material contracts of the Applicant are the Arrangement Agreement, the Royalty Agreements and the Royalty Right Agreement.

**ITEM 28  
EXPERTS**

MNP LLP, Chartered Professional Accountants, prepared an auditors' report to Vizsla Silver, the sole shareholder of the Applicant, on the financial statements of the Applicant. MNP LLP has advised Vizsla Silver that it is independent with respect to the Applicant within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Allan Armitage, Ph. D., P. Geo. and Ben Eggers, B.Sc. (Hons), MAIG, P.Geo. of SGS Geological Services Inc. and Peter Mehrfert, P.Eng. of Ausenco Engineering Canada ULC are the authors of the Technical Report. As of the date of this Application, none of the authors own any of the issued and outstanding Shares.

**ITEM 29  
OTHER MATERIAL FACTS**

To the best of the Applicant's knowledge, there are no other material facts in respect of the Applicant which are not disclosed in this Application.

**ITEM 30  
ADDITIONAL INFORMATION – MINING OR OIL AND GAS APPLICANTS**

See Schedule E – Information Concerning the Panuco Project.

**ITEM 31  
EXEMPTIONS**

The Applicant has not received any discretionary exemptions from any securities regulator or securities regulatory authority within the 12 month period preceding the date of this Application.

**ITEM 32  
FINANCIAL STATEMENT DISCLOSURE FOR ISSUERS**

Please see Schedule B and Schedule C to this Application.

**ITEM 33  
SIGNIFICANT ACQUISITIONS**

The Applicant has not completed any significant acquisition requiring disclosure under this item.

**ITEM 34  
CERTIFICATES**

**34.1 Certificate of Applicant**

**CERTIFICATE OF VIZSLA ROYALTIES CORP.**

*Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Application and of any material fact not otherwise required to be disclosed under an item of this Application.*

Dated August 15, 2024

*“Michael Pettingell”*

Michael Pettingell  
Chief Executive Officer

*“Grant Tanaka”*

Grant Tanaka  
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF VIZSLA ROYALTIES CORP.

*“Michael Konnert”*

Michael Konnert  
Director

*“Simon Cmrlec”*

Simon Cmrlec  
Director

The Applicant hereby represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the Exchange of the Personal Information contained in or submitted pursuant to this Application for the purposes described in Appendix A to this Application.

Dated August 15, 2024

*“Michael Pettingell”*

Michael Pettingell  
Chief Executive Officer and Director

**APPENDIX A**  
**FORM 2B PERSONAL INFORMATION COLLECTION POLICY**

**Collection, Use and Disclosure**

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including TSX Venture Exchange and Toronto Stock Exchange, (collectively referred to as the “Exchange”) collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals’ involvement with any other reporting issuers
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

- (a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;
- (b) on the Exchange’s website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and
- (c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers for the purposes described above.

**Questions**

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

**SCHEDULE A  
STOCK OPTION PLAN**

**VIZSLA ROYALTIES CORP.**

**STOCK OPTION PLAN**

**Dated April 25, 2024**

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**VIZSLA ROYALTIES CORP.**  
**STOCK OPTION PLAN**  
**(the “Plan”)**

**ARTICLE 1**  
**DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms will have the meanings set forth below:

- (a) **“Administrator”** means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, if any.
- (b) **“Associate”** means, where used to indicate a relationship with any person:
  - (i) any relative, including the spouse of that person or a relative of that person’s spouse, where the relative has the same home as the person;
  - (ii) any partner, other than a limited partner, of that person;
  - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
  - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) **“Blackout Period”** means a period during which the Company prohibits Option Holders from exercising Options.
- (d) **“Board”** means the board of directors of the Company.
- (e) **“Change of Control”** means an occurrence when either:
  - (i) a Person or Entity, other than the current “control person” of the Company (as that term is defined in the Securities Act), becomes a “control person” of the Company; or
  - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company’s then-incumbent Board.
- (f) **“Committee”** means a committee of the Board appointed in accordance with this Plan or if no such committee is appointed, the Board itself.

- (g) “**Company**” means Vizsla Royalties Corp.
- (h) “**Consultant**” means, in relation to the Company, an individual (other than a Director, Officer or Employee of the Company or of any of its subsidiaries) or company that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to any of its subsidiaries, other than services provided in relation to a “distribution” (as that term is described in the Securities Act);
  - (ii) provides the services under a written contract between the Company or any of its subsidiaries and the individual or the company, as the case may be; and
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its subsidiaries
- (i) “**Director**” means a duly elected or appointed member of the Board.
- (j) “**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability.
- (k) “**Employee**” means:
  - (i) an individual who is considered an employee of the Company or any Subsidiary under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
  - (ii) an individual who works full-time for the Company or any Subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Company or any Subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, as the case may be, but for whom income tax deductions are not made at source

and includes:

- (iv) a corporation wholly-owned by such individual; and
  - (v) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (l) “**Exchange Hold Period**” has the meaning assigned in TSXV Policies.
- (m) “**Executive**” means an individual who is a director or officer of the Company or a Subsidiary, and includes:
- (i) a corporation wholly-owned by such individual; and
  - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (n) “**Exercise Notice**” means the written notice of the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder.
- (o) “**Exercise Period**” means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (p) “**Exercise Price**” means the price at which an Option is exercisable as determined in accordance with section 5.3.
- (q) “**Expiry Date**” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4, 11.1 or 11.5.
- (r) “**Expiry Time**” means the time the Option expires on the Expiry Date, which is 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
- (s) “**Grant Date**” means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (t) “**Insider**” means an insider as that term is defined in the Securities Act.
- (u) “**Issued Shares**” means the number of Shares that are then issued and outstanding on a non-diluted basis.
- (v) “**Market Price**” has the meaning assigned in TSXV Policies.

- (w) “**Market Value**” means the market value of the Shares as determined in accordance with section 5.3.
- (x) “**Officer**” means an officer duly appointed by the Board.
- (y) “**Option**” means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (z) “**Option Certificate**” means the certificate, in substantially the form set out as Schedule “A” hereto, evidencing the Option.
- (aa) “**Option Holder**” means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (bb) “**Outstanding Issue**” means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (cc) “**Person or Entity**” means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
- (dd) “**Personal Representative**” means:
  - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
  - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (ee) “**Plan**” means this stock option plan as from time to time amended.
- (ff) “**Regulatory Approvals**” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (gg) “**Regulatory Authorities**” means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (hh) “**Regulatory Rules**” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this

Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.

- (ii) “**Securities Act**” means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (jj) “**Share**” or “**Shares**” means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (kk) “**Subsidiary**” means a wholly-owned or controlled subsidiary corporation of the Company.
- (ll) “**Triggering Event**” means:
  - (i) the proposed dissolution, liquidation or wind-up of the Company;
  - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
  - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
  - (iv) a proposed Change of Control of the Company;
  - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
  - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (mm) “**TSXV**” means the TSX Venture Exchange.
- (nn) “**TSXV Policies**” means the rules and policies of the TSXV as amended from time to time.
- (oo) “**Vest**” or “**Vesting**” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.
- (pp) “**VWAP**” means the volume weighted average trading price of the Shares calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the exercise of the subject Option.

Where appropriate, internal crosses and certain other special terms trades may be excluded from the calculation.

## **1.2 Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia. The Company and each Option Holder hereby attorn to the exclusive jurisdiction of the Courts of British Columbia in respect of any legal proceedings relating to the Plan or Options granted hereunder.

## **1.3 Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

# **ARTICLE 2 PURPOSE AND PARTICIPATION**

## **2.1 Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants, to incent such individuals to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

## **2.2 Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants, if any, to whom Options are to be granted.

## **2.3 Limits on Option Grants**

The following limitations shall apply to the Plan and all Options thereunder so long as such limitations are required by the TSXV:

- (a) the maximum number of Options which may be granted to any one Option Holder under the Plan within any 12 month period shall be 5% of the Outstanding Issue (unless the Company has obtained disinterested shareholder approval as required by the TSXV);
- (b) the maximum number of Options which may be granted to Insiders (as a group) within any 12 month period must not exceed 10% of the Outstanding Issue (including any Options which are granted and exercised within that 12 month period unless the Company has obtained disinterested shareholder approval as required by the TSXV);
- (c) the maximum aggregate number of Options which may be granted to Insiders (as a group) must not exceed 10% of the Issued Shares at any point in time (unless the

Company has obtained disinterested shareholder approval as required by the TSXV);

- (d) with respect to section 5.1, the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option;
- (e) the maximum number of Options which may be granted to any one Consultant within any 12 month period must not exceed 2% of the Outstanding Issue; and
- (f) the maximum number of Options which may be granted within any 12 month period to all Employees or Consultants engaged in investor relations activities must not exceed 2% of the Outstanding Issue in the aggregate, and such options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period.

#### **2.4 Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

#### **2.5 Copy of Plan**

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

#### **2.6 Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

#### **2.7 No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options granted under this Plan.

#### **2.8 Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the

Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

## **2.9 Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

## **2.10 Representation to TSXV**

As a condition precedent to the issuance of an Option, the Company and the Option Holder must be able to represent to the TSXV as of the Grant Date that the Option Holder is a bona fide Executive, Employee or Consultant of the Company or any Subsidiary. The Option Certificate to which the Option Holder is a party must contain such a representation by the Option Holder.

# **ARTICLE 3 NUMBER OF SHARES UNDER PLAN**

## **3.1 Board to Approve Issuance of Shares**

The Board shall approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options regardless of when it is actually done. The Board shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

## **3.2 Number of Shares**

This Plan is a “rolling” plan. Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan will not exceed 10% of the number of issued and outstanding Shares as at the date of grant or issuance of any Options under the Plan. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

## **3.3 Fractional Shares**

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

## **ARTICLE 4 GRANT OF OPTIONS**

### **4.1 Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

### **4.2 Record of Option Grants**

The Committee shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (e) the vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

### **4.3 Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

## **ARTICLE 5 TERMS AND CONDITIONS OF OPTIONS**

### **5.1 Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4, 11.1 and 11.5, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

## **5.2 Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

## **5.3 Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;
- (b) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (c) if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (d) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length.

Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

## **5.4 Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The

Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4 and 11.5 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
- (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
  - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
  - (iii) an order made by any Regulatory Authority having jurisdiction to so order;  
in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; or

Notwithstanding the foregoing, the Committee may, in its sole discretion if it determines such is in the best interests of the Company, extend the expiry date to a later date within a reasonable period not exceeding one year in accordance with TSXV Policies.

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:
- (i) termination for cause;
  - (ii) resigning his or her position;
  - (iii) an order made by any Regulatory Authority having jurisdiction to so order;  
in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

Notwithstanding the foregoing, the Committee may, in its sole discretion if it determines such is in the best interests of the Company, extend the expiry date to a later date within a reasonable period not exceeding one year in accordance with the TSXV Policies.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

## **5.5 Vesting of Option and Acceleration**

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, other than Options held by Option Holders engaged in investor relations activities, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2. For clarity, the Committee may not elect to accelerate the vesting schedule of one or more Options held by Option Holders engaged in investor relations activities without the prior written approval of the Exchange.

## **5.6 Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

# **ARTICLE 6 TRANSFERABILITY OF OPTIONS**

## **6.1 Non-transferable**

Except as provided otherwise in this ARTICLE 6, Options are non-assignable and non-transferable.

## **6.2 Death of Option Holder**

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

### **6.3 Disability of Option Holder**

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

### **6.4 Disability and Death of Option Holder**

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

### **6.5 Vesting**

Notwithstanding any vesting schedule to which Options are subject, Options shall cease to vest immediately if the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated for any reason whatsoever. In which case, the Option Holder may only exercise such number of Options that are vested as at the date of termination of such Option Holder's employment, engagement or appointment as a director or officer.

### **6.6 Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

## **ARTICLE 7 EXERCISE OF OPTION**

### **7.1 Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise

Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option.

Without limiting the foregoing, the Committee may, in its sole discretion, permit the exercise of an Option through either:

- (a) a cashless exercise (a “**Cashless Exercise**”) mechanism, whereby:
  - (i) a sufficient number of the Shares issued upon exercise of the Options will be sold by a designated broker on behalf of and for the benefit of the Option Holder to satisfy the Exercise Price of the Options; and
  - (ii) the Exercise Price of the Options will be delivered to the Company and the Option Holder will receive only the remaining unsold Shares from the exercise of the Options and the net proceeds of the sale after deducting (A) the Exercise Price of the Options, (B) applicable taxes and (C) any applicable fees and commissions, all as determined by the Committee from time to time; or
- (b) a net exercise (a “**Net Exercise**”) mechanism, whereby Options, excluding Options held by any an Option Holder engaged in investor relations activities, are exercised without the Option Holder making any cash payment so the Company does not receive any cash from the exercise of the subject Options (other than in respect of applicable taxes), and instead the Option Holder receives only the number of underlying Shares that is the equal to the quotient obtained by dividing:
  - (i) the product of the number of underlying Shares subject to the Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options; by
  - (ii) the VWAP of the underlying Shares.

In the event of a Cashless Exercise or Net Exercise, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued by the Company, must be included in calculating the applicable limits in the Plan.

## **7.2 Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased.

An Exchange Hold Period will be applied from the date of grant for all Options granted to:

- Insiders of the Company; or
- where Options are granted to any service provider, where the Exercise Price is at a discount to the Market Price.

If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Share Certificate.

### **7.3 No Rights as Shareholder**

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the certificates, the decision of the Committee shall be final, conclusive and binding.

## **ARTICLE 8 ADMINISTRATION**

### **8.1 Board or Committee**

The Plan shall be administered by the Board, by a Committee of the Board appointed in accordance with section 8.2, or by an Administrator appointed in accordance with paragraph 8.4(b).

### **8.2 Appointment of Committee**

The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan.

### **8.3 Quorum and Voting**

A majority of the members of the Committee shall constitute a quorum and, subject to the limitations in this ARTICLE 8, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee may vote on any matters affecting the administration of the Plan or the grant of Options pursuant to the Plan, except that no such member shall act upon the granting of an Option to himself or herself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to that member). The Committee may approve matters by written resolution signed by a majority of the quorum.

## **8.4 Powers of Committee**

The Committee (or the Board if no Committee is in place) shall have the authority to do the following:

- (a) administer the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value of the Shares;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) do the following with respect to the granting of Options:
  - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
  - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
  - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
  - (iv) determine when Options shall be granted; and
  - (v) determine the number of Shares subject to each Option;
- (h) accelerate the vesting schedule of any Option previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

## **8.5 Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

## **8.6 Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

# **ARTICLE 9 APPROVALS AND AMENDMENT**

## **9.1 Shareholder Approval of Plan**

In accordance with TSXV Policies, this Plan is subject to shareholder approval. Any Option granted by the Company under this Plan prior to the Company having obtained all required approvals will be exercisable only subsequent to the Company having obtained such approvals.

The Plan, or any amended version thereof, will be submitted to the shareholders for approval at each annual general meeting of the Company's shareholders.

## **9.2 Amendment of Option or Plan**

Subject to any required Regulatory Approvals (including but not limited to approval of the Exchange) and any shareholder approval, if applicable, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder;

then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment.

If at the time the Exercise Price of an Option is reduced or the Expiry Date of an Option is extended the Option Holder is an Insider of the Company, disinterested shareholder approval will be obtained by the Company.

**ARTICLE 10**  
**CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES**

**10.1 Compliance with Laws**

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificates representing such Shares accordingly.

**10.2 Obligation to Obtain Regulatory Approvals**

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2.

**10.3 Inability to Obtain Regulatory Approvals**

The Company shall not be liable with respect to the failure to complete any transaction related to this Plan, including the exercise of Options or the lawful issuance and sale of any Shares pursuant to such Options, if the Company was unable to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete such transaction.

