

**VIZSLA RESOURCES CORP.**  
(formerly Vizsla Capital Corp.)

Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian Dollars - unaudited)

For the three months ended July 31, 2019 and 2018

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. They include appropriate accounting principles, judgment and estimates in accordance with IFRS for unaudited condensed consolidated interim financial statements

The Company's independent auditors have not performed a review of these unaudited condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of unaudited condensed interim financial statements by an entity's auditors.

**VIZSLA RESOURCES CORP.**

(formerly Vizsla Capital Corp.)

Condensed Consolidated Interim Statements of Financial Position

Expressed in Canadian dollars - unaudited

As at	July 31, 2019	April 30, 2019
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	1,602,863	150,222
GST receivable	9,174	23,699
Prepaid expenses	50,610	6,825
Due from related parties (Note 8)	5,000	5,000
Loan receivable (Note 3)	138,900	65,900
<b>Total current assets</b>	<b>1,806,547</b>	<b>251,646</b>
<b>Computer equipment</b>	<b>3,792</b>	<b>2,209</b>
<b>Exploration and evaluation assets (Note 4)</b>	<b>1,357,467</b>	<b>1,357,467</b>
<b>Total assets</b>	<b>3,167,806</b>	<b>1,611,322</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	26,462	62,721
Due to related parties (Note 6)	-	5,500
<b>Total current liabilities</b>	<b>26,462</b>	<b>68,221</b>
<b>Deferred tax liability</b>	<b>-</b>	<b>-</b>
<b>Flow-through shares premium liability (Note 5d)</b>	<b>4,867</b>	<b>4,867</b>
<b>Total liabilities</b>	<b>31,329</b>	<b>73,088</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share capital (Note 5)</b>	<b>4,027,615</b>	<b>2,183,961</b>
<b>Reserves</b>	<b>520,111</b>	<b>288,466</b>
<b>Deficit</b>	<b>(1,411,249)</b>	<b>(934,193)</b>
<b>Total shareholders' equity</b>	<b>3,136,477</b>	<b>1,538,234</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,167,806</b>	<b>1,611,322</b>

Note 1 - Nature of operations and going concern

They are signed on the Company's behalf by:

*"Michael Konnert"*  
Director

*"Craig Parry"*  
Director

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

**VIZSLA RESOURCES CORP.**

(formerly Vizsla Capital Corp.)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

Expressed in Canadian dollars, except for number of shares - unaudited

	Three Months Ended July 31, 2019	Three Months Ended July 31, 2018
	\$	\$
<b>General and administrative expenses</b>		
Amortization	237	237
Consulting fees	73,643	-
Insurance	3,698	-
Exploration	46,912	-
Investor relations	19,722	-
Office and miscellaneous	33,021	57
Professional fees	67,948	12,050
Share based compensation (Note 7)	189,525	-
Transfer agent and filing	14,171	-
Travel and promotion	28,179	-
<b>Net loss and comprehensive loss</b>	<b>477,056</b>	<b>12,344</b>
<b>Basic and diluted loss per share</b>	<b>(0.01)</b>	<b>(0.00)</b>
<b>Weighted average number of common shares</b>		
- Basic and diluted	28,020,352	5,750,001

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**VIZSLA RESOURCES CORP.**

(formerly Vizsla Capital Corp.)

