

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

## Management Discussion and Analysis

For the year ended April 30, 2019 and the Period from Incorporation (September 26, 2017) to April 30, 2018

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### DISCLAIMER FOR FORWARD-LOOKING INFORMATION

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of April 30, 2019 and the period from incorporation (September 26, 2017) to April 30, 2018. These assumptions, which include, management's current expectations, estimates and assumptions about the global economic environment may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) inability to locate and identify potential business acquisitions, (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control. There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Unless otherwise required by applicable securities laws, the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new events, circumstances and information, future events or results or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

#### **1.1 – Date and Basis of Discussion & Analysis**

This management discussion and analysis ("MD&A") is dated as of April 30, 2019 and should be read in conjunction with the audited consolidated financial statements of Vizsla Resources Corp. for the year ended April 30, 2019. The April 30, 2019 Financial Statements are prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

The financial statements were approved by the Board of Directors of the Company on August 27, 2019.

#### **1.2 – Overall Performance**

##### **Nature of Business**

Vizsla Resources Corp. ("Vizsla Resources" or the "Company") was incorporated as Vizsla Capital Corp. under the Business Corporations Act (British Columbia) on September 26, 2017. On March 8, 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 1001- 1030 West Georgia Street, Vancouver, B.C., V6E 3B9.

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#### 1.2 – Overall Performance (continued)

On October 24, 2017, the Company entered into an Option Agreement to acquire a 100% interest in 4 mineral claims comprising the Kathleen Mountain Property located in the Princeton Mining Division in the Province of British Columbia. The Kathleen Mountain Property is the sole property of the Company. During the year-ended April 30, 2019, management determined that the property was not viable and terminated the Option Agreement and, as a result, the acquisitions costs and exploration costs in the amount of \$435,378 were written off.

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. 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.

The Company has never generated revenue or positive cash flows from operations. For the year ended April 30, 2019, the Company reported a net loss of \$889,732 (2018: \$44,461), cash deficiency from operating activities of \$223,657 (2018: \$35,503) and has an accumulated deficit of \$934,193 (2018: \$44,461). This raises significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations as intended are dependent on its ability to obtain necessary financing and raise capital sufficient to cover its operating costs.

Operations during the year ended April 30, 2019 were primarily related to obtaining the necessary financing, as well as conducting the initial exploration program on the Kathleen Mountain Property and negotiations in order to acquire Northbase Resources Inc.. During the period the Company acquired incurred exploration and evaluation assets expenditures in the amount of \$307,569. See "Kathleen Mountain Property, Princeton Mining Division, British Columbia" and Northbase Resources Inc.

#### Financing

During the period from Incorporation on September 26, 2017 to April 30, 2018 the Company issued 5,750,001 common shares for net proceeds in the amount of \$299,000. See "Share Capital".

During the year-ended April 30, 2019, the Company issued 5,083,333 common shares pursuant to its initial public offering, 200,000 common shares as per the Kathleen Mountain Property agreement and 9,100,001 common shares as per the Northbase acquisition agreement.

#### Kathleen Mountain Property, Princeton Mining Division, British Columbia

On October 24, 2017, the Company entered into an option agreement to acquire a 100% interest in 4 mining claims located in the Princeton Mining District of British Columbia. To acquire the 100% interest, the Company must make cash payments of \$105,000 and issue 200,000 of the Company's common shares as follows:

Date	Cash	Shares
Within 10 days after execution and delivery of the Agreement (paid)	\$ 15,000	-
Within 10 days after listing of the Company's shares on the TSXV or such other public securities market or exchange (paid)	\$ 20,000	200,000
Six-month anniversary after listing of the Company's shares on the TSXV or such other public securities market or exchange	\$ 20,000	-
Twelfth-month anniversary after listing of the Company's shares on the TSXV or such other public securities market or exchange	\$ 25,000	-
Eighteenth anniversary after listing of the Company's shares on the TSXV or such other public securities market or exchange	<u>\$ 25,000</u>	-
	<u>\$ 105,000</u>	<u>200,000</u>

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**1.2 – Overall Performance (continued)**

**Kathleen Mountain Property, Princeton Mining Division, British Columbia (continued)**

During the term of the option, the Company is required to keep the claims in good standing, and to incur minimum Exploration Expenditures on the Properties of not less than an aggregate of \$300,000 as follows:

1. \$100,000 by the first anniversary of the Effective Date (incurred); and
2. an additional \$200,000 by the second anniversary of the Effective Date.

These claims are also subject to a 2% Net Smelter Return Royalty payable commencing from the date upon which the Property is put into commercial production, one-half (50%) of which can be acquired at a purchase price of \$500,000, leaving the Optionor with a 1.0% remaining Net Smelter Royalty.