**10.4 Withholding Tax Requirements**

Upon exercise of an Option, the Option Holder shall, upon notification of the amount due and prior to the delivery of the certificates representing the Shares, pay to the Company amounts necessary to satisfy applicable federal and provincial withholding tax requirements and, if applicable, Canada Pension Plan contributions, in such amount as determined by the Company, or shall otherwise make arrangements satisfactory to the Company for such requirements. In order to implement this provision, the Company or any related corporation shall have the right to retain and withhold from any payment of cash or Shares under this Plan the amount of taxes and, if applicable, Canada Pension Plan contributions, in such amount as determined by the Company, to be withheld or otherwise deducted and paid with respect to such payment. At its discretion, the Company may require an Option Holder receiving Shares to reimburse the Company for any such taxes and Canada Pension Plan contributions required to be withheld by the Company and withhold any distribution to the Option Holder in whole or in part until the Company is so reimbursed. In lieu thereof, the Company shall have the right to withhold from any other cash amounts due or to

become due from the Company to the Option Holder an amount equal to such taxes and, if applicable, Canada Pension Plan contributions as determined by the Company. The Company may also retain and withhold or the Option Holder may elect, subject to approval by the Company at its sole discretion, to have the Company retain and withhold a number of Shares having a market value of not less than the amount of such taxes and, if applicable, Canada Pension Plan contributions, as determined by the Company, required to be withheld by the Company to reimburse the Company for any such taxes and cancel (in whole or in part) any such Shares so withheld.

## **ARTICLE 11 ADJUSTMENTS AND TERMINATION**

### **11.1 Blackout Periods**

Notwithstanding the Expiry Date of any Option, such Expiry Date shall be extended to the tenth business day following the last day of a Blackout Period if the Expiry Date would otherwise occur in a Blackout Period. The following requirements are applicable to any such automatic extension provision:

- (a) the Blackout Period must be formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information;
- (b) the Blackout Period must expire following the general disclosure of the undisclosed material information;
- (c) the automatic extension of the Expiry Date of an Option Holder's Options is not permitted where the Option Holder or the Company is subject to a cease trade order (or similar order under Regulator Rules) in respect of the Company's securities; and
- (d) the automatic extension is available to all eligible Option Holders under the Plan under the same terms and conditions.

### **11.2 Termination of Plan**

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan.

### **11.3 No Grant During Suspension of Plan**

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

### **11.4 Alteration in Capital Structure**

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the

Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.4, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company.

Any adjustment made to any Options pursuant to this section 11.4 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2.

Any adjustment made to any Options pursuant to this section 11.4 (except in relation to a consolidation or subdivision) will be subject to the prior acceptance of the TSXV.

## **11.5 Triggering Events**

Subject to the Company complying with section 11.6 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2.

## **11.6 Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

## **11.7 Determinations to be Made By Committee**

Adjustments and determinations under this ARTICLE 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

## **11.8 Options Granted to U.S. Residents or Citizens**

The Options and the Shares issuable upon exercise of the Options have not been registered under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) or any applicable securities law of any state of the United States and may not be granted to, or exercised by or on behalf of, any person in the United States, any U.S. person or any person acting for the account or benefit of a U.S. person or person in the United States unless exempt from the registration requirements of the U.S. Securities Act and any applicable securities law of any state of the United States. The Options granted, and the Shares issued upon exercise of Options, in the United States, to or by or on behalf of a U.S. person or any person acting for the account or benefit of a U.S. person or person in the United States will bear a legend restricting the transfer and exercise of such Options and Shares unless such offer, sale, pledge or transfer is pursuant to an exemption from the U.S. Securities Act and in accordance with any applicable securities laws of any state of the United States. “United States” and “U.S. person” are as defined in Regulation S under the U.S. Securities Act.

Any Option granted under the Plan to an Option Holder who is a citizen or resident of the United States (including its territories, possessions and all areas subject to the jurisdiction) (a “**U.S. Option Holder**”) may be an incentive stock option (an “**ISO**”) within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, of the United States (the “Code”), but only if so designated by the Company in the agreement evidencing such Option, and only to the extent such option qualifies as an ISO under this section 11.8. No more than 5,000,000 Shares may be granted under Options intended to be ISOs, subject to adjustment as provided in section 11.4. No provision of this Plan, as it may be applied to a U.S. Option Holder with respect to Options which are designated as ISOs, shall be construed so as to be inconsistent with any provision of Section 422 of the Code. Grants of Options to U.S. Option Holders pursuant to this Plan which are not designated as or otherwise do not qualify as ISOs will be treated as non-statutory stock options for U.S. federal tax purposes. The Exercise Price for Shares under each Option granted to a U.S. Option Holder pursuant to this Plan shall be not less than 100% of the Market Value of such Shares at the time granted, (unless such Option is granted pursuant to an assumption or substitution for

another option in a manner satisfying the provisions of Sections 409A and 424(a) of the Code). Options will be granted and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Option Agreement under the Plan is intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. Notwithstanding any provision of the Plan to the contrary, in the event that the Administrator determines that any this Plan or any Option hereunder may be subject to Section 409A of the Code and related Treasury Regulations and other interpretive guidance issued thereunder, the Administrator may adopt such amendments to the Plan and the applicable agreement or adopt other policies and procedures (including amendments, policies, and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (a) exempt the Option from section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Option, or (b) comply with the requirements of Section 409A of the Code and related Treasury Regulations and other interpretive guidance thereunder and thereby avoid the application of any penalty taxes under such section.

Notwithstanding anything in this Plan contained to the contrary, the following provisions shall apply to ISOs granted to each U.S. Option Holder:

- (a) ISOs shall only be granted to individual U.S. Option Holders who are, at the time of grant, employees of the Company (within the meaning of the Code). Any director of the Company who is a U.S. Option Holder shall be ineligible to vote upon the granting of such Option;
- (b) the aggregate Market Value (determined as of the time an ISO is granted) of the Shares subject to ISOs exercisable for the first time by a U.S. Option Holder during any calendar year under this Plan and all other Company stock option plans, within the meaning of Section 422 of the Code, shall not exceed US\$100,000. To the extent that this US\$100,000 limit is exceeded, such Options will be treated as non-statutory stock options. For purposes of this paragraph, (i) ISOs will be taken into account in the order in which they were granted and (ii) the calculation will be performed in accordance with Code Section 422 and Treasury Regulations promulgated thereunder.
- (c) if any U.S. Option Holder to whom an ISO is to be granted under the Plan at the time of the grant of such ISO is the owner of shares possessing more than 10% of the total combined voting power of all classes of shares of the Company, then the following special provisions shall be applicable to the ISO granted to such individual:
  - (i) the Exercise Price (per Share) subject to such ISO shall not be less than 110% of the Market Value of one Share at the time of grant; and
  - (ii) for the purposes of this paragraph only, the exercise period shall not exceed five years from the date of grant;

- (d) no ISO may be granted hereunder to a U.S. Option Holder following the expiration of ten years after the date on which this Plan is adopted by the Company or the date on which the Plan is approved by the shareholders of the Company, whichever is earlier;
- (e) no Option granted U.S. Option Holder under the Plan shall be treated as an ISO unless the Plan shall have been approved by the shareholders of the Company within 12 months following the date of its adoption by the Board;
- (f) Options shall lose their qualification as ISOs if any leave of absence exceeds 3 months, unless reemployment upon expiration is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then 6 months following the first day of such leave, any ISO held by a U.S. Option Holder will cease to be treated as an ISO and will be treated for tax purposes as a non-statutory stock option;
- (g) no ISO shall be transferable by a U.S. Option Holder other than by will or the laws of descent and distribution; and
- (h) during the lifetime of the original grantee of an ISO, such ISO may not be exercised by anyone other than such grantee.

**SCHEDULE B**  
**FINANCIAL STATEMENTS AND RELATED MD&A**

# **VIZSLA ROYALTIES CORP.**

**Combined and Consolidated Financial Statements**

**For the years ended April 30, 2024 and 2023**

(Expressed in Canadian dollars)

To the Shareholder of Vizsla Royalties Corp.:

## Opinion

We have audited the combined and consolidated financial statements of Vizsla Royalties Corp. and its subsidiaries (the "Company"), which comprise the combined and consolidated statements of financial position as at April 30, 2024 and April 30, 2023, and the combined and consolidated statements of (loss) income and comprehensive (loss) income, changes in shareholder's deficiency and cash flows for the years then ended, and notes to the combined and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying combined and consolidated financial statements present fairly, in all material respects, the combined and consolidated financial position of the Company as at April 30, 2024 and April 30, 2023, and its combined and consolidated financial performance and its combined and 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 Combined And 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 combined and 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 combined and consolidated financial statements, which indicates that the Company had a working capital deficit as of April 30, 2024 and incurred a net loss for the year ended April 30, 2024. 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.

## Other Information

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

Our opinion on the combined and 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 combined and 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 combined and 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 Combined and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the combined and 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 combined and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined and 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 Combined and Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the combined and 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 combined and 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 combined and 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 combined and 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 combined and consolidated financial statements, including the disclosures, and whether the combined and 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 combined and 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.

Vancouver, British Columbia

July 25, 2024

*MNP LLP*

Chartered Professional Accountants

**VIZSLA ROYALTIES CORP.**  
**Combined and Consolidated Statements of Financial Position**  
(Expressed in Canadian dollars)

	Note	April 30, 2024	April 30, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		22,596	55,311
Taxes receivable	5	265,831	246,790
		<b>288,427</b>	302,101
Royalty interests	6	1	1
<b>Total assets</b>		<b>288,428</b>	302,102
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		15,263	16,538
Due to related party	7	1,711,973	1,546,277
<b>Total liabilities</b>		<b>1,727,236</b>	1,562,815
<b>SHAREHOLDER'S DEFICIENCY</b>			
Share capital	8	1	1
Contributed deficit		(1,316,703)	(1,303,565)
Accumulated other comprehensive income		37,098	18,423
Retained earnings (deficit)		(159,204)	24,428
<b>Total shareholder's deficiency</b>		<b>(1,438,808)</b>	(1,260,713)
<b>Total liabilities and shareholder's deficiency</b>		<b>288,428</b>	302,102

Nature of operations and going concern (Note 1)  
Subsequent events (Note 12)

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

\_\_\_\_\_  
/s/ "Karlene Collier"  
Director

\_\_\_\_\_  
/s/ "Keith Bodnarchuk"  
Director

**VIZSLA ROYALTIES CORP.****Combined and Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income**

(Expressed in Canadian dollars, except number of shares)

	Note	Years ended April 30, 2024	2023
		\$	\$
<b>Operating expenses</b>			
Office and miscellaneous		468	40
Professional fees		181,034	1,890
<b>Operating loss</b>		<b>(181,502)</b>	<b>(1,930)</b>
<b>Other income (expenses)</b>			
Foreign exchange (loss) gain		(2,130)	21,081
<b>Net (loss) income for the year</b>		<b>(183,632)</b>	<b>19,151</b>
<b>Other comprehensive income</b>			
Currency translation differences		18,675	26,463
<b>Comprehensive (loss) income for the year</b>		<b>(164,957)</b>	<b>45,614</b>
<b>Net (loss) income per share:</b>			
Basic and diluted		(183,632)	19,151
<b>Weighted average number of common shares:</b>			
Basic and diluted		1	1

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

**VIZSLA ROYALTIES CORP.**  
**Combined and Consolidated Statements of Cash Flows**  
(Expressed in Canadian dollars)

	Years ended April 30,	
	2024	2023
	\$	\$
<b>Operating activities:</b>		
Net (loss) income for the year	(183,632)	19,151
Adjustments for:		
Foreign exchange gain	2,130	(21,081)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(1,452)	40,029
Taxes receivable	(2,189)	(40,029)
<b>Net cash used in operating activities</b>	<b>(185,143)</b>	<b>(1,930)</b>
<b>Investing activities:</b>		
Purchase of royalty interests	(13,138)	(1,542,452)
<b>Net cash used in investing activities</b>	<b>(13,138)</b>	<b>(1,542,452)</b>
<b>Financing activities:</b>		
Proceeds from related party	165,696	1,595,640
<b>Net cash provided by financing activities</b>	<b>165,696</b>	<b>1,595,640</b>
Effect of exchange rate on changes in cash	(130)	1,574
Change in cash and cash equivalents	(32,585)	51,258
Cash and cash equivalents, beginning of year	55,311	2,479
<b>Cash and cash equivalents, end of year</b>	<b>22,596</b>	<b>55,311</b>

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

**VIZSLA ROYALTIES CORP.****Combined and Consolidated Statements of Changes in Shareholder's Deficiency**

(Expressed in Canadian dollars, except number of shares)

	<b>Common shares</b>	<b>Share capital</b>	<b>Contributed deficit</b>	<b>Accumulated other comprehensive income (loss)</b>	<b>Retained earnings (deficit)</b>	<b>Total shareholder's deficiency</b>
	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, April 30, 2022	1	1	(1,289,541)	(8,040)	5,277	(1,292,303)
Royalty interests	-	-	(14,024)	-	-	(14,024)
Currency translation differences	-	-	-	26,463	-	26,463
Net income for the year	-	-	-	-	19,151	19,151
Balance, April 30, 2023	1	1	(1,303,565)	18,423	24,428	(1,260,713)
Royalty interests	-	-	(13,138)	-	-	(13,138)
Currency translation differences	-	-	-	18,675	-	18,675
Net loss for the year	-	-	-	-	(183,632)	(183,632)
<b>Balance, April 30, 2024</b>	<b>1</b>	<b>1</b>	<b>(1,316,703)</b>	<b>37,098</b>	<b>(159,204)</b>	<b>(1,438,808)</b>

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

**VIZSLA ROYALTIES CORP.**  
**Notes to the Combined and Consolidated Financial Statements**  
**For the years ended April 30, 2024 and 2023**  
(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, BC V7X 1J1. As at June 24, 2024, the Company became a reporting issuer in all provinces and territories of Canada.

These combined and consolidated financial statements for the years ended April 30, 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 its parent, Vizsla Silver, and/ or 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 April 30, 2024, the Company has a working capital deficit of \$1,438,809 (April 30, 2023 - \$1,260,714). During the year ended April 30, 2024, the Company recorded a net loss of \$183,632 (2023 - net income of \$19,151). 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.

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 common share purchase warrants of Vizsla Royalties (the “Vizsla Royalties Warrants”) to the shareholders of Vizsla Silver. On June 24, 2024, Vizsla Silver and Vizsla Royalties completed the Spinout Transaction pursuant to a plan of arrangement under the Business Corporations Act of British Columbia (the “Arrangement”) (Note 12).

**2. BASIS OF PREPARATION**

**a) Statement of compliance**

These Financial Statements were approved by the Board of Directors and authorized for issue on July 25, 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.

**VIZSLA ROYALTIES CORP.**  
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**2. BASIS OF PREPARATION (continued)**

**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.

**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 April 30, 2024 and 2023 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**

**a) Cash and cash equivalents**

Cash consists of cash on hand, deposits in banks with no restrictions, and highly liquid savings accounts. Cash equivalents include other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company's cash and cash equivalents are deposited in major financial institutions in business accounts.

**b) 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. 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.

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

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

Financial instrument	Classification
Financial assets	
Cash and cash equivalents	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related party	Amortized cost

Financial assets at FVTPL

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

Financial assets at FVTOCI

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

Financial assets at amortized cost

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

Financial liabilities

The Company recognizes accounts payable and accrued liabilities and due to related party at amortized cost using the effective interest method.

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

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

**c) Royalty interests**

Royalty interests consist of acquired royalty interests. These interests initially are recorded at fair value and capitalized as tangible assets with finite lives. They are subsequently measured at fair value less accumulated depletion and accumulated impairment losses, if any. Project evaluation costs that are not related to a specific royalty are expensed in the period incurred.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

Producing royalty interests are depleted using the units-of-production method over the life of the property to which the interest relates, which is estimated using available information of proven and probable reserves and the portion of resources expected to be classified as mineral reserves at the mine corresponding to the specific agreement.