Condensed Consolidated Interim Statements of Cash Flows

Expressed in Canadian dollars - unaudited

	Three Months Ended July 31, 2019	Three Months Ended July 31, 2018
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(477,056)	(12,344)
Items not affecting cash:		
Amortization	237	237
Share based compensation	189,525	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(36,259)	7,603
Due to/from related parties	(5,500)	13,324
GST receivable	14,525	(3,387)
Prepaid expenses	(43,785)	-
<b>Net cash flows provided by (used in) operating activities</b>	<b>(358,313)</b>	<b>5,433</b>
<b>Investing activities</b>		
Advances	(73,000)	-
Exploration and evaluation assets investments	-	(2,000)
Purchase of computer equipment	(1,820)	-
<b>Net cash flows (used in) investing activities</b>	<b>(74,820)</b>	<b>(2,000)</b>
<b>Financing activities</b>		
Deferred finance costs	-	(55,285)
Cash proceeds of common shares issued (net of share issue costs)	1,885,774	-
<b>Net cash flows provided by (used in) financing activities</b>	<b>1,885,774</b>	<b>(55,285)</b>
<b>Increase (Decrease) in cash</b>	<b>1,452,641</b>	<b>(51,852)</b>
<b>Cash, beginning of period</b>	<b>150,222</b>	<b>90,778</b>
<b>Cash, end of period</b>	<b>1,602,863</b>	<b>38,926</b>

Note 8 - Non-cash Investing and Financing Activities

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

**VIZSLA RESOURCES CORP.**

(formerly Vizsla Capital Corp.)

Condensed Consolidated Interim Statements of Changes in Equity

Expressed in Canadian dollars, except for number of shares - unaudited

	Common shares		Reserves	Deficit	Total
	Number	Amount			
		\$	\$	\$	\$
Balance, April 30, 2018	5,750,001	299,000	-	(44,461)	254,539
Net loss and comprehensive loss for the period	-	-	-	(12,344)	(12,344)
Balance, July 31, 2018	5,750,001	299,000	-	(56,805)	242,195
Shares issued pursuant to Initial Public Offering	5,083,333	800,000	-	-	800,000
Shares issuance costs	-	(272,539)	28,336	-	(244,203)
Flow through share premium	-	(37,500)	-	-	(37,500)
Shares issued for mineral property	200,000	30,000	-	-	30,000
Shares issued upon acquisition of Northbase Resources Inc.	9,100,001	1,365,000	-	-	1,365,000
Share based compensation	-	-	260,130	-	260,130
Net loss and comprehensive loss for the period	-	-	-	(877,388)	(877,388)
Balance, April 30, 2019	20,133,335	2,183,961	288,466	(934,193)	1,538,234
Shares issued pursuant to Private Placement	13,192,829	1,978,924	-	-	1,978,924
Share issuance costs - cash	-	(93,150)	-	-	(93,150)
Share issuance costs - finders warrants	-	(42,120)	42,120	-	-
Stock based compensation	-	-	189,525	-	189,525
Net loss and comprehensive loss for the period	-	-	-	(477,056)	(477,056)
Balance, July 31, 2019	33,326,164	4,027,615	520,111	(1,411,249)	3,136,477

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

# VIZSLA RESOURCES CORP.

(formerly Vizsla Capital Corp.)

Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended July 31, 2019 and 2018

Expressed in Canadian dollars, except for number of shares

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## 1. Nature and Continuance of Operations and Going Concern

The Company was incorporated on September 26, 2017 under the Business Corporations Act (British Columbia) under the name Vizsla Capital Corp. On March 6, 2018, the Company changed its name to Vizsla Resources Corp. The Company's principal business activity is the exploration of mineral properties. The Company currently conducts substantially all of its operations in Canada in one business segment.

The head office and principal address of the Company is located at 1001- 1030 West Georgia Street, Vancouver, B.C., V6E 3B9.

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

These condensed consolidated interim financial statements have been prepared using accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company emphasises that attention should be drawn to matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The most significant of these being the Company's ability to carry out its business objectives dependent on the Company's ability to receive continued financial support from related parties, to obtain public equity financing, or to generate profitable operations in the future. Other uncertainties include the fact that the Company is currently in the exploration stage for its interests in the Blueberry property in British Columbia, Canada (see Note 5), the economic viability of which have not been fully assessed. The Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of capitalized costs on the Blueberry property is uncertain and dependent upon projects achieving commercial production or sale. The outcome of these matters cannot be predicted at this time. The Company is considering a number of alternatives to secure additional capital including obtaining funding facilities or equity financings. Although management intends to secure additional financing there is no assurance management will be successful or that it will establish future profitable operations. These factors together raise substantial doubt about the Company's ability to continue as a going concern.