Expenditure related to the properties can be summarized as follows:

	Balance, April 30, 2018	Additions	Balance, April 30, 2019
	\$	\$	\$
<b>Acquisition costs</b>			
Property option payments			
- cash	15,000	20,000	35,000
- shares	-	30,000	30,000
	15,000	50,000	65,000
<b>Exploration costs</b>			
Airborne geophysical survey	84,000	-	84,000
Fieldwork	2,205	15,134	17,339
Geophysical consulting	-	2,000	2,000
Geophysical survey	-	126,900	126,900
Laboratory analysis	-	32,699	32,699
Project management (Note 8)	14,657	27,688	42,345
Technical report	10,251	16,719	26,970
Soil sampling	-	19,622	19,622
Travel, supplies and field expenses	1,696	16,807	18,503
	112,809	257,569	370,378
Total Acquisition Costs and Exploration Expenditures	127,809	307,569	435,378
Write-off on abandonment	-	-	(435,378)
Balance	127,809	307,569	-

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#### 1.2 – Overall Performance (continued)

##### 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

#### 1.3 – Selected Annual Information

As the Company was incorporated on September 26, 2017, the following table discloses the annual information for the previous two annual periods.

	Year Ended April 30, 2019	Period Ended April 30 2018
Total revenue	\$ -	\$ -
Net and comprehensive loss for the period	\$ (889,732)	\$ (44,461)
Total assets	\$ 1,611,322	\$ 277,596
Weighted average number of shares outstanding	11,565,846	4,562,674
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)

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**1.4 – Results of Operations**

	Year ended April 30, 2019	From Incorporation on September 26, 2017 to April 30, 2018
	\$	\$
<b>General and administrative expenses</b>		
Amortization	946	-
Consulting fees	82,476	-
Due diligence fees	27,461	-
Office and miscellaneous	29,285	4,693
Professional fees	48,556	12,171
Share based compensation	260,130	-
Transfer agent and filing	26,561	-
Travel and promotion	29,004	10,165
Write-off of exploration and evaluation property	435,378	-
Deferred tax expense (recovery)	(50,065)	17,432
<b>Net loss and comprehensive loss for the period</b>	<b>889,732</b>	<b>44,461</b>

Operations during the year-ended April 30, 2019, increased generally from the comparative period as the Company listed on the TSX-V and increased operations through its exploration program on the Kathleen Property and the acquisition of Northbase Resources Inc. In addition, the Company had one time charges for stock options granted during the period and the write-off of the Kathleen Mountain Property.

There were no investor relations arrangements entered into during year ended April 30, 2019. There were no legal proceedings, contingent liabilities, and defaults under debt or other contractual obligations, breach of any laws or special resolutions during the year ended April 30, 2019.

**1.5 – Summary of Quarterly Results (Unaudited)**

As the Company was incorporated on September 26, 2017 (\*), the following table provides information on the seven most recently completed quarters:

<b>Fiscal quarters ended</b>	April 30, 2019	January 31, 2019	October 31, 2018	July 31, 2018	April 30, 2018	January 31, 2018	October 31, 2017*
	\$	\$	\$	\$	\$	\$	\$
Sales or Revenue	-	-	-	-	-	-	-
Net loss	(399,971)	(472,032)	(5,386)	(12,343)	(44,382)	(50)	(29)
Loss per common share	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

**1.6 – Liquidity and Capital Resources**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2019 the Company had a cash balance of \$150,222 (2018: \$90,778) to settle accounts payable and accrued liabilities of \$62,721 (2018: \$5,625). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

As at April 30, 2019, the Company had cash and cash equivalents on hand of \$150,222 (2018: \$90,778).

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##### **1.6 – Liquidity and Capital Resources (continued)**

During the year-ended April 30, 2019, the Company used \$223,657 in operating activities (period from Incorporation on September 26, 2017 to April 30, 2018: \$35,503), used \$314,451 in investing activities (period from Incorporation on September 26, 2017 to April 30, 2018: \$130,964), provided by financing activities was \$597,552 (period from Incorporation on September 26, 2017 to April 30, 2018: \$257,245).

Shareholder's equity as at April 30, 2019 was \$1,538,234 (2018: \$254,539). During the year-ended April 30, 2019, the Company raised net proceeds of \$527,461 through the issuance of common stock during. The Company has raised \$299,000 through the issuance of common stock during the period from Incorporation on September 26, 2017 to April 30, 2018. Although the Company has been successful in the past in raising the necessary funding to continue operations, there can be no certainty it will be able to do so in the future.

##### **1.7 – Capital Resources**

The capital resources of the Company as at April 30, 2019 are primarily its cash of \$150,222. The Company may require additional financing to fund any anticipated operating expenses, to conduct exploration programs or for future acquisitions. The Company anticipates funding future expenditures through equity subscriptions, such as private placements or through the exercise of warrants and options. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or for the amounts desired or that it can be obtained on terms acceptable to the Company and its shareholders.