On acquisition of a royalty interest, an allocation of its fair value may be attributed to the exploration potential of the interest and is recorded as an exploration asset on the acquisition date. The carrying value of the exploration potential is accounted for in accordance with IFRS 6 *Exploration and Evaluation of Mineral Resources* ("IFRS 6") and is not depleted until such time as the technical feasibility and commercial viability has been established, at which point the value of the asset is accounted for in accordance with IAS 16 *Property, Plant and Equipment* ("IAS 16"). Upon demonstration of the technical and commercial feasibility of a project and a development decision, the carrying value related to that project is subject to an impairment test and is reclassified in accordance with IAS 16.

#### **d) Earnings (loss) per share**

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

#### **e) Income tax**

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

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

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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.

#### **f) New accounting standards and interpretations**

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after May 1, 2023:

##### Disclosure of accounting policies - International Accounting Standards ("IAS") 1 and IFRS Practice Statement 2

The amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition, or presentation of any items in the Company's Financial Statements.

##### Definition of accounting estimates - amendments to IAS 8

The amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's Financial Statements.

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

Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12

The amendments to IAS 12 *Income Taxes* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's Financial Statements.

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

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

The preparation of the combined and consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosure. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

**a) Assessing whether deferred tax assets and liabilities are recognized in accordance with IAS 12 *Income taxes***

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

**b) Taxes receivable**

Value-added tax ("VAT") receivable is collectible from the government of Mexico. The collection of VAT is subject to risk due to the complex application and collection process and therefore, risk related to the collectability and timing of payment from the Mexican government. The Company uses its best estimates based on the facts known at the time and its experience to determine its best estimate of the collectability and timing of these recoveries. Changes in the assumptions regarding collectability and the timing of collection could impact the valuation and classification of VAT receivable.

**c) Going concern evaluation**

As discussed in Note 1, these Financial Statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these Financial Statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses, and the statement of financial position classifications used, and such adjustments could be material.

**5. TAXES RECEIVABLE**

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

	<b>April 30, 2024</b>	April 30, 2023
	\$	\$
Mexican VAT in connection with purchase of royalty interests (Note 6)	<b>265,831</b>	246,790

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## 6. 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, 2023 - \$1). For the year ended April 30, 2024, the difference between the fair value and the agreed consideration of \$13,138 (US\$10,000) (April 30, 2023 - \$14,024 (US\$10,500)) is recorded as contributed deficit in equity.

## 7. DUE TO RELATED PARTY

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

	April 30, 2024	April 30, 2023
Vizsla Silver	\$ 1,711,973	\$ 1,546,277

Due to related party includes amounts transferred by Vizsla Silver to the Company to purchase the royalty interests from Minera Canam. The amounts are non-interest-bearing, no security and due on demand.

## 8. SHARE CAPITAL

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

As at April 30, 2024 and 2023, the Company has 1 common share with no par value was issued and outstanding.

## 9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities, and due to related party.

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

## **9. 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 a major financial institution which has 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 as well as due to related party. 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, accrued liabilities, and due to related party. 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 April 30, 2024, the Company had a working capital deficit of \$1,438,809 (April 30, 2023 - \$1,260,714). The Company assesses liquidity risk as high.

### **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 and comprehensive loss for the year ended April 30, 2024, by approximately \$2,875 (2023 - \$13,273). 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.

## **10. 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 year ended April 30, 2024. In the management of capital, the Company includes the components of shareholder's equity. As at April 30, 2024, the Company is not subject to externally imposed capital requirements.

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**11. INCOME TAX**

**a) Income tax recovery**

A summary of the Company's reconciliation of income taxes at statutory rates for the years ended April 30, 2024 and 2023, is as follows:

	2024	2023
	\$	\$
Income (loss) before income tax	(183,632)	19,151
Expected income tax expense (recovery)	(49,581)	5,171
Tax impact of royalty interest and other	-	(3,363)
Foreign tax rate difference	(107)	711
Inflation adjustments	(4,153)	(4,231)
Foreign exchange difference	(31,626)	-
Change in unrecognized deferred tax assets	85,467	1,712
<b>Income tax recovery</b>	<b>-</b>	<b>-</b>

**b) Deferred taxes**

The deferred tax 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. The unrecognized temporary differences as at April 30, 2024 and 2023 are comprised of the following:

	April 30, 2024	April 30, 2023
	\$	\$
Deferred tax assets:		
Non-capital losses carry forward	1,774,528	1,563,526
Intangible assets	89,875	-
<b>Net deferred tax assets</b>	<b>1,864,403</b>	<b>1,563,526</b>

As at April 30, 2024, the Company has accumulated non-capital losses of \$90,205 in Canada (April 30, 2023 - \$nil) for income tax purposes, which may be carried forward to reduce taxable income in future years. The Canadian non-capital losses will, if unused, expire in 2044. The Company has non-capital losses in Mexico of \$1,684,323 (April 30, 2023 - \$1,563,526) which carry forward and will expire from 2032 to 2034.

**12. SUBSEQUENT EVENTS**

On June 24, 2024 (the "Effective Date"), Vizsla Silver and Vizsla Royalties completed the Arrangement (Note 1). Pursuant to the Arrangement, the shareholders of Vizsla Silver at the Effective Date received, in exchange for each Vizsla Silver 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. Vizsla Silver warrants and options were adjusted in accordance with their terms pursuant to the Arrangement. As a result, Vizsla Royalties issued 80,493,553 Vizsla Royalties Shares and 80,493,553 Vizsla Royalties Warrant to Vizsla Silver shareholders. Vizsla Silver continues to hold a number of Vizsla Royalties' shares which represents more than 50% ownership. The purpose of the Arrangement was to reorganize Vizsla Silver into two separate companies: Vizsla Silver and Vizsla Royalties.

On the Effective Date, Vizsla Royalties became a reporting issuer in all provinces and territories of Canada.

On July 3, 2024, the Company entered into a debt settlement agreement with Vizsla Silver to settle the outstanding debt of \$1,609,312 by issuing the Company's common shares. On July 18, 2024, the Company issued 32,186,240 common shares to Vizsla Silver at a deemed price of \$0.05 per share.

On July 22, 2024, the Company issued 22,533 common shares pursuant to warrant exercises at an exercise price of \$0.05 for total gross proceeds of \$1,127.

**12. SUBSEQUENT EVENTS (continued)**

During July 2024, the Company issued in total 26,734 common shares pursuant to Vizsla Royalties Warrant exercises at an exercise price of \$0.05 for total gross proceeds of \$1,337.

# **VIZSLA ROYALTIES CORP.**

**Management's Discussion and Analysis**

**For the years ended April 30, 2024 and 2023**

(Expressed in Canadian dollars)

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This Management Discussion and Analysis ("MD&A") of the financial position and results of Vizsla Royalties Corp. and its subsidiaries ("Vizsla Royalties" or the "Company") was prepared by management and should be read in conjunction with the audited combined and consolidated financial statements for the years ended April 30, 2024 and 2023 and the accompanying notes thereto (the "Financial Statements"). Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Forward-Looking Statement disclaimer included with this MD&A.

The Financial Statements have been prepared by management 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. All amounts are expressed in Canadian dollars, the presentation currency of the Company, unless otherwise stated. The functional currency of the Company and its subsidiaries is disclosed in the notes to the Financial Statements. Other information contained in this document has been prepared by management and is consistent with the data contained in the Financial Statements. References to "\$" or "CAD" are to Canadian dollars, references to "US\$" or "USD" are to United States dollars, and references to "MXN" are to Mexican pesos.

In this MD&A, unless the context otherwise dictates, a reference to "us", "we", "our", or similar terms refers to the Company. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The years ended April 30, 2024, 2023 and 2022 are referred to as "Fiscal 2024", "Fiscal 2023" and "Fiscal 2022", respectively.

This MD&A has been prepared by management, in accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* and approved by the Board of Directors as of July 25, 2024 (the "MD&A Date").

## **OVERVIEW OF THE BUSINESS**

The Company was incorporated on October 13, 2023 as a wholly owned subsidiary of Vizsla Silver Corp. ("Vizsla Silver"). 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, BC V7X 1J1.

The Company owns 100% of the outstanding shares of Panuco Royalty Corp., which was incorporated on January 11, 2021<sup>(1)</sup> as a wholly owned subsidiary of Vizsla Silver and owns 100% of the outstanding shares of Canam Royalties Mexico, S.A. de C.V. ("Canam Royalties"). Canam Royalties owns a NSR (the "Royalty") on any future mineral production at Vizsla Silver's flagship, 100% owned Panuco silver-gold project located in Sinaloa, Mexico (the "Panicu Project"). The Royalty consists of: (i) a 2.0% NSR royalty on certain unencumbered concessions comprising the Panuco Project; and (ii) a 0.5% NSR royalty on certain encumbered concessions comprising the Panuco Project which have a pre-existing 3.0% NSR royalty in favor of a third party.

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 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 April 30, 2024, the Company has a working capital deficit of \$1,438,809 (April 30, 2023 - \$1,260,714). During the year ended April 30, 2024, the Company recorded a net loss of \$183,632 (2023 - net income of \$19,151). 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.

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<sup>(1)</sup> Panuco Royalty Corp. was initially incorporated under the name Vizsla Copper Corp. and its name was changed on April 23, 2021 to 1283303 B.C. Ltd. and then to Vizsla Royalty Corp. on July 9, 2021. Its name was changed to Panuco Royalty Corp. on October 13, 2023.

**VIZSLA ROYALTIES CORP.****Management's Discussion and Analysis****For the years ended April 30, 2024 and 2023**

(Expressed in Canadian dollars, except where noted)

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 common share purchase warrants of Vizsla Royalties (the "Vizsla Royalties Warrants") to the shareholders of Vizsla Silver. On June 24, 2024, Vizsla Silver and Vizsla Royalties completed the Spinout Transaction pursuant to a plan of arrangement under the Business Corporations Act of British Columbia (the "Arrangement") (see Subsequent Event section).

**SELECTED QUARTERLY FINANCIAL INFORMATION**

A summary of selected quarterly financial information is as follows:

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
	\$	\$	\$	\$
Net income (loss)	<b>(86,838)</b>	(94,521)	(3,218)	945
Basic and diluted income (loss) per common share	<b>(86,838)</b>	(94,521)	(3,218)	945
	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	\$	\$	\$	\$
Net income (loss)	(16,360)	31,511	3,699	301
Basic and diluted income (loss) per common share	(16,360)	31,511	3,699	301

The fluctuations in foreign exchange gain, stemming from the strengthening of the MXN against the CAD and the USD, account for the variance observed over the eight quarters. Additionally, each quarterly net income and net loss includes minor professional fees and office expenses. During Q4 2024, the Company reported a net loss of \$86,838, primarily due to transaction costs related to the Spinout Transaction of Vizsla Royalties.

**SELECTED ANNUAL INFORMATION**

A summary of selected financial data derived from the Company's combined and consolidated financial statements for each of the three most recently completed financial years is as follows:

	Fiscal 2024	Fiscal 2023	Fiscal 2022
	\$	\$	\$
Comprehensive income (loss)	<b>(164,957)</b>	45,614	(2,762)
Basic and diluted income (loss) per share	<b>(183,632)</b>	19,151	5,278
Total assets	<b>288,428</b>	302,102	209,241
Total liabilities	<b>1,727,236</b>	1,562,815	1,501,544

The Company's net loss and comprehensive income (loss) and operating expenses fluctuated primarily due to fluctuations in foreign exchange gain, stemming from the strengthening of the MXN against the CAD and the USD. During Fiscal 2024, the Company's net loss and comprehensive loss and operating expenses increased significantly due to transaction costs related to the Spinout Transaction. These additional losses contributed to the increased loss per share.

**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.

**VIZSLA ROYALTIES CORP.****Management's Discussion and Analysis****For the years ended April 30, 2024 and 2023**

(Expressed in Canadian dollars, except where noted)

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, 2023 - \$1). The difference between the fair value and the agreed consideration of \$13,138 (US\$10,000) (April 30, 2023 - \$14,024 (US\$10,500)) is recorded as contributed deficit in equity.

**RESULTS OF OPERATIONS**

A summary of the Company's results of operations is as follows:

	<b>Q4 2024</b>	<b>Q4 2023</b>	<b>Fiscal 2024</b>	<b>Fiscal 2023</b>
	\$	\$	\$	\$
<b>Operating expenses (recovery)</b>				
Office and miscellaneous	215	(139)	468	40
Professional fees	85,874	1,890	181,034	1,890
	<b>(86,089)</b>	<b>(1,751)</b>	<b>(181,502)</b>	<b>(1,930)</b>
<b>Other income (expenses)</b>				
Foreign exchange gain (loss)	(749)	(14,609)	(2,130)	21,081
<b>Net income (loss)</b>	<b>(86,838)</b>	<b>(16,360)</b>	<b>(183,632)</b>	<b>19,151</b>
<b>Other comprehensive income</b>				
Currency translation differences	8,848	20,327	18,675	26,463
<b>Comprehensive income (loss)</b>	<b>(77,990)</b>	<b>3,967</b>	<b>(164,957)</b>	<b>45,614</b>

**Q4 2024 compared to Q4 2023**

Net loss was \$86,838 compared to \$16,360 in the prior year comparable period. The primary driver of the increase in net loss was due to higher legal and audit fees that were incurred in the current period relating to the Spinout Transaction.

Partially offsetting the increase in net loss was a decrease in foreign exchange loss to \$749 from \$14,609 in the prior year comparable period, primarily due to less foreign transactions in the current period.

**Fiscal 2024 compared to Fiscal 2023**

Net loss was \$183,632 compared to income of \$19,151 in the prior year. The primary drivers of the increase in net loss were as follows:

- Professional fees were \$181,034 compared to \$1,890 in the prior year primarily due to higher legal and audit fees that were incurred in the current year relating to the Spinout Transaction.
- Foreign exchange loss was \$2,130 compared to gain of \$21,081 in the prior year, primarily due to the impact of the strengthening of the MXN against the CAD and the USD on the translation of Mexican peso denominated assets in the current year.

**VIZSLA ROYALTIES CORP.**  
**Management's Discussion and Analysis**  
**For the years ended April 30, 2024 and 2023**  
(Expressed in Canadian dollars, except where noted)

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**LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN**

As at April 30, 2024, the Company's cash and cash equivalents were \$22,596 (April 30, 2023 - \$55,311) and a working deficit of \$1,438,809 (April 30, 2023 - \$1,260,714). The working deficit is due to a related party amount owing to Vizsla Silver as Vizsla Silver transferred cash to the Company to purchase the royalty in Minera Canam and paid for transaction fees related to the Spinout Transaction.

During the year ended April 30, 2024, the Company used \$185,143 (2023 - \$1,930) of cash in operating activities, which is primarily due to cash spent on legal and audit fees in association with the Spinout Transaction.

During the year ended April 30, 2024, the Company used \$13,138 (2023 - \$1,542,452) of cash in investing activities for the purchase of royalty interests on El Oregano, El Oregano 2, and Dos Compadres properties.

During the year ended April 30, 2024, cash provided by financing activities was \$165,696 (2023 - \$1,595,640), which was from amounts transferred by Vizsla Silver to the Company to purchase the royalty interests from Minera Canam. The Company has no long-term debt or commitments.

As the Company has no revenues, its ability to fund operations is dependent upon its parent company, Vizsla Silver (see Risks and Uncertainties section).

**RELATED PARTY TRANSACTIONS**

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

	<b>April 30, 2024</b>	April 30, 2023
	<b>\$</b>	<b>\$</b>
Vizsla Silver	<b>1,711,973</b>	1,546,277

Due to related party includes amounts transferred by Vizsla Silver to the Company to purchase the royalty interests from Minera Canam. The amounts are non-interest-bearing and due on demand.