	July 31, 2019	April 30, 2019
Deficit	\$ (1,411,249)	\$ (934,193)
Working capital	\$ 1,780,085	\$ 183,425

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

## VIZSLA RESOURCES CORP.

(formerly Vizsla Capital Corp.)

Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended July 31, 2019 and 2018

Expressed in Canadian dollars, except for number of shares

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### 2. Significant Accounting Policies and Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed, and therefore these condensed consolidated interim financial statements should be read in conjunction with the Company’s April 30, 2019 audited annual consolidated financial statements and the notes to such financial statements.

These condensed consolidated interim financial statements are based on the IFRS issued and effective as of September 20, 2019, the date these condensed consolidated interim financial statements were authorized for issuance by the Company’s Board of Directors, and follow the same accounting policies and methods of computation as the most recent annual consolidated financial statements, except for the impact of the changes in accounting policies disclosed below:

#### a) New accounting standard and interpretation

The Company adopted the following new accounting standard and interpretation:

IFRS 16, Leases (effective January 1, 2019) introduced new requirements for the classification and measurement of leases. Under IFRS 16, a lessee no longer classifies leases as operating or financing and records all leases on the condensed consolidated statement of financial position, unless the lease term is 12 months or less or the underlying asset has a low value. The Company has applied a modified retrospective transition approach. The Company does not have any leases, and as a result, this standard had no impact on the Company’s condensed consolidated interim financial statements on adoption.

IFRIC 23, Uncertainty over Income Tax Treatments (effective January 1, 2019) provides guidance when there is uncertainty over income tax treatments including, but not limited to, whether uncertain tax treatments should be considered separately; assumptions made about the examination of tax treatments by tax authorities; the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates; and, the impact of changes in facts and circumstances. This interpretation did not have an impact on the Company’s condensed consolidated interim financial statements.

#### b) Accounting standards issued but not yet adopted

The Company has not applied the following amendment that has been issued but is not yet effective:

Amendments to IFRS 3, Business Combinations (effective January 1, 2020) assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. It amends the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and it excludes returns in the form of lower costs and other economic benefits. The Company has not elected to apply this amendment early.

## VIZSLA RESOURCES CORP.

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Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended July 31, 2019 and 2018

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### 3. Loans Receivable

On April 15, 2019, the Company entered into a loan agreement whereby it loaned \$65,900. The loan bears interest at 3% per annum, is secured through a general security agreement with the borrower and matures on April 15, 2020.

On June 3, 2019, the Company entered into a loan agreement whereby it loaned \$68,000. The loan bears interest at 3% per annum, is secured through a general security agreement with the borrower and matures on June 3, 2020.

On July 22, 2019, the Company entered into a loan agreement whereby it loaned \$5,000. The loan bears interest at 3% per annum, is secured through a general security agreement with the borrower and matures on July 22, 2020.

### 4. Exploration and Evaluation Assets

#### *Acquisition of Northbase Resources Inc.*

On January 16, 2019, pursuant to a definitive share exchange agreement dated December 17, 2018, the Company acquired all of the issued and outstanding common shares of Northbase Resources Inc. ("Northbase") a private British Columbia company which controls a district-scale (20,265 hectare) land package known as the Blueberry Property in the Babine porphyry copper district in central British Columbia. Under the terms of the acquisition, the holders of Northbase shares received one common share of the Company in exchange for each Northbase share held.

The Company issued an aggregate 9,100,001 common shares in connection with the acquisition at a fair value of \$0.15 per common share (Note 7). The shares are subject to a four month hold period.

The transaction was accounted for as an asset acquisition. The purchase consideration was as follows:

Share consideration	\$ 1,365,000
Transaction costs	15,612
Consideration given	\$ 1,380,612

The allocation of the purchase price to the assets acquired and liabilities assumed was based upon estimated fair value at the date of acquisition as below:

Cash	\$ 44,630
Accounts payable and accrued liabilities	(21,485)
Exploration and evaluation asset	1,357,467
Net assets acquired	\$ 1,380,612

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Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended July 31, 2019 and 2018

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### 5. Share Capital

#### a) Authorized:

Unlimited number of common shares with no par value.