If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced, and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock.

##### **1.8 – Off Balance Sheet Arrangements**

As at April 30, 2019, there were no off-balance sheet arrangements to which the Company was committed.

##### **1.9 – Transactions with Related Parties**

During the year ended April 30, 2019 and the period from incorporation on September 26, 2017 to April 30, 2018, the Company has the following related party transactions:

Included in exploration and evaluation assets is \$252,711 (2018: \$16,232) paid to a company controlled by a Director of the Company for exploration program.

The Company has paid \$86,591 (2018: \$Nil) to the Company's Officers as compensation.

The Company has granted 2,010,000 (2018: \$Nil) stock options in total to directors, officers and consultants of the Company.

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

As at April 30, 2019, the Company has \$5,000 (2018: \$13,324) due from the Company's Chief Executive Officer for funds advanced.

As at April 30, 2019, the Company has \$5,500 (2018: \$Nil) due to the Company's Chief Financial Officer for management fee.

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##### 1.10 – Fiscal Quarter ended April 30, 2019 and 2018

During the three months ended April 30, 2019, the Company incurred operating expenses of \$395,104 (2018: \$26,950) including amortization of \$237 (2018: \$Nil), consulting fees of \$52,476 (2018: \$Nil), due diligence fees of \$27,461 (2018: \$Nil), office and miscellaneous of \$14,248 (2018: \$4,614), professional fees of \$16,027 (2018: \$12,171), share based compensation of \$260,130 (2018: \$Nil), transfer agent and filing fees of \$16,981 (2018: \$Nil) and travel and promotion of \$7,544 (2018: \$10,165).

##### 1.11 – Proposed Transactions

None.

##### 1.12 – Critical Accounting Estimates

The Company has outlined the basis of its critical accounting estimates in Note 4 of the April 30, 2019 Financial Statements.

##### 1.13 – Changes in Accounting Policies – International Financial Reporting Standards (“IFRS”)

IFRS 9 addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 Financial Instruments. The new standard contains three classifications for financial assets: measured at amortized cost, fair value through other comprehensive income (“FVTOCI”), and fair value through profit and loss (“FVTPL”). The new standard eliminates the previous IAS 39 categories of held to maturity, loan and receivables, and available for sale.

Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. Requirements for financial liabilities are largely carried forward from the existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

Following is the new accounting policy for financial instruments under IFRS 9:

###### (i) Classification

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	IAS 39 Classification	IFRS 9 Classification
<b>Financial Assets</b>		
Cash	FVTPL	Amortized cost
Due from related party	Loans and receivables	Amortized cost
Loan receivable	Loans and receivables	Amortized cost
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Due to related party	Other liabilities	Amortized cost

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**1.13 – Changes in Accounting Policies – International Financial Reporting Standards (“IFRS”) (continued)**

There were no adjustments to the carrying amount of financial instruments as a result of the change in classification from IAS 39 to IFRS 9.

(ii) Measurement

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

(iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the Consolidated Statements of Loss and Comprehensive Loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

The Company has not yet applied the following new standards, interpretations or amendments to standards that have been issued as at April 30, 2019 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations and intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material, unless otherwise stated.

**Standards issued but not yet effective**

The Company has not yet applied the following new standards, interpretations or amendments to standards that have been issued as at April 30, 2019 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations and intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the consolidated financial statements to be material, unless otherwise stated.

*IFRS 9 Financial Instruments (Amendments)*

In October 2017, the International Accounting Standards Board (IASB) issued amendments to IFRS 9 Financial Instruments, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in November 2017, to address the classification of certain prepayable financial assets. The amendments are effective for annual periods beginning on or after January 1, 2019.

*IFRS 16 Leases (New)*

The IASB has replaced IAS 17, Leases in its entirety with IFRS 16, Leases, which will require lessees to recognize nearly all leases on the balance sheet to reflect their right to use an asset for a period of time and the associated lease liability. IFRS 16 is effective for annual periods commencing on or after January 1, 2019.

Other new standards or amendments are either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

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**1.14 – Financial Instruments and Other Instruments**

*Fair value of financial instruments*

The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels:

The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company's financial instruments are cash, due from related parties, loan receivable, due to related parties and accounts payable and accrued liabilities. All these financial instruments are carried on the consolidated statements of financial position at amortized cost. The fair values of these financial instruments approximate their carrying value due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks, including liquidity risk, credit risk and interest rate risk.

*Liquidity risk*

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. Refer to Note 1 for further details related to the ability of the Company to continue as a going concern.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2019, the Company had a cash balance of \$150,222 to settle accounts payable and accrued liabilities of \$50,624. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

*Credit risk*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company is exposed to credit-related losses in the event of non-performance by the counterparties. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

Cash is held with reputable banks in Canada. The long