**OFF-BALANCE SHEET ARRANGEMENTS**

As at April 30, 2024 and at the MD&A Date, the Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

**PROPOSED TRANSACTIONS**

As at April 30, 2024 and at the MD&A Date, the Company did not have any proposed transactions.

**SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements under IFRS Accounting Standards requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The accounting estimates, judgements and assumptions are fully disclosed in the notes to the Financial Statements.

## **CHANGES IN ACCOUNTING POLICIES**

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after May 1, 2023.

### **Disclosure of accounting policies - International Accounting Standards ("IAS") 1 and IFRS Practice Statement 2**

The amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

### **Definition of accounting estimates - amendments to IAS 8**

The amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

### **Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12**

The amendments to IAS 12 *Income Taxes* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

## **SUBSEQUENT EVENTS**

On June 24, 2024 (the "Effective Date"), Vizsla Silver and Vizsla Royalties completed the Arrangement. Pursuant to the Arrangement, the shareholders of Vizsla Silver at the Effective Date received, in exchange for each Vizsla Silver 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. Vizsla Silver warrants and options were adjusted in accordance with their terms pursuant to the Arrangement. As a result, Vizsla Royalties issued 80,493,553 Vizsla Royalties Shares and 80,493,553 Vizsla Royalties Warrant to Vizsla Silver shareholders. Vizsla Silver continues to hold a number of Vizsla Royalties' shares which represents more than 50% ownership. The purpose of the Arrangement was to reorganize Vizsla Silver into two separate companies: Vizsla Silver and Vizsla Royalties.

On the Effective Date, Vizsla Royalties became a reporting issuer in all provinces and territories of Canada.

On July 3, 2024, the Company entered into a debt settlement agreement with Vizsla Silver to settle the outstanding debt of \$1,609,312 by issuing the Company's common shares. On July 18, 2024, the Company issued 32,186,240 common shares to Vizsla Silver at a deemed price of \$0.05 per share.

On July 22, 2024, the Company issued 22,533 common shares pursuant to warrant exercises at an exercise price of \$0.05 for total gross proceeds of \$1,127.

During July 2024, the Company issued in total 26,734 common shares pursuant to Vizsla Royalties Warrant exercises at an exercise price of \$0.05 for total gross proceeds of \$1,337.

## **OUTSTANDING SHARE DATA**

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at April 30, 2024 and the date of this MD&A, the Company had 1 issued and outstanding common share.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities, and due to related party.

The carrying value of cash and cash equivalent, accounts payable and accrued liabilities, and due to related party 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:

### **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 a major financial institution which has 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.

### **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 as well as due to related party. 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, accrued liabilities, and due to related party. 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 April 30, 2024, the Company had a working capital deficit of \$1,438,809 (April 30, 2023 - \$1,260,714). The Company assesses liquidity risk as high.

### **Foreign exchange risk**

Foreign exchange risk is the risk that a variation in exchange rates between the CAD, the USD, and the MXN 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 and comprehensive loss for the year ended April 30, 2024, by approximately \$2,875 (2023 - \$13,273). 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.

## **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 year ended April 30, 2024. In the management of capital, the Company includes the components of shareholder' equity. As at April 30, 2024, the Company is not subject to externally imposed capital requirements.

## **RISKS AND UNCERTAINTIES**

### **Overview**

The Company is focused on gaining exposure to commodity prices by making strategic investments in mining interests, including royalties, streams, debt and equity investments in mining companies. Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits, which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered may be affected by numerous factors that are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations of metal prices, the proximity and capacity of milling facilities, mineral markets, processing reagents and equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environment protection, the combination of which factors may result in the Company not receiving an adequate return on investment.

### **Competition**

Other exploration companies, including those with greater financial resources than the Company, could adopt or may have adopted the same business strategies and thereby compete directly with the Company, or may seek to acquire and develop mineral claims in areas targeted by the Company. While the risk of direct competition may be mitigated by the Company's experience and technical capabilities, there can be no assurance that competition will not increase or that the Company will be able to compete successfully.

### **Foreign operations and political risk**

The Company's mineral properties are in Canada, Mexico, and the United States. In foreign jurisdictions, mineral exploration and mining activities may be affected in varying degrees by political or economic instability, expropriation of property, and changes in government regulations such as tax laws, business laws, environmental laws, and mining laws. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may materially adversely affect its business, or if significant enough, may make it impossible to continue to operate in certain countries. Operations may be affected in varying degrees by government regulations concerning restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation, and exploration health and safety. These risks are not unique to foreign jurisdictions and apply equally to the property interest in Canada.

### **Uninsured or uninsurable risks**

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's evaluation of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and operating activities.

### **Commodity prices**

The prices of gold, silver, copper, lead, zinc, moly, and other minerals have fluctuated widely in recent years and are affected by several factors beyond the Company's control, including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, consumption patterns, and speculative activities and increased production due to improved exploration and production methods. Fluctuations in commodity prices will influence the willingness of investors to fund mining and exploration companies and the willingness of companies to participate in joint ventures with the Company and the level of their financial commitment. The supply of commodities is affected by various factors, including political events, economic conditions, and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

### **Increased costs**

Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to several factors, such as the results of ongoing exploration activities (positive or negative), changes in mineralisation encountered, and revisions to exploration programs, if any, in response to the foregoing. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

### **Conflicts of interest**

Certain directors and officers of the Company serve as directors, officers and advisors of other companies involved in natural resource exploration and development. To the extent that such companies may participate in ventures with the Company, such directors and officers may have conflicts of interest in negotiating and concluding the terms of such ventures. Such other companies may compete with the Company for the acquisition of mineral property rights. In the event that any such conflict of interest arises, the Company's policy is that such director or officer will disclose the conflict to the board of directors and, if the conflict involves a director, such director will abstain from voting on the matter. In accordance with the Business Corporations Act (BC), the directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

### **Dependence upon others and key personnel**

The success of the Company's operations will depend upon numerous factors including its ability to attract and retain additional key personnel in exploration, marketing, joint venture operations, and finance. This will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance that the Company will be successful in finding and retaining the necessary employees, personnel, and/or consultants to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical personnel and consultants can be particularly intense.

### **Government regulation**

The Company operates in an industry that is governed by numerous regulations, including but not limited to, environmental regulations as well as occupational health and safety regulations. Most of the Company's mineral properties are subject to government reporting regulations. The Company believes that it is in full compliance with all regulations and requirements related to mineral property interest claims. However, it is possible that regulations or tenure requirements could be changed by the respective governments resulting in additional costs or barriers to the development of the properties. This would adversely affect the value of properties and the Company's ability to hold onto them without incurring significant additional costs. It is possible that the Company could violate of, or non-compliant with, regulations it is not aware of.

On April 21, 2023, the Mexican parliament's lower house voted to approve significant changes to the country's mining laws to avoid overexploitation of natural resources (the "Proposed Mining Law Amendments"). It is uncertain whether the Proposed Mining Law Amendments will be enacted in the form approved by the lower house of parliament or at all. This MD&A does not take into account the Proposed Mining Law Amendments.

### **Internal control over financial reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure controls and procedures. Due to its inherent limitations, internal control over financial reporting and disclosure may not prevent or detect all misstatements. Further, the effectiveness of internal control is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may change. There were no changes in our internal controls over financial reporting during the year ended April 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, management will continue to monitor and evaluate the design and effectiveness of its internal control over financial reporting and disclosure controls and procedures and may make modifications from time to time as considered necessary.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain information, estimates and projections contained herein, and the documents incorporated by reference herein, if any, constitute forward-looking statements regarding the Company, its operations, and projects, including, but not limited to, the Panuco-Copala properties. All statements that are not historical facts, involving without limitation, statements regarding future projections, plans and objectives, securing strategic partners and financing requirements and the ability to fund future mine development are forward-looking statements, or forward-looking information. Forward-looking information and statements involve risks and uncertainties that could cause actual results and future events to differ materially from those anticipated in such information or statements. Such risk factors and uncertainties include, but are in no way limited to, statements with respect to the effect and estimated timeline of the drilling and assay results of the Company, the estimation of mineral reserves and mineral resources, the timing and amount of estimated future exploration, costs of exploration, capital expenditures, success of exploration activities, permitting time lines and permitting, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, fluctuations in mineral prices, uncertainties and other factors relating to public health crises, including the volatility in the global financial markets, increased inflation, and turbulence in mining markets resulting from the invasion of Ukraine by Russia, and other risk factors, as discussed in the Company's filings with Canadian securities regulatory agencies including the documents incorporated by reference herein.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company disclaims any obligation to update any forward-looking statements or information, other than as may be specifically required by applicable securities laws and regulations.

## **OTHER INFORMATION**

All technical reports on material properties, press releases, and material change reports for Vizsla Royalties Corp. are filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**SCHEDULE C**  
**PRO FORMA FINANCIAL STATEMENTS**

# **VIZSLA ROYALTIES CORP.**

Pro Forma Combined and Consolidated Financial Statements

For the year ended April 30, 2024

(Unaudited - Expressed in Canadian dollars)

**VIZSLA ROYALTIES CORP.**  
**Pro Forma Combined and Consolidated Statement of Financial Position**  
(Unaudited - Expressed in Canadian dollars)

	Note	April 30, 2024	Pro forma adjustments	Pro forma April 30, 2024
		\$	\$	\$
<b>ASSETS</b>				
<b>Current</b>				
Cash and cash equivalents	4(e), 4(f), 4(g)	22,596	5,272,992	<b>5,295,588</b>
Taxes receivable		265,831	-	<b>265,831</b>
		288,427	5,272,992	<b>5,561,419</b>
Royalty interests	4(b)	1	-	<b>1</b>
<b>Total assets</b>		<b>288,428</b>	<b>5,272,992</b>	<b>5,561,420</b>
<b>LIABILITIES</b>				
<b>Current</b>				
Accounts payable and accrued liabilities		15,263	-	<b>15,263</b>
Due to related party	1, 4(f)	1,711,973	(1,609,312)	<b>102,661</b>
<b>Total liabilities</b>		<b>1,727,236</b>	<b>(1,609,312)</b>	<b>117,924</b>
<b>SHAREHOLDERS' (DEFICIENCY) EQUITY</b>				
Share capital	4(c), 4(d), 4(e), 4(g)	1	6,801,810	<b>6,801,811</b>
Reserves	4(e)	-	80,494	<b>80,494</b>
Contributed deficit		(1,316,703)	-	<b>(1,316,703)</b>
Accumulated other comprehensive income		37,098	-	<b>37,098</b>
Deficit		(159,204)	-	<b>(159,204)</b>
<b>Total shareholders' (deficiency) equity</b>		<b>(1,438,808)</b>	<b>6,882,304</b>	<b>5,443,496</b>
<b>Total liabilities and shareholders' (deficiency) equity</b>		<b>288,428</b>	<b>5,272,992</b>	<b>5,561,420</b>

The accompanying notes are an integral part of these unaudited pro forma combined and consolidated financial statements

**VIZSLA ROYALTIES CORP.****Pro Forma Combined and Consolidated Statement of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars)

	Note	Year ended April 30, 2024	Pro forma adjustments	Pro forma Year ended April 30, 2024
		\$	\$	\$
<b>Operating expenses</b>				
Office and miscellaneous		468	-	<b>468</b>
Professional fees		181,034	-	<b>181,034</b>
<b>Operating loss</b>		(181,502)	-	<b>(181,502)</b>
<b>Other expenses</b>				
Foreign exchange loss		(2,130)	-	<b>(2,130)</b>
<b>Net loss for the year</b>		(183,632)	-	<b>(183,632)</b>
<b>Other comprehensive income</b>				
Currency translation differences		18,675	-	<b>18,675</b>
<b>Comprehensive loss for the year</b>		(164,957)	-	<b>(164,957)</b>
<b>Net loss per share:</b>				
Basic and diluted	1, 4(a)	(183,632)		<b>(2.38)</b>
<b>Weighted average number of common shares:</b>				
Basic and diluted	1, 4(a)	1	-	<b>77,110</b>

The accompanying notes are an integral part of these unaudited pro forma combined and consolidated financial statements

**VIZSLA ROYALTIES CORP.**  
**Notes to the Pro Forma Combined and Consolidated Financial Statements**  
**For the year ended April 30, 2024**  
(Unaudited - Expressed in Canadian dollars)

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**1. PLAN OF ARRANGEMENT**

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 unaudited pro forma combined and consolidated financial statements for the year ended April 30, 2024 (the “financial statements”) of Vizsla Royalties have been compiled for purposes of including in a listing application (the “Listing Application”). 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 owns 100% of the outstanding shares of Canam Royalties Mexico, S.A. de C.V. (“Canam Royalties”). Canam Royalties owns a net smelter return royalty (the “Royalty”) on any future mineral production at Vizsla Silver’s flagship, 100% owned Panuco silver-gold project located in Sinaloa, Mexico (the “Project”). The Royalty consists of: (i) a 2.0% net smelter return royalty on certain unencumbered concessions comprising the Project; and (ii) a 0.5% net smelter return royalty on certain encumbered concessions comprising the Project which have a pre-existing 3.0% net smelter return royalty in favor of a third party (the “Underlying Royalty”).

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 will be completed pursuant to a plan of arrangement under the Business Corporations Act of British Columbia (the “Plan of Arrangement”).

The Spinout Transaction involves, among other things, the distribution of common shares (the “Vizsla Royalties Shares”) and common share purchase warrants of Vizsla Royalties (the “Vizsla Royalties Warrants”) to the shareholders of Vizsla Silver such that each shareholder as of a particular date, immediately prior to closing of the transaction (the “Record Date”) will receive one-third of a Vizsla Royalties Share and one-third of a Vizsla Royalties Warrant for each common share of Vizsla Silver held as of the Record Date. In addition, existing stock options and warrants of Vizsla Silver will be adjusted in accordance with the Plan of Arrangement.

Pursuant to the Spinout Transaction, Vizsla Silver will effectively be separated into two companies: (1) Vizsla Silver, a publicly traded silver exploration company focused on advancing the Project; and (2) Vizsla Royalties, a royalty focused company. It is contemplated that the common shares and warrants of Vizsla Royalties will be listed on the TSX Venture Exchange following completion of the Spinout Transaction.

In connection with the Spinout Transaction, Vizsla Silver is also expected to: (a) transfer to the Company the right to purchase one-half of the Underlying Royalty (the “Buyback Right”). The Buyback Right can be exercised by making a cash payment to the third-party holder of the Underlying Royalty in the amount of approximately US\$2,000,000; and (b) grant the Company the right to acquire a royalty on any future mineral properties acquired by Vizsla Silver within a two-kilometer boundary of the Project in the 24-month period after completion of the Spinout Transaction (the “Royalty Right”). Following exercise of the Buyback Right, the Royalty will consist of a 2.0% net smelter returns royalty on the entire Project.

Following the completion of the Spinout Transaction, the Company intends to settle \$1,609,312 due to Vizsla Silver by issuing common shares. As a result, approximately 32 million common shares will be issued.

On August 6, 2024, the Company completed a share consolidation on a one new Vizsla Royalties Share for every ten old Vizsla Royalties Shares basis (the “Consolidation”). As a result, all references to the number of common shares, weighted average number of common shares, loss per share, and warrants in these financial statements have been presented to give effect to the Consolidation.

**VIZSLA ROYALTIES CORP.**  
**Notes to the Pro Forma Combined and Consolidated Financial Statements**  
**For the year ended April 30, 2024**  
(Unaudited - Expressed in Canadian dollars)

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## **2. BASIS OF PREPARATION**

### **a) Basis of presentation**

These financial statements and the pro forma adjustments contained herein have been prepared in accordance with the principals and requirements of International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board.

These financial statements give effect to the Plan of Arrangement (Note 1). These financial statements are provided for illustrative purposes only, and do not purport to represent the financial position that would have resulted had the Plan of Arrangement actually occurred on April 30, 2024 or the results of operations that would have resulted had the Plan of Arrangement actually occurred on April 30, 2024. In addition, these pro forma financial statements are not necessarily indicative of the future financial position or results of operations of the Company as a result of the Plan of Arrangement.