#### b) Issued and Outstanding

As at April 30, 2019, 33,326,164 (April 30, 2019: 20,133,335) common shares with no par value were issued and outstanding.

During the three months ended July 31, 2019, the Company issued common shares of the Company (the "Shares") as follow:

- On September 19, 2018, the Company completed an Initial Public Offering ("IPO", "Offering"), whereby the Company issued an aggregate of 4,333,333 Shares of the Company at a price of \$0.15 per Share for gross proceeds of \$650,000 and 750,000 flow-through common shares of the Company (the "FT Shares") at a price of \$0.20 per FT Share for gross proceeds of \$150,000. Each FT Share is a Share of the Company that qualifies as a "flow-through share" within the meaning of the Tax Act.

During the year ended April 30, 2019, the Company issued common shares of the Company (the "Shares") as follow:

- On September 19, 2018, the Company completed an Initial Public Offering ("IPO", "Offering"), whereby the Company issued an aggregate of 4,333,333 Shares of the Company at a price of \$0.15 per Share for gross proceeds of \$650,000 and 750,000 flow-through common shares of the Company (the "FT Shares") at a price of \$0.20 per FT Share for gross proceeds of \$150,000. Each FT Share is a Share of the Company that qualifies as a "flow-through share" within the meaning of the Tax Act.

The Company paid the agent a cash commission of \$56,000, a corporate finance fee of \$25,000 cash plus 355,833 Agent's warrants at a fair value of \$28,336 (Note 7e). The Company also incurred and paid to the Agent reasonable expenses associated with the offering in the amount of \$33,058. Additional share issue costs were incurred for legal, accounting, filing and printing fees associated with the IPO.

- On September 27, 2018, the Company issued 200,000 common shares pursuant to the acquisition of the Kathleen Mountain Property at a fair value of \$0.15 per common share (Note 6).
- On January 16, 2019 the Company issued 9,100,001 common shares pursuant to the acquisition of Northbase Resources Inc. at a fair value of \$0.15 per common share (Note 6).

During the period from incorporation on September 26, 2017 to April 30, 2018, the Company issued the Shares as follow:

- 1 Share at a price of \$0.01 per Share upon Incorporation.
- 1,700,000 Shares at a price of \$0.005 per Share for gross proceeds of \$8,500.
- 200,000 Shares at a price of \$0.05 per Share for gross proceeds of \$10,000.

## **VIZSLA RESOURCES CORP.**

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Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended July 31, 2019 and 2018

Expressed in Canadian dollars, except for number of shares

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### **5. Share Capital (cont'd...)**

#### **b) Issued and Outstanding (cont'd...)**

- 1,950,000 FT Shares of the Company at a price of \$0.05 per FT Share for gross proceeds of \$97,500. Each FT Share is a Common Share of the Company that qualifies as a “flow-through share” within the meaning of the Tax Act.
- 1,000,000 FT Shares of the Company at a price of \$0.10 per FT Share for gross proceeds of \$100,000. Each FT Share is a Common Share of the Company that qualifies as a “flow-through share” within the meaning of the Tax Act. In connection therewith, the Company paid a cash finders fee in the amount of \$3,500.
- 900,000 Shares at \$0.10 per Share for gross proceeds of \$90,000. In connection therewith, the Company paid a cash finders fee in the amount of \$3,500.

#### **c) Escrow shares**

As at July 31, 2019, the Company has 5,880,000 common shares held in escrow (April 30, 2019: 7,162,500).

#### **d) Flow-through shares**

On September 19, 2018, the Company issued 750,000 FT Shares and recognized a premium liability on flow-through shares of \$37,500.

The Company renounced total proceeds of \$150,000 on a look-back basis as of December 31, 2018. As at July 31, 2019, the Company has incurred \$130,532 of qualified expenditures and has approximately \$19,468 unspent flow-through proceeds which management expected to fully spend by December 31, 2019. The incurred expenditures resulted in a \$32,633 reversal of the flow-through share premium liability. As at July 31, 2019 the flow through premium liability is \$4,867.