These financial statements have been prepared by management using the following:

- The audited combined and consolidated financial statements of the Company for the years ended April 30, 2024 and 2023 (the “Annual Financial Statements”);
- Additional information set out in Note 1 and Note 4.

These financial statements should be read in conjunction with the Annual Financial Statements, which are contained within the Listing Application.

### **b) Functional and presentation currency**

The financial statements are presented in Canadian dollars, which is also the functional currency of the Company. References to “\$” or “CAD” are to Canadian dollars, references to “US\$” are to United States dollars, and references to “MXN” are to Mexican pesos.

### **c) 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 April 30, 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**

The accounting policies used in the preparation of these financial statements are those set out in the Company’s Annual Financial Statements.

**VIZSLA ROYALTIES CORP.**  
**Notes to the Pro Forma Combined and Consolidated Financial Statements**  
**For the year ended April 30, 2024**  
(Unaudited - Expressed in Canadian dollars)

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**4. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS**

The financial statements include the following pro forma assumptions and adjustments as if they had occurred at April 30, 2024:

- a) On August 6, 2024 the Company completed a share consolidation on a one new Vizsla Royalties Share for every ten old Vizsla Royalties Shares basis. As a result, all references to the number of common shares, weighted average number of common shares, loss per share, and warrants have been presented to give effect to the Consolidation.
- b) Under IFRS Accounting Standards, the grant of the Royalty by Vizsla Silver to the Company is considered to be a transaction between parties under common control and accordingly the value of the Royalty has been recorded for accounting purposes at its historical carrying cost of \$nil. As Vizsla Silver and the shareholders of Vizsla Silver continue to hold their respective interests in the Company, there was no resultant change of control in either company, or the underlying assets acquired. As such, the Plan of Arrangement was considered a capital reorganization and was excluded from the scope of IFRS 3 *Business Combinations*.
- c) Upon completion of the Spinout Transaction, 1 common share of the Company held by Vizsla Silver will be cancelled and the related value of \$1.00 will be reclassified to contributed deficit. New shares will be issued to Vizsla Silver and the shareholders of Vizsla Silver from contributed deficit as outlined in (d) and (e) below. As the Plan of Arrangement was conducted between parties under common control, the transfer of Vizsla Royalties Shares to Vizsla Silver and the shareholders of Vizsla Silver has been accounted for at the carrying value of Vizsla Silver's ownership of \$1.00.
- d) Pursuant to the Plan of Arrangement, Vizsla Silver will be issued approximately 8,300,000 Vizsla Royalties Shares with a total value of \$0.51.
- e) Pursuant to the Plan of Arrangement, each shareholder as of the Record Date will receive one-third of a Vizsla Royalties Share and one-third of a Vizsla Royalties Warrant for each common share of Vizsla Silver held as of the Record Date. As a result, approximately 8,049,365 Vizsla Royalties Shares with a total value of \$0.49 were issued and 8,049,365 Vizsla Royalties Warrants with an estimated fair value of \$80,494 were issued. Each Vizsla Royalties Warrant entitles the holder to acquire one additional Vizsla Royalties Share at a price of \$0.05 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.
- f) Following completion of the Spinout Transaction, on July 3, 2024, the Company entered into a debt settlement agreement with Vizsla Silver to settle the outstanding debt of \$1,609,312 by issuing 3,218,624 of the Company's common shares at a price of \$0.5 per share.
- g) On July 29, 2024, the Company completed a non-brokered private placement of the Vizsla Royalties Shares at a price of \$0.6 per share for gross proceeds of approximately \$5.2 million (the "Initial Private Placement"). Proceeds of the Initial Private Placement are expected to be used for general working capital purposes.

**5. INCOME TAXES**

No value has been ascribed to any acquired tax loss carry forwards obtained by Vizsla Royalties as part of the Plan of Arrangement, as Vizsla Royalties is an early-stage company, and it is not known whether sufficient future taxable profits will be available to utilize these losses prior to expiry.

**VIZSLA ROYALTIES CORP.****Notes to the Pro Forma Combined and Consolidated Financial Statements****For the year ended April 30, 2024**

(Unaudited - Expressed in Canadian dollars)

**6. PRO FORMA EQUITY**

A summary of the Company's pro forma statement of changes in shareholders' (deficiency) equity is as follows:

	Note	Common shares	Share capital	Reserves	Contributed deficit	Other comprehensive income (loss)	Deficit	Total shareholders' (deficiency) equity
		#	\$	\$	\$	\$	\$	\$
Balance, April 30, 2022		1.00	1.00	-	(1,289,541.00)	(8,040.00)	5,277.00	(1,292,303.00)
Royalty interests		-	-	-	(14,024.00)	-	-	(14,024.00)
Currency translation differences		-	-	-	-	26,463.00	-	26,463.00
Net income for the year		-	-	-	-	-	19,151.00	19,151.00
Balance, April 30, 2023		1.00	1.00	-	(1,303,565.00)	18,423.00	24,428.00	(1,260,713.00)
Royalty interests		-	-	-	(13,138.00)	-	-	(13,138.00)
Cancellation of Vizsla Royalties' share held by Vizsla Silver upon the Spinout Transaction	4(c)	(1.00)	(1.00)	-	1.00	-	-	-
Shares issued to Vizsla Silver	4(d)	8,300,000.00	0.51	-	(0.51)	-	-	-
Shares issued to Vizsla Silver's shareholders	4(e)	8,049,365.00	0.49	-	(0.49)	-	-	-
Warrants issued to Vizsla Silver's shareholders	4(e)	-	-	80,493.65	-	-	-	80,493.65
Shares issued for debt settlement	4(f)	3,218,624.00	1,609,312.00	-	-	-	-	1,609,312.00
Shares issued for private placement	4(g)	8,654,164.00	5,192,498.00	-	-	-	-	5,192,498.00
Currency translation differences		-	-	-	-	18,675.00	-	18,675.00
Net (loss) for the year		-	-	-	-	-	(183,632.00)	(183,632.00)
<b>Balance, April 30, 2024</b>		<b>28,222,153.00</b>	<b>6,801,811.00</b>	<b>80,493.65</b>	<b>(1,316,703.00)</b>	<b>37,098.00</b>	<b>(159,204.00)</b>	<b>5,443,495.65</b>

**SCHEDULE D**  
**AUDIT COMMITTEE CHARTER**

**VIZSLA ROYALTIES CORP.**  
**AUDIT COMMITTEE CHARTER**

The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
  - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;
  - (ii) the auditor's report, if any, prepared in relation to those financial statements,
- (b) review the Company's annual and interim earnings press releases before the Company publicly discloses this information,
- (c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the board of directors:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
  - (ii) the compensation of the external auditor,
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company,
- (h) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor,
- (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company, and
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109.

### **Composition of the Committee**

The committee will be composed of three directors from the Company's board of directors, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each committee member will have no direct or indirect relationship with the company which, in the view of the board of directors, could reasonably interfere with the exercise of a member's independent judgment. All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three-month period in which to achieve the required level of literacy.

### **Authority**

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors. The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

### **Reporting Obligations**

The reporting obligations of the committee will include:

- (a) reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors meeting; and
- (b) reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

## SCHEDULE E INFORMATION CONCERNING THE PANUCO PROJECT

The following represents information summarized from the technical report titled “Updated Mineral Resource Estimate For The Panuco Ag-Au-Pb-Zn Project, Sinaloa State, Mexico” with a report date of February 12, 2024 and an effective date of September 1, 2023 (the “**Technical Report**”) prepared by Allan Armitage, Ph. D., P. Geo. and Ben Eggers, B.Sc. (Hons), MAIG, P.Geo. of SGS Geological Services Inc. (“**SGS**”) and Peter Mehrfert, P.Eng. of Ausenco Engineering Canada ULC, each of whom is a qualified person, filed in connection with the Panuco Project. The following summary does not purport to be a complete summary of the Panuco Project and is qualified in its entirety with reference to the full text of the Technical Report, which is available for review under Vizsla Silver’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Readers should read this summary in conjunction with the Technical Report. Capitalized or abbreviated terms used in this section and not otherwise defined will carry the meanings of such terms in the Technical Report.

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SGS was contracted by Vizsla Silver to complete an updated Mineral Resource Estimate (“**MRE**”) for the Panuco Project and to prepare a NI 43-101. The Technical Report was written in support of the updated MRE.

### **Property Description, Location, Access, and Physiography**

The Panuco Project is in the Panuco–Copala mining district in the municipality of Concordia, southern Sinaloa state, along the western margin of the Sierra Madre Occidental physiographic province in western Mexico. The Panuco Project is centred at 23 25’ north latitude and 105 56’ west longitude on map sheets F13A-37.

The Panuco Project comprises 117 approved mining concessions in nineteen blocks, covering a total area of 5,869.87 ha, and two mineral concessions covering 1,321.15 hectares (“**ha**”). The mineral concessions are indirectly held 100% by Vizsla Silver. The concessions are valid for 50 years, provided semi-annual property tax payments are made in January and July each year and if minimum annual investment requirements are met, or if there is minimum annual production equal to the amount of the annual investment requirement. The concession owner may apply for a second 50-year term. Annual payments of 2.03 million Mexican pesos were made in January of 2023 and 2.03 million pesos were made in July of 2023 by Vizsla Silver.

The Panuco Project area is accessed from Mazatlán via Federal Highway 15 to Villa Union, then on Highway 40 for 56 kilometres (“**km**”) (one-hour drive) (see Figure 41 of the Technical Report). Highway 40 crosscuts the Panuco Project area and most of the vein structures. Toll Highway 40D also crosses the Panuco Project. In addition, local dirt roads provide access to most of the workings, but some require repairs or are overgrown, and four-wheel-drive vehicles are recommended in the wet season.

The Panuco Project is located in the Concordia municipality, which has a population of approximately 27,000 inhabitants. Public services, including health clinics and police, are in the town of Concordia. Residents provide an experienced mine labour force. Contractors in Durango and Hermosillo have a strong mining tradition and provide the Panuco Project with a local source of knowledgeable labour and contract mining services. Drilling companies and mining contractors are available in Mazatlán, Durango, Hermosillo, Zacatecas, Fresnillo, and other areas of Mexico. The Panuco Project area is also used for cattle grazing, with limited agricultural use.

Two power lines connecting Durango and Mazatlán cross the Panuco Project, with 400 kV and 240 kV capacities.

Vizsla Silver owns the 500 tonnes per day Coco mill on its property. In addition, there are some mineral processing plants held by third parties in the district that range from 200 to 700 tonnes per day in capacity.

On January 17, 2024, Vizsla Silver announced its intention to spin out the shares of Vizsla Royalties Corp. (“**Vizsla Royalties**”), a wholly owned subsidiary of Vizsla Silver, to Vizsla Silver’s shareholders. The Applicant currently holds, indirectly, a net smelter royalty (the “**Royalty**”) on any potential future mineral production at the Panuco Project. The Royalty consists of: (i) a 2.0% net smelter return royalty on certain unencumbered concessions comprising the Panuco Project; and (ii) a 0.5% net smelter return royalty on certain encumbered concessions comprising the Panuco Project, which have a pre-existing 3.0% net smelter return royalty.

On September 12, 2023, the Federal District Court granted Vizsla Silver a definite suspension preventing the application of the 2023 Mining Reform Decree, meaning that until the final ruling is granted on the challenge proceedings Vizsla Silver’s activities are considered to be grandfathered in the prior Mining Law and Regulations.

Therefore, the recent changes to the Mexican mining law do not currently affect access or title, or the right or ability to perform work on the Panuco Project.

## History of Exploration

Capitan Francisco de Ibarra founded Concordia in 1565, and gold and silver veins in Panuco and Copala were first exploited in the centuries that followed Sim (2008) and Robinson (2019). Although production has been carried out on the Panuco Project over the last 460 years, no production records are available to Vizsla Silver.

The first recorded modern mining activity commenced late in the 20th century. The Mineral Resources Council (Consejo de Recursos Minerales (the “**Mexican CRM**”)), the predecessor of the Mexican Geological Service (the “**SGM**”) carried out 1:50,000 scale mapping on map sheet F13-A37 and fine-fraction stream sediment sampling in 1999. In 2003, the Mexican CRM published additional 1:50,000 scale mapping on map sheet F13-A36, and fine-fraction stream sediment sampling (Polanco-Salas et al., 2003). In 2019, the SGM conducted 1:50,000 scale geological mapping and fine-fraction stream sediment sampling on map sheet F13-A46.

In 1989, the Mexican CRM optioned and sold several mineral concessions in the district, including to Grupo Minera Bacis (“**Bacis**”) in 1989. Bacis subsequently acquired claims from other parties active in the area, including Minas del Oro y del Refugio S.A. de C.V. Bacis drilled 19 holes totalling 2,822.8 metres (“**m**”) along the Animas–Refugio corridor, but only collar and survey records exist of this work.

From 1999 to 2001, Minera Rio Panuco S.A. de C.V. explored the Animas–Refugio and Cordon del Oro structures culminating in 45 holes for 8,358.6 m. No geological drill logs, downhole survey data, downhole sample data, or geochemical assay data have been preserved. Graphic drill-hole sections are available, with limited downhole geology and geochemical data.

Capstone Mining Corp. (“**Capstone**”) optioned the Bacis concessions in 2004 and carried out geologic mapping and sampling of the Animas–Refugio and Cordon del Oro structures. In 2005, Capstone drilled 15,374 m in 131 holes on down-dip extensions of the Clemens and El Muerto mines on the Animas–Refugio vein. In 2007, Capstone explored the La Colorada structure with surface mapping and sampling, followed by 6,659 m of drilling in 64 holes.

Also, in 2007, Capstone transferred the claims of the Copala, Claudia, Promontorio, Montoros, and Martha projects to Silverstone Corp. (“**Silverstone**”). Capstone and Silverstone completed 21,641 m of drilling in 200 holes from 2005 to 2008.

Silverstone merged with Silver Wheaton Ltd. (“**Silver Wheaton**”) in 2009, and Silver Wheaton subsequently sold the shares of concession owner Silverstone to Mexican owners. The Silverstone owners mined out a portion of the mineral resource defined in 2008 over the next decade. Silverstone mined parts of the Clemens, El Muerto, La Pipa, Mariposa, El 40, and San Martin ore shoots until mining encountered the water table, preventing further mining. Silverstone or unauthorized mining activity in the intervening years exploited most of the mineral resources estimated by Christopher and Sim (2008).

MRP contracted Geophysical Surveys S.A. de C.V. of Mexico City in 2016 to conduct an airborne magnetics survey. However, no data are available, and no survey or flight specifications are included in the report. The survey was flown in two blocks.

## Exploration

Surface exploration at the Panuco Project to date has included geological mapping, rock geochemical sampling, geophysical surveys, and diamond drilling. Geological mapping and prospecting are a key part of the ongoing process in exploring and understanding the geology of the Panuco Project. Mapping is conducted on a reconnaissance scale with detailed scale testing. Mappers generally use a 1:1,000 scale and, in notable outcrops 1:500 scale. Mapping of the Panuco Project amounts to 4,330 ha representing 61.4% of the total project area.

Rock and soil sampling is usually conducted in conjunction with geological mapping and prospecting. Geologists take chip, float, outcrop samples (including channels), and underground sampling where it is safe to do so. Overall, 3,777 rock samples were collected from surface and underground exposures. The lithology, alteration, and structure of outcrop and underground exposures are mapped to determine controls on mineralization. To the degree possible, samples were oriented perpendicular to mineralized structures and variations in mineralization and are sampled separately. At least one sample on either side of the mineralized structure was also collected. Samples are collected as continuous chip channel, with minimum sample lengths ranging from 30 centimeters (“**cm**”) to 1.5 m. The sample length and the width of the chipped channel, typically 10 to 15 cm, are recorded along with the sample’s estimated true width.

Geophysics has helped identify targets on the Panuco Project. Silverstone conducted an airborne magnetic survey over the Panuco Project in 2016. The main magnetic high corresponded well with the mapped micro-diorite and showed a potential offset. The micro-diorite is the main host rock in the Napoleon area but is covered by an andesite-to-rhyolitic tuff package in the other vein areas.

In April of 2021, Vizsla Silver conducted a trial ground Fixed Loop Electromagnetic survey (“**FLEM**”) or ground EM and a drone Magnetic Survey over the Napoleon – Cinco Señores corridor. FLEM detects massive sulphide mineralization by running a current through a large loop of wire laid on the ground to induce a magnetic field in the earth. As the weakening magnetic field moves through the earth it sets up a circulating electrical field in the shape of any massive sulphide bodies that it passes through. This new electrical field in turn weakens, setting up a secondary magnetic field that is measured on surface. Geophysicists with modern computer programs can back calculate (inverse modelling) the shape of the conducting massive sulphide and model a 3D “plate” representing the source of the anomaly.

The results showed that electromagnetic (“**EM**”) plates fit with mineralization drilled at the Napoleon discovery and culminated with the discovery of the Josephine vein located west of Napoleon. In addition, five new priority conductive trends were modelled along with many more subtle anomalies.

A test drone-survey was conducted over 205-line km, at 50 m line spacings and a nominal height of 50 m. The test area was over the Napoleon trend, and thus the line orientation, was chosen to be at 45° to try and intersect the vein corridor orthogonally. Four different products were delivered from the drone magnetic survey: a reduced-to-pole (“**RTP**”) map, an analytical signal (“**AS**”) map, a residual-signal map and a first vertical derivative (1D) map. The results from the RTP fit well with Vizsla Silver’s mapping of the micro-diorite. While the concept of the Napoleon vein being in a magnetic low trend is not completely clear in the RTP data, it becomes more apparent in the AS data, as those tend to plot the magnetic features clearly over their source regions.

In addition to the EM and magnetic surveys, Vizsla Silver has been collecting magnetic susceptibility readings from most of the drill core. These data have been compiled in Excel tables, and each drill hole has a downhole graph of the susceptibility readings. These graphs have been included in the compilation of the drilling cross-sections and are often very useful in distinguishing rock types.

In June of 2022, Vizsla Silver commissioned Eagle Mapping of Langley, British Columbia, to conduct a LiDAR survey. Vizsla Silver received the data in August of 2022, since then, the survey covering approximately 6,200 ha of the Panuco Project has been used in geologic-resource modelling and planning of future mine and plant infrastructure. Additionally, these high-resolution products (elevation model and orthophotos) are being used to support lithology and structural mapping activities, and as a prospecting tool to find vein outcrops and old mine workings covered by vegetation.

## Drilling

Since acquiring the Panuco Project in November 2019, Vizsla Silver has conducted a number of significant drill campaigns in the Napoleon, Copala-Tajitos, Animas and San Antonio areas. Up to September 2023 (data cut-off date for the current MRE), Vizsla Silver has completed 822 surface diamond drill holes totalling 302,931 m and collected

47,694 assay intervals representing 55,368 m of drilling. Vizsla Silver has continued to drill at the Panuco Project since the data cut off for the MRE of September 1, 2023.

In November 2019, Vizsla Silver began drilling on the Panuco Project on the Animas-Refugio corridor near the La Pipa and Mariposa mine areas. A total of 820.50 m in three drill holes was completed in 2019. The three drill holes targeted the La Pipa structure to test below the old historic ore shoot. Results showed low-grade and narrow widths, and no further test work was carried out.

Drill holes AMS-19-01A and AMS-19-02 were drilled to test the downdip extension of the La Pipa ore shoot that has seen extensive mining. The first hole intersected historic workings and a footwall vein over 5.5 m at 135.0 m downhole. Deeper in the hole a 2.0 m wide quartz-amethyst vein was intersected at 241.5 m downhole. The second hole was completed 77 m down dip on the same section and intersected a shallow hanging wall vein with 3 m grading 125.3 grams per tonne (“g/t”) silver (“Ag”) and 0.59 g/t gold (“Au”) and a zone of low-grade veinlets in the projection of the Animas Vein.

Drilling for 2020 totaled 28,643.42 m in 129 drill holes. The four main corridors of Napoleon, Cinco Senores, Cordon del Oro, and Animas-Refugio were tested.

In January 2020, drilling resumed at the Mariposa mine area, another historically mined area. Other targets in the Animas-Refugio corridor included, from south to north, Mojocuan, San Carlos, Paloma, and Honduras veins.

Drilling at the Napoleon corridor began in June 2020. A total of 64 drill holes tested the Napoleon structure, for 12,546.02 m. Targets were in the central part of the north-south-trending structure, below old mine workings, and 650 m north in the Papayo area.

At the Cordon del Oro corridor, drilling totalled 6,432.05 m in 28 drill holes. The drilling targeted the Mojocuan, San Carlos, and Peralta mine areas, in addition to the Aguita Zarca vein.

Cinco Senores corridor saw 2,927.10 m of drilling in 14 drill holes. The Tajitos vein was the drilling target, and previously unknown workings were encountered in the first four holes.

Drilling at the Panuco Project in 2021 totalled 100,242.55 m in 318 drill holes. The drilling focussed along the Napoleon and Tajitos vein areas, with 54,759.15 m in 180 drill holes and 34,769.35 m in 102 drill holes, respectively (see Table 101 of the Technical Report). Additionally, 4,438.50 m in 14 drill holes were drilled in the Animas-Refugio corridor, and 6,275.55 m in 22 drill holes in the Cordon del Oro corridor. Highlights of the 2021 drilling are presented below.

At Napoleon, infill and delineation drilling focussed on denser drilling to inform the MRE and expand the structure’s strike length. The Josephine vein, a subparallel system to Napoleon which was identified initially as an electromagnetic geophysical target, was first intersected in Hole NP-21-132, leading to additional targeting in the area and its inclusion in the MRE. Further drill testing included the Cruz Negra and Alacran vein areas.

Drilling at the Tajitos vein area focussed on delineation and infilling, with additional exploration drilling to the north. The Tajitos mineral resource drilling led to the discovery of the Copala vein -- a relatively thick sub horizontal structure on the Tajitos northeastern extent. Other exploration drilling along the Cinco Senores corridor included the Cinco Senores and Colorada veins to the north of Tajitos.

In the Animas-Refugio corridor, drilling tested the Rosarito segment included in the MRE, in addition to the Peralta and Cuevillas veins.

Drilling at the Cordon del Oro corridor targeted the San Antonio structure included in the MRE, in addition to exploration near the Aguita Zarca vein.

Drilling for 2022 totalled 113,487 m in 271 drill holes. The four main corridors of Napoleon, Cinco Senores, Cordon del Oro, and Animas-Refugio were tested.

Drilling at the Napoleon corridor included 106 drill holes tested the Napoleon structure, for 52,306.40 m. At the Cordon del Oro corridor, drilling totalled 4,251.8 m in 19 drill holes. Drilling at the Copala/Tajitos veins included 135 drill holes for 52,045.10 m. Additionally, 4,883.70 m in eleven drill holes were drilled in the Animas-Refugio corridor.

The bulk of 2022 drilling was centred on the western portion of the district, focused on upgrading and expanding mineral resources at the Copala and Napoleon areas. At Copala, mineralization has now been traced over 1,150 m along strike, 400 m down dip, and remains open to the north and southeast.

At Napoleon, drilling throughout 2022 successfully expanded mineralization along strike and down plunge to the south, several vein splays were identified in the hanging wall and footwall of the main structure.

Other notable discoveries include the Cristiano Vein; marked by high precious metal grades up to 1,935 g/t Ag and 15.47 g/t Au over 1.46 m, located immediately adjacent to Copala; and La Luisa Vein, located approximately 700 m west of Napoleon which continues to display similar silver and gold zonation as that seen at Napoleon.

Drilling for 2023 (to September) totalled 60,432.95 m in 103 drill holes. The main Napoleon and Cinco Senores corridors were tested.

Drilling at the Napoleon corridor included 44 drill holes testing the Napoleon structure, for 25,298.30 m. Drilling at the Copala and Tajitos veins included 59 drill holes for 35,134.65 m.

The 2023 drilling was centred on the western portion of the district, focused on upgrading and expanding mineral resources at the Copala and Napoleon areas. At Copala, mineralization has now been traced over 1,700 m along strike and to depths of 450 to 550 m and remains open to the north and southeast.

At Napoleon, drilling throughout 2023 successfully expanded mineralization along strike and down plunge/dip to the south, several vein splays were identified in the hanging wall and footwall of the main structure.

### **Sampling, Analysis and Data Verification**

Since acquiring the Panuco Project in November 2019, Vizsla Silver has maintained a comprehensive and consistent system for sample preparation, analysis and security of all surface samples and drill core samples, including the implementation of an extensive quality assurance/quality control (“QA/QC”) program. The current MRE is limited to drilling data collected by Vizsla Silver since the acquisition of the Panuco Project.

Since the beginning of drilling in 2019, all samples have been shipped to ALS Limited (“ALS”) in Zacatecas, Mexico for sample preparation and for analysis at the ALS laboratory in North Vancouver, British Columbia. The ALS facilities in Zacatecas and North Vancouver are ISO 9001 and ISO/IEC 17025 certified. Silver and base metals are analyzed using a four-acid digestion with an inductively coupled plasma (“ICP”) finish and gold was assayed by 30 gram (“g”) fire assay with atomic absorption (“AA”) spectroscopy finish. Over-limit analyses for silver, lead and zinc are re-assayed using an ore-grade four-acid digestion with an ICP finish. Samples with over-limit silver assays > 1500 parts per million (“ppm”) are fire assayed by gravimetric methods on 30 g sample pulps. Control samples comprising certified reference samples, duplicates and blank samples were systematically inserted into the sample stream and analyzed as part of Vizsla Silver’s QA/QC protocol.

Surface and underground sampling consists of chip, float, and channel samples. Samples are oriented perpendicular to mineralized structures, local variations in mineralization, and are sampled separately. At least one sample on either side of the mineralized structure is also collected. Samples are collected as continuous chip channel, with minimum sample lengths of 30 cm and maximum sample lengths of 1.5 m. The sample length and the width of the chipped channel, typically ten to 15 cm, is recorded along with the sample’s estimated true width.

In the warehouse, certified reference materials and blanks are inserted into the sample sequence of surface and underground samples. The samples are packed into large (reused rice/sugar) sacks for transport. A control file with sack number and rock sample numbers contained in each sack and the laboratory sample dispatch form accompanies the sample shipment (used to control and monitor the shipment). The control files are used to track the progress of the samples to the lab and through to receiving results. The sample shipment is delivered to the laboratory via a parcel transport company. The lab then sends a confirmation note and sample log by electronic mail to confirm sample delivery.

From 2019 to 2021, rock samples were shipped to ALS in Zacatecas for sample preparation and reduction and sample pulps were further sent to ALS in North Vancouver for analysis. Samples were dried, weighed, and crushed, and a 250 g split is pulverized to at least 85% passing (P85) 75 µm (ALS Method Code PREP-31).

Silver, base metals and pathfinder elements are analyzed using a four-acid digestion method with an ICP finish as part of a geochemical suite (ALS Method Code ME-ICP61). Over-limit analyses for silver (>100 ppm), lead

(>10,000 ppm), and zinc (>10,000 ppm) are re-assayed using an ore-grade four-acid digestion with ICP finish (ALS Method Code OG62). Samples with over-limit silver assays >1500 ppm are fire assayed by gravimetric methods on 30 g sample pulps (ALS Method Code Ag-GRA21). Samples with over-limit silver assays >10,000 ppm are re-analyzed with a concentrate and bullion grade method using fire assay and gravimetric finish (ALS Method Code Ag-CON01). Gold is fire assayed with AA spectroscopy finish on 30 g sample pulps (ALS Method Code Au-AA23) and gold over-limits (>10 ppm) are reanalyzed by fire assay with gravimetric finish (ALS Method Code Au-GRA21).

Since 2022, rock samples have been shipped to the SGS laboratory in Durango, Mexico for sample preparation, reduction, and analysis. The SGS facilities in Durango are ISO/IEC 17025 certified. The authors of the Technical Report and SGS are independent of SGS Geochemistry and the Durango laboratory.

Samples are dried, weighed, and crushed, and a 250 g split is pulverized to at least 85% passing (P85) 75 µm (SGS Method Code PUL85\_CR). Silver, base metals and pathfinder elements are analyzed using a four-acid digestion method with an ICP finish as part of a geochemical suite (SGS Method Code GE\_ICP40Q12). Over-limit analyses for lead (>10,000 ppm) and zinc (>10,000 ppm) are re-assayed using an ore-grade sodium peroxide digestion with ICP finish (SGS Method Code GO\_ICP90Q100). Samples with over-limit silver assays >100 ppm are fire assayed by gravimetric methods on 30 g sample pulps (SGS Method Code GO\_FAG37V). Gold is fire assayed with AA spectroscopy finish on 30 g sample pulps (SGS Method Code GE\_FAA30V5) and gold over-limits (>10 ppm) are reanalyzed by fire assay with gravimetric finish (SGS Method Code GO\_FAG30V).

Core is collected into boxes with lids at the drill site and marked with the drill-hole number. At the end of each core-run, the driller places the core carefully into the box and marks the down-hole depth and recovered interval on wooden blocks. When a core box is full with core, the core boxes are tightly closed and tied using raffia or rubber-band straps prior to transportation from drill-site to the core shack. Transportation of the core boxes is done by the drilling contractors.

Upon arrival at the core shack, the drill core is cleaned prior to being photographed. The drill core is logged for lithology, structure, alteration, and mineralization prior to marking out sample intervals. Lithologic and sample logging is done digitally using Geobank software. Sample intervals are defined to honor vein, mineralization, alteration, and lithology contacts. Suspect high-grade intervals are sampled separately. The maximum sample length is 1.5 m, and the minimum sample length is 0.20 m. Before sampling, a saw line is marked along the core axis trying to split the vein or mineralized structure into two symmetrical halves.

The sampler saws HQ core in half, with half being submitted for analysis and half remaining in the core box as a record. The sampler saws PQ core such that one-quarter of the core is submitted for analysis, and the remaining three-quarters remain in the core box as a record. Only one piece of core is removed from the core box at a time, and care is taken to replace the unsampled portion of the core in the core box in the original orientation. The drill-hole number and sample intervals are clearly entered into a sample book to back up the digital logging files. A portion of the uniquely numbered sample ticket is stapled at the beginning of the corresponding sample interval in the core box, and the sampler places one portion of the ticket in the sample bag. The sample ticket book is archived at the Concordia camp. Sample bags are sealed with a plastic strap and are stored in Vizsla Silver's secure warehouse. No directors or officers of Vizsla Silver are involved in sample collection or preparation.

In the warehouse, certified reference materials and blanks are inserted into the sample stream, and then the samples are bagged in sacks for transport. A control file, the laboratory sample dispatch form, includes the sack number and contained sample-bag numbers in each sack. The laboratory sample dispatch form accompanies the sample shipment and is used to control and monitor the shipment. The control files are used to keep track of the time it takes the samples to get to the lab, and time taken to receive assay certificates, the turn around time. The sample shipment is delivered to ALS in Zacatecas via a parcel transport company. ALS sends a confirmation email with details of the samples received upon delivery.