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Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended July 31, 2019 and 2018

Expressed in Canadian dollars, except for number of shares

**5. Share Capital (cont'd...)****e) Agents Warrants**

The following is a summary of agents' warrant transactions for the three months ended July 31, 2019 and 2018.

	July 31, 2019		July 31, 2018	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Warrants outstanding, beginning of the period	355,833	0.15	-	-
Issued	581,000	0.25	-	-
Warrants outstanding, end of the period	936,833	0.21	-	-

The following agents' warrants were outstanding and exercisable July 31, 2019:

Expiry date	Exercise price	Number of Agents' warrants outstanding and exercisable
September 19, 2020	\$ 0.15	355,833
June 6, 2021	\$ 0.25	581,000

The fair value of the warrants granted was calculated as of the grant date using the Black-Scholes option pricing model with the following assumptions:

Risk Free Interest Rate	1.38%
Expected Dividend Yield	-
Expected Volatility	125%
Expected Term in Years	2 years

The Company recorded \$0.07 per warrant with a cumulative total fair value of \$42,120 against reserves.

## VIZSLA RESOURCES CORP.

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Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended July 31, 2019 and 2018

Expressed in Canadian dollars, except for number of shares

### 5. Share Capital (cont'd...)

#### f) Options

The Company has adopted a Stock Option Plan (the "Plan") pursuant to which options may be granted to directors, officers and consultants of the Company. Under the terms of the Plan, the Company can issue a maximum of 10% of the issued and outstanding common shares at the time of the grant, a maximum term of 10 years and the exercise price of each option is determined by the directors, but may not be less than the closing market price of the Common Shares on the day preceding the date of granting of the option less any available discount, in accordance with TSXV Policies. No option may be granted for a term longer than ten years. Options granted under the Plan including vesting and the term, are determined by, and at the discretion of, the Board of Directors.

The continuity of stock options for the three months ended July 31, 2019 and 2018 is as follows:

	July 31, 2019		July 31, 2018	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Options outstanding, beginning of the period	2,010,000	0.15	-	-
Issued	1,318,000	0.17	-	-
Options outstanding, end of the period	3,328,000	0.16	-	-

On June 13, 2019, the Company granted 1,319,000 stock options. Each option entitles the optionee to purchase one common share at a price of \$0.17 per share for a term expiring 5 years from the grant date. The options were vested immediately upon grant.

The following options were outstanding and exercisable as July 31, 2019:

Expiry date	Exercise price	Number of Options outstanding and exercisable
February 27, 2029	\$ 0.15	2,010,000
June 13, 2024	\$ 0.17	1,318,000

The fair value of the options granted was calculated using the Black-Scholes option pricing model with the following assumptions:

Risk Free Interest Rate	1.39%
Expected Dividend Yield	-
Expected Volatility	126%
Expected Term in Years	5 years

The Company recorded \$0.14 per option with a cumulative total fair value of \$189,525 as share based compensation for the three months ended July 31, 2019.

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Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended July 31, 2019 and 2018

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### **6. Related Party Balances and Transactions**

During the three months ended July 31, 2019 and 2018, the Company has the following related party transactions:

- (a) The Company has paid \$30,000 (2018: \$7,500) to the Company's Officers as compensation.
- (b) The Company has granted 1,223,000 (2018: \$Nil) stock options in total to directors, officers and consultants of the Company (Note 7f).

These transactions are in the normal course of operations and have been valued in these condensed consolidated interim financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at July 31, 2019, the Company has \$5,000 (April 30, 2019: \$5,000) due from the Company's Chief Executive Officer for funds advanced.

### **7. Subsequent Event**

Subsequent to July 31, 2019, the Company advanced an aggregate of USD\$700,000 in relation to an acquisition of 100% of the issued and outstanding shares of Canam Alpine Ventures Ltd., a Company with option agreements to acquire mineral rights, infrastructure and processing facilities in Sinaloa, Mexico.