Sample preparation and reduction is carried out at ALS in Zacatecas and sample pulps are further sent to ALS in North Vancouver for analysis. The ALS facilities in Zacatecas and North Vancouver are ISO 9001 and ISO/IEC 17025 certified. Samples are dried, weighed, and crushed, and a 250 g split is pulverized to at least 85% passing (P85) 75 µm (ALS Method Code PREP-31). Silver, base metals and pathfinder elements are analyzed using a four-acid digestion method with an ICP finish as part of a geochemical suite (ALS Method Code ME-ICP61). Over-limit analyses for silver (>100 ppm), lead (>10,000 ppm), and zinc (>10,000 ppm) are re-assayed using an ore-grade four-acid digestion with ICP finish (ALS Method Code OG62). Samples with over-limit silver assays >1500 ppm are fire assayed by gravimetric methods on 30 g sample pulps (ALS Method Code Ag-GRA21). Samples with over-limit silver assays >10,000 ppm are reanalyzed with a concentrate and bullion grade method using fire assay and gravimetric finish (ALS Method Code Ag-CON01). Gold is fire assayed with AA spectroscopy finish on 30 g sample pulps (ALS

Method Code Au-AA23) and gold over-limits (>10 ppm) are reanalyzed by fire assay with gravimetric finish (ALS Method Code Au-GRA21).

Data is verified and double-checked by senior geologists on site for data entry verification, error analysis, and adherence to strict analytical quality-control protocols.

Sampling QA/QC programs are set in place to ensure the reliability and trustworthiness of exploration data. They include written field procedures and independent verifications of drilling, surveying, sampling, assaying, data management, and database integrity. Appropriate documentation of quality-control measures and regular analysis of quality-control data are essential for the project data and form the basis for the quality-assurance program implemented during exploration.

Vizsla Silver's QA/QC program comprises the systematic insertion of standards or certified reference materials ("CRM"s), blanks, field, and lab preparation pulp duplicates. QC samples are inserted into the sample sequence at a frequency of one sample per 20 samples for CRM and blank QC sample types and one sample per 40 samples for field duplicates and lab preparation pulp duplicates. Approximately 15% of samples assayed have been QC samples. In total, 2,806 CRMs, 2,981 blanks, 1,401 field duplicate pairs, and 1,368 preparation pulp duplicate pairs have been submitted (see Table 11.3 in the Technical Report) for drilling included in the current MRE. All QC samples are analyzed by the primary analytical lab (ALS).

Check assaying of umpire samples at a secondary lab (SGS in Durango, Mexico) was completed in 2022 and 2023, totalling 927 pulp duplicate samples (1.9% of original samples) from drilling completed in 2020 – 2023.

Sample batches with suspected cross-sample contamination or certified reference materials returning assay values outside of the mean  $\pm$  3SD control limits are considered analytical failures by Vizsla Silver, and affected batches were generally re-analyzed to ensure data accuracy. ALS has its own internal QA/QC program, which is reported in the assay certificates, but no account is taken of this in the determination of batch acceptance or failure.

A selection of sixteen CRMs have been used to-date by Vizsla Silver in the course of the Panuco Project drill program: multi-element standards from CDN Resource Laboratories in Langley, B.C. (CDN-ME-1405, CDN-ME-1704, CDN ME 1802, CDN-ME-1803, CDN-ME-1804, CDN-ME-1806, CDN-ME-1811, CDN-ME-1901, CDN-ME-1902, CDN-ME-1903, CDN-ME-2001, CDN-ME-2003, and CDN-ME-2105), Ore Research & Exploration in Bayswater North, Australia (OREAS-601c and OREAS-602b), and gold-silver standard SN97 from Rocklabs in Auckland, New Zealand.

CRM performance and analytical accuracy is evaluated using the assay concentration values relative to the certified mean concentration to define the Z-score relative to sample sequence with warning and failure limits. Warning limits are indicated by a Z-score of between  $\pm 2$  SD and  $\pm 3$  SD, and control limits/failures are indicated by a Z-score of greater than  $\pm 3$  SD from the certified mean. Sample batches with certified reference materials returning assay values outside of the mean  $\pm$  3SD control limits, or with suspected cross sample contamination indicated by blank sample analysis, are considered as analytical failures and selected affected batches are re-analyzed to ensure data accuracy. Vizsla Silver's QA/QC program from 2019 – 2023 included the insertion of CRM samples at a frequency of approximately one CRM sample in every 20 samples, for a total of 2,806 CRM samples. Review of Vizsla Silver's CRM QC program indicates that there are no significant issues with the drill core assay data.

Blank samples comprising obsidian from sources in Jalisco were inserted into the sample stream in the field to determine the degree of sample contamination after sample collection, particularly during the sample preparation process. This material does not have certified values established by a third party through round-robin lab testing. The QA/QC program from 2019 – 2023 included the insertion of blank samples at a frequency of approximately one blank sample in every 20 samples, for a total of 2,981 blank samples.

For blank sample values, failure is more subjective, and a hard failure ceiling value has not been set. Evaluation of blank samples using a failure ceiling for silver of 2.5 ppm (5x detection limit) indicates that the combined blank failure rate from 2019 – 2023 was 2.1%. The highest result from a blank sample was 457 g/t Ag, the second highest result was 64.1 g/t Ag, and in total ten blank samples (0.3%) returned values over 10 ppm Ag.

The blank failure rate is considered acceptable by industry standards. Based on the low risk of cross-sample contamination and the low amounts of silver that may have contaminated blank material, it is considered unlikely that there is a contamination problem with the Panuco Project drilling data.

Vizsla Silver's QA/QC program from 2019 – 2023 also included the insertion of duplicate samples inserted at a frequency of approximately one field duplicate and one preparation pulp duplicate sample in every 40 samples, for a

total of 1,401 field duplicates (1/4 core) and 1,368 preparation pulp duplicate samples. Duplicate samples were analyzed at ALS to evaluate analytical precision and sampling error.

To obtain a relatively accurate estimate of the sampling precision or average relative error a large number of duplicate data pairs are required. Reliably determining the base metal data precision, which typically exhibits relatively small average relative errors (such as 5%), would require 500 – 1000 duplicate data pairs, while reliable determination of gold data precision, which typically exhibits relatively large average relative errors (such as 25%), would require greater than 2500 duplicate data pairs (Stanley and Lawie, 2007).

In the case of the Panuco Project deposits, based on the current duplicate data set size, analysis of the precision should be considered as reliable for lead, zinc, and likely silver, while it should be considered approximate in nature only for gold until a larger dataset is available. The average Coefficient of Variation (CVAVR%) for silver, gold, lead, and zinc is calculated using the root mean square coefficient of variation calculated from the individual coefficients of variation.

The estimates of precision errors (CVAVR%) for sampling at the Panuco Project indicates that the sampling precision is acceptable by industry standards for pulp duplicates for this style of mineralization (Abzalov, 2008). The precision of the field and preparation pulp duplicates should continue to be monitored as the drill program progresses and the size of the duplicate data set becomes more representative.

The use of a third-party laboratory for routine check assays was employed by Vizsla Silver in 2022 and 2023 as an additional QA/QC measure to confirm the accuracy of ALS assays. A selection of 209 mineralized pulp samples from the 2019-2022 drilling programs was assayed at SGS De Mexico, S.A De C.V. in Durango, Mexico in 2022 and an additional 705 mineralized pulp samples from the 2022-2023 drilling programs was assayed in 2023. In total, 714 umpire check samples have been analysed at SGS by Vizsla Silver, matching ALS methodology as closely as possible.

The 2022 and 2023 umpire check sample results returned from SGS, with respect to the corresponding ALS analyses, indicate acceptable accuracy (relative bias) and precision (average relative error) with limited outliers.

All exploration samples taken were collected by Vizsla Silver's staff. Chain of custody (COC) of samples was carefully maintained from collection at the drill rig to delivery at the laboratories to prevent inadvertent contamination or mixing of samples and render active tampering as difficult as possible.

Drill core is stored at the core-logging facilities in Concordia under a roof to preserve its condition. The area is fenced and guarded by security. The plastic boxes containing the core boxes are properly tagged with the corresponding drilling information and stored in an organized way and under acceptable conditions.

Eggers conducted an independent verification of the assay data in the drill sample database used for the current MRE. Approximately 15% of the digital assay records were randomly selected and checked against the available laboratory assay certificate reports. Assay certificates were available for all diamond drilling completed by Vizsla Silver. Eggers reviewed the assay database for errors, including overlaps and gapping in intervals and typographical errors in assay values. In general, the database was in good shape and no adjustments were required to be made to the assay values contained in the assay database.

Verifications were also carried out on drill-hole locations, downhole surveys, lithology, SG and topography information. The database is considered of sufficient quality to be used for the current MRE.

Eggers has reviewed the sample preparation, analyses, and security completed by Vizsla Silver for the Panuco Project. Based on a review of all possible information, the sample preparation, analyses, and security used on the Panuco Project by Vizsla Silver, including QA/QC procedures, are consistent with standard industry practices and the drill data can be used for geological and resource modeling, and resource estimation of indicated and inferred mineral resources.

Armitage conducted a site visit to the Panuco Project on May 29, 2023, accompanied by Martin Dupuis, COO, Jesus Velador, VP of Exploration and Steve Mancell, Director of Mineral Resources, of Vizsla Silver. During the site visit, Armitage inspected the core logging and core sampling facilities and core storage areas in the City of Concordia. The following facilities were inspected: office area; area used for the geologists to log core; area used to make pictures of the core with controlled light (core both wet and dry); area used to measure density (by drying, measuring unwaxed weight, waxed weight and weight in water); area for cutting the core; area for sampling the core; area to update geological sections on paper; and core storage area.

During the site visit, Armitage examined several selected mineralized core intervals from recently completed (2019-2022) diamond drill holes from the Panuco Project. Armitage examined accompanying drill logs and assay certificates and assays were examined against the drill core mineralized zones. The author reviewed current core sampling, QA/QC and core security procedures. Core boxes for drill holes reviewed are properly stored in the warehouse, easily accessible and well labelled. Sample tags are present in the boxes, and it was possible to validate sample numbers and confirm the presence of mineralization in witness half-core samples from the mineralized zones.

Armitage conducted a second site visit to the Panuco Project on November 6, 2023 to November 8, 2023, accompanied by Henri Gouin, Mining Engineer with SGS, and Martin Dupuis, Fernando Martínez, Director of Projects, Hernando Rueda, Country Manager and Steve Mancell, of Vizsla Silver. During the second site visit, Armitage again inspected the core logging and core sampling facilities and core storage areas in the City of Concordia.

Armitage examined several selected mineralized core intervals from recently completed (2023) diamond drill holes from the Panuco Project. Armitage examined accompanying drill logs and assay certificates and assays were examined against the drill core mineralized zones. The author reviewed current core sampling, QA/QC and core security procedures. Core boxes for drill holes reviewed are properly stored in the warehouse, easily accessible and well labelled. Sample tags are present in the boxes, and it was possible to validate sample numbers and confirm the presence of mineralization in witness half-core samples from the mineralized zones.

All geological data has been reviewed and verified as being accurate to the extent possible, and to the extent possible, all geologic information was reviewed and confirmed. There were no significant or material errors or issues identified with the drill database. Based on a review of all possible information, Armitage is of the opinion that the database is of sufficient quality to be used for the current indicated and inferred MRE.

## **Geology and Mineralization**

The Panuco Project is on the western margin of the Sierra Madre Occidental (“SMO”), a high plateau and physiographic province that extends from the U.S.A.–Mexico border to the east-trending Trans-Mexican Volcanic Belt. The SMO is a Large Igneous Province recording continental magmatic activity from the Late Cretaceous to the Miocene in three main episodes. The first episode, termed the Lower Volcanic Complex (“LVC”), comprises a suite of intrusive bodies, including the Sonora, Sinaloa, and Jalisco batholiths and andesitic volcanic rock units with minor dacite and rhyolite tuffs and ignimbrites that are correlative with the Tarahumara Formation in Sonora of Late Cretaceous to Eocene age. The second magmatic episode is dominated by rhyolitic ignimbrites and tuffs that built one of the earth’s largest silicic volcanic provinces and has been termed the Upper Volcanic Supergroup (“UVS”). These dominantly rhyolitic units were extruded in two episodes, from about 32 to 28 Ma and 24 to 20 Ma. These two periods of magmatic activity are associated with the subduction of the Farallon plate under North America and the Laramide orogeny that occurred between the Upper Cretaceous - Paleocene and the Eocene. The third episode comprises post-subduction alkali basalts and ignimbrites associated with the opening of the Gulf of California between the late Miocene and Pleistocene - Quaternary.

The western part of the SMO in Sonora and Sinaloa is cut by north-northwest-trending normal fault systems developed during the opening of the Gulf of California between 27 and 15 Ma. The normal fault systems favoured the formation of elongated basins that were subsequently filled with continental sedimentary rocks. The basins occur in a north-northwest-trending belt extending from western Sonora to most of Sinaloa.

The basement to the SMO is locally exposed in northern Sinaloa, near Mazatlan and on small outcrops within the Panuco Project area. It comprises folded metasedimentary and metavolcanic rocks, deformed granitoids, phyllitic sandstones, quartzites, and schists of the Tahue terrane of Jurassic to Early Cretaceous age (Montoya-Lopera et al., 2019, Sedlock et al., 1993 and Campa and Coney 1982).

In the broader Panuco Project area, the LVC comprises granite, granodiorite, and diorite intrusive phases correlative with the Late Cretaceous to Early Paleocene San Ignacio and Eocene Piaxtla batholiths in San Dimas district. The andesite lavas, rhyolite–dacite tuffs, and ignimbrites are locally intruded by the Late Cretaceous to Early Paleocene intrusive phases and younger Eocene-Oligocene felsic dikes and domes. Northwest trending intermontane basins filled with continental conglomerates and sandstones incise the UVS and LVC in the Panuco Project area. The Oligocene age ignimbrites of the UVS occur east of the Panuco Project towards Durango state.

The structure of the Panuco Project area is dominated by north-northwest-trending extensional and transtensional faults developed or reactivated during the Basin and Range tectonic event (approximately 28 to 18 Ma). The extensional belt is associated with aligned rhyolite domes and dikes and Late Oligocene to Middle Miocene grabens.

Mineralization on the Panuco Project comprises several epithermal quartz veins. Previous workers and recent mapping and prospecting works conducted by Vizsla Silver's geologists determined a cumulative length of vein traces of 86 km. Individual vein corridors are up to 7.6 km long, and individual veins range from decimetres to greater than 10 m wide. Veins have narrow envelopes of silicification, and local argillic alteration, commonly marked by clay gouge. Propylitic alteration consisting of chlorite–epidote in patches and veins affecting the andesites and diorite are common either proximal or distal to the veins.

The primary mineralization along the vein corridors comprises hydrothermal quartz veins and breccias with evidence of four to five different quartz stages: generally white, grey, and translucent and varying grain size from amorphous-microcrystalline-coarse. A late stage of amethyst quartz is also observed in some veins. The grey colour in quartz is due to the presence of fine-grained disseminated sulphides, believed to be mainly pyrite and acanthite. Vizsla Silver has delineated several hydrothermal breccias with grey quartz occurring more commonly at lower levels of the vein structures. Barren to low grade, quartz is typically white and is more common in the upper parts of the veins and breccias. Locally, mineralized structures are cut by narrow, banded quartz veins with thin, dark argentite/acanthite, sphalerite, galena, and pyrite bands. Bladed and lattice quartz pseudomorphs after calcite have been noted at several locations within the veins and indicate boiling conditions during mineral deposition. Later quartz veinlets cut all the mineralized zones with a mix of white quartz and purple amethyst. The amethyst is related to mixing near-surface waters as the hydrothermal system is collapsing, as has been noted in the nearby San Dimas district (Montoya–Lopera et al., 2019).

The MRE includes ten mineralized vein systems: the Napoleon, Napoleon hanging wall, Josephine, and Cruz Negra veins; the Copala, Cristiano, Tajitos and Copala 2 veins; the San Antonio vein; and the Rosarito vein. These trends are west to east within the Napoleon, Cinco Senores, Cordon del Oro, and Animas-Refugio corridors. The bulk of the mineral resource veins strike north-northwest to north-northeast, with thicknesses varying from 1.5 m to over 10 m.

### **Mineral Processing, Metallurgical Testing and Recovery Methods**

Preliminary metallurgical test programs have been completed on each of the three main deposits that form the Panuco mineral resource. All test programs were conducted at ALS Metallurgy in Kamloops, BC, Canada.

The Napoleon test program was conducted in 2021 on samples obtained from seven drill holes in the 2020 and 2021 drill programs. The selected intervals ranged from depths of 46 to 201 m down the drill holes.

The Tajitos test program was conducted in 2022 on samples from 22 drill holes in the 2020 and 2021 drill programs. The selected intervals ranged from depths of 51 to 345 m down the drill holes.

The Copala test program was conducted in 2023 on samples from eight drill holes in the 2022 drill program. The selected intervals ranged from depths of 111 to 385 m down the drill holes.

The sample selections covered a range of identified lithologies. Master composites were assembled to obtain feed grades that were similar to the expected average mineral resource grades, variability composites were assembled to cover ranges of grades and lithologies. The majority of the testing was completed on the master composites of each deposit.

Comminution testing was completed which suggested that the materials were somewhat hard with respect to both impact and attrition breakage. Drop weight tests were only conducted on the Copala samples and returned an average Axb value of 33. Bond ball mill tests conducted on samples from all three deposits measured ball mill work index values ranging from 16.4 to 18.9 kWhr/tonne.

Mineralogical assessments on the feed samples using QEMSCAN indicated that the host rock was primarily quartz and feldspars. Quartz contents ranged from 55 to 86%. The samples contained generally low levels of sulphide minerals, with pyrite as the most abundant sulphide mineral. The Napoleon samples contained elevated levels of galena and sphalerite, these base metal mineral contents were generally quite low in the Tajitos and Copala samples. Analyses on the Tajitos and Copala samples indicated that silver was mostly present in the form of a silver sulphide mineral acanthite, although small amounts were present in silver-copper sulphides. Detailed analyses on the Copala samples indicated a significant portion of the silver bearing sulphide minerals were quite fine grained and poorly liberated, suggesting that somewhat fine primary grind sizes may be required to achieve high silver recoveries.

Froth flotation tests were conducted on all samples, investigating the potential to sequentially float lead and zinc, as well as simply recovering a bulk sulphide concentrate. Open circuit cleaner testing on the Napoleon master composite demonstrated that production of lead and zinc concentrates that meet typical marketing grade targets would be possible

using typical processing conditions. In this flowsheet, about 70 and 80 percent of the silver and gold, respectively, would report to the lead concentrate. The zinc concentrates contained approximately 0.4% cadmium, which may be of concern for marketing, otherwise no other deleterious elements were measured at penalty levels.

Lead-zinc sequential flotation was only investigated in rougher flotation protocols on the Tajitos and Copala samples, distributions of silver and gold to the rougher concentrates were similar to the Napoleon material. Bulk sulphide flotation on all three deposits indicated that bulk sulphide concentrates containing 50-60 g/t gold could be generated on each material, silver concentrations ranged from 1500 to over 8000 g/t depending on the sulphide mineral contents in the feed. In general, about 80-90% of the silver and gold reported to bulk rougher concentrates at the primary grind sizes tested, recoveries to cleaner concentrates were not confirmed as tests were only conducted in open circuit.

Cyanide leaching of the rougher flotation tails was investigated on the Tajitos and Copala samples. Approximately 60-70% of the silver and 80-85% of the gold remaining in the rougher tails could be extracted in tests conducted over 48 and 72 hours. Leaching of rougher flotation concentrates was investigated on all deposits, but most extensively on the Copala samples. Silver extractions ranged from 85 to 98% and gold extractions ranged from 93 to 97% after 48 hours of leaching the concentrates, depending on the level of regrinding applied.

Whole feed leaching was investigated on samples from all deposits, which indicated that about 83-86% of the silver and 90-94% of the gold could be extracted after 96 hours of leaching. These tests were conducted at primary grind sizes ranging from 63 to 100µm P80.

### Mineral Resource Estimate

Completion of the updated MREs for the Napoleon-Luisa and Copala-Tajitos deposit areas involved the assessment of an updated drill hole database, which included all data for surface drilling completed between November 2019 and September 2023. The MREs for the Animas and San Antonio deposit areas included data for surface drilling completed between November 2019 and September 2022; there has been no new drilling on the Animas and San Antonio deposit areas and these MREs previously published are considered current. Completion of the MREs also included the assessment of updated three-dimensional (“3D”) mineral resource models (mineral resource domains), 3D topographic surface models, 3D models of historical underground workings, and available written reports.

The Inverse Distance Squared (“ID2”) calculation method restricted to mineralized domains was used to interpolate grades for Ag (g/t), Au (g/t), lead (“Pb”) (ppm) and zinc (“Zn”) (ppm) into block models for all deposit areas.

Indicated and inferred mineral resources are reported in the summary tables in Section 14.11 in the Technical Report. The MREs presented below take into consideration that all deposits on the Panuco Project may be mined by underground mining methods.

The updated MRE for the Panuco Project is presented in Table 11 and Table 12.

#### Highlights of the Panuco Project Mineral Resource Estimate are as follows:

- Indicated mineral resources are estimated at 9.48 million tonnes (“Mt”) grading 289 g/t silver, 2.41 g/t gold, 0.27% lead, and 0.84% zinc (511 silver equivalent (“AgEq”). The current MRE includes indicated mineral resources of 88.2 million ounces (“Moz”) of silver, 736 thousand ounces (“koz”) of gold, 56 million pounds (“Mlbs”) of lead, and 176 Mlbs of zinc (155.8 Moz AgEq).
- Inferred mineral resources are estimated at 12.19 Mt grading 239 g/t silver, 1.93 g/t gold, 0.29% lead, and 1.03% zinc (433 g/t AgEq). The current MRE includes inferred mineral resources of 93.7 Moz of silver, 758 koz of gold, 78 Mlbs of lead, and 276 Mlbs of zinc (169.6 Moz AgEq).

**Table 11 Panuco Project Mineral Resource Estimate, September 1, 2023**

Resource Class	Tonnes (MT)	Grade					Total Metal				
		Au g/t	Ag g/t	Pb %	Zn %	AgEq (g/t)	Au (koz)	Ag (koz)	Pb (Mlbs)	Zn (Mlbs)	AgEq* (koz)
Indicated	9.48	2.41	289	0.27	0.84	511	736	88,192	56.0	176.1	155,841

Inferred	12.19	1.93	239	0.29	1.03	433	758	93,653	78.1	276.2	169,647
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\*  $AgEq = Ag\ ppm + (((Au\ ppm \times Au\ price/g) + (Pb\ \% \times Pb\ price/t) + (Zn\ \% \times Zn\ price/t))/Ag\ price/g)$  with price assumptions of \$24.00/oz Ag, \$1800/oz Au, \$1.10/lb Pb and \$1.35/lb Zn

**Table 12 Panuco Project Mineral Resource Estimate by Area, September 1, 2023**

**Copala Area: Copala, Tajitos and Cristiano**

Area	Mineral Resource Class	Tonnes (MT)	Grade					Total Metal				
			Au g/t	Ag g/t	Pb %	Zn %	AgEq (g/t)	Au (koz)	Ag (koz)	Pb (Mlbs)	Zn (Mlbs)	AgEq (koz)
Copala	Indicated	4.52	2.46	380	0.08	0.15	573	358	55,201	8.2	15.3	83,270
	Inferred	3.16	1.77	332	0.12	0.20	476	179	33,722	8.2	13.6	48,320
Tajitos	Indicated	0.63	2.24	358	0.12	0.21	538	46	7,295	1.6	2.9	10,953
	Inferred	1.04	2.04	365	0.22	0.39	540	69	12,260	5.2	8.9	18,140
Cristiano	Indicated	0.21	3.37	581	0.25	0.43	858	23	3,961	1.1	2.0	5,851
	Inferred	0.72	2.54	443	0.15	0.29	650	59	10,213	2.4	4.5	14,974
<b>Total</b>	<b>Indicated</b>	<b>5.37</b>	<b>2.48</b>	<b>385</b>	<b>0.09</b>	<b>0.17</b>	<b>580</b>	<b>427</b>	<b>66,457</b>	<b>11</b>	<b>20</b>	<b>100,074</b>
	<b>Inferred</b>	<b>4.92</b>	<b>1.94</b>	<b>355</b>	<b>0.15</b>	<b>0.25</b>	<b>515</b>	<b>307</b>	<b>56,195</b>	<b>16</b>	<b>27</b>	<b>81,434</b>

**Napoleon Area: Napoleon, Cruz, Josephine and Luisa**

Area	Mineral Resource Class	Tonnes (MT)	Grade					Total Metal				
			Au g/t	Ag g/t	Pb %	Zn %	AgEq (g/t)	Au (koz)	Ag (koz)	Pb (Mlbs)	Zn (Mlbs)	AgEq (koz)
Luisa	Indicated	0.27	2.56	177	0.39	2.01	459	22	1,556	2.3	12.1	4,027
	Inferred	2.04	2.13	159	0.30	1.51	386	139	10,439	13.3	67.9	25,326
Cruz/Negra	Indicated	0.03	2.01	144	0.37	1.71	373	2	153	0.3	1.2	396
	Inferred	0.31	3.75	170	0.31	1.48	519	37	1,698	2.1	10.1	5,169
Josephine	Indicated	0.07	2.88	221	0.39	1.11	492	6	491	0.6	1.7	1,092
	Inferred	0.22	2.05	161	0.33	1.00	364	15	1,161	1.6	4.9	2,618
Napoleon_HW(4)	Indicated	0.43	1.72	164	0.42	1.53	365	24	2,259	4.0	14.4	5,029
	Inferred	0.85	2.17	220	0.59	2.02	479	59	5,976	10.9	37.6	13,027
Napoleon+	Indicated	3.31	2.39	162	0.52	1.73	425	255	17,276	37.8	126.5	45,223

Area	Mineral Resource Class	Tonnes (MT)	Grade					Total Metal				
			Au g/t	Ag g/t	Pb %	Zn %	AgEq (g/t)	Au (koz)	Ag (koz)	Pb (Mlbs)	Zn (Mlbs)	AgEq (koz)
Splays	Inferred	3.18	1.64	137	0.45	1.76	342	168	14,045	31.8	123.2	35,063
Total	Indicated	4.12	2.34	164	0.50	1.72	421	309	21,735	45	156	55,767
	Inferred	6.60	1.97	157	0.41	1.68	383	418	33,319	60	244	81,203

**San Antonio Area: Generales and Animas Area: Cuevillas and Rosarito**

Area	Mineral Resource Class	Tonnes (MT)	Grade					Total Metal				
			Au g/t	Ag g/t	Pb %	Zn %	AgEq (g/t)	Au (koz)	Ag (koz)	Pb (Mlbs)	Zn (Mlbs)	AgEq (koz)
San Antonio	Inferred	0.28	1.30	226	0.01	0.03	325	12	2,038	0.1	0.2	2,936
Animas	Inferred	0.39	1.68	169	0.29	0.60	327	21	2,101	2.5	5.2	4,074

***Panuco Project Updated Mineral Resource Estimate Notes:***

The classification of the updated MRE into indicated and inferred mineral resources is consistent with current 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves. The effective date for the updated MRE is September 1, 2023.

All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.

All mineral resources are presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction.

Mineral resources are not mineral reserves. Mineral resources which are not mineral reserves, do not have demonstrated economic viability. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a Mineral reserve. It is reasonably expected that the majority of inferred mineral resource could be upgraded to indicated mineral resources with continued exploration.

The database comprises a total of 822 drill holes for 302,931 m of drilling completed by Vizsla Silver between November 2019 and September 2023.

The MRE is based on 28 3D resource models, constructed in Leapfrog, representing the Napoleon area (15 wireframes), the Copala area (seven wireframes), Tajitos (one wireframe), Animas (five wireframes) and San Antonio (one wireframe).

Silver, gold, lead, and zinc were estimated for each mineralization domain in the Panuco Project. Blocks within each mineralized domain were interpolated using 1.5 m capped composites assigned to that domain. To generate grade within the blocks, the ID2 interpolation method was used for all domains. All estimates are based on variable block dimensions (by deposit area) and estimation search parameters (by domain).

Average density values were assigned per zone based on 1,919 samples analysed by ALS in Zacatecas, Mexico or inhouse with 5% checks by ALS.

It is envisioned that the Panuco Project deposits may be mined using underground mining methods. Mineral resources are reported at a base case cut-off grade of 150 g/t AgEq. The mineral resource grade blocks were quantified above the base case cut-off grade, below surface and within the constraining mineralized wireframes.

The base-case AgEq Cut-off grade considers metal prices of \$24.00/oz Ag, \$1800/oz Au, \$1.10/lb Pb and \$1.35/lb Zn and considers metal recoveries of 93% for silver, 90% for gold, 94% for Pb and 94% for Zn.

The base case cut-off grade of 150 g/t AgEq considers a mining cost of US\$45.00/t rock and processing, treatment and refining, transportation, and G&A cost of US\$50.00/t of mineralized material.

The authors of the Technical Report are not aware of any known mining, processing, metallurgical, environmental, infrastructure, economic, permitting, legal, title, taxation, socio-political, or marketing issues, or any other relevant factors not reported in this technical report, that could materially affect the updated MRE.

## **Recommendations**

The deposits of the Panuco Project contain underground Indicated and inferred mineral resources that are associated with well-defined mineralized trends and models. All deposits are open along strike and at depth.

Armitage considers that the Panuco Project has potential for delineation of additional mineral resources and that further exploration is warranted. Given the prospective nature of the Panuco Project, it is the opinion of Armitage that the Panuco Project merits further exploration and that a proposed plan for further work by Vizsla Silver is justified.

Armitage is recommending Vizsla Silver conduct further exploration, subject to funding and any other matters which may cause the proposed exploration program to be altered in the normal course of its business activities or alterations which may affect the program as a result of exploration activities themselves.

For 2024, Vizsla Silver plans to drill approximately 65,000 m on current mineral resource areas, priority targets proximal to current mineral resources in the west, as well as on other high-priority targets in the eastern portion of the district.

### ***Mineral Resource Extension Targets***

The Copala structure remains open along strike to the north and down dip to the south. In 2024, Vizsla Silver plans to continue upgrading inferred mineral resources in south Copala, and expanding Copala and its footwall splays down dip.

At Napoleon, Vizsla Silver plans to upgrade inferred mineral resources and conduct mineral resource expansion drilling along the hanging wall-4 vein (HW4) to the east, as well as explore three potential vein feeders along the main Napoleon structure at depth.

### ***Proximal Targets***

At La Luisa, Vizsla Silver plans to continue expanding the footprint of the high-grade shoot on the south and infill drilling the recently defined 400 m gap between the northern most drill-hole intercepts and the high-grade shoot on the south.

The EL Molino Vein reported significant silver and gold grades close to surface, and Vizsla Silver plans to explore the vein along strike and at depth to add additional high-grade mineral resources close to planned infrastructure in 2024.

Vizsla Silver plans to drill-test a conceptual target at the projected northern intersection of the Copala fault with the Napoleon vein system near La Estrella area.

### ***District Targets***

New mapping efforts completed in 2023 have highlighted an abundance of historic workings in the northeastern portion of the district. This new area named “Camelia” is marked by several high-grade surface samples grading up to 400 g/t Ag and 5.0 g/t Au. Given the overall density of veins mapped on surface and the abundance of surface samples related to historic workings, this has become a high priority district target in the east.

### ***Bulk Sample / Test Mine***

Vizsla Silver has received permits to develop and operate a test mine program at its Panuco Project to extract a combined 25,000 tonne bulk sample from the Copala and Napoleon structures. Initial engineering for the bulk sample test mine has already begun with plans to begin underground development in early 2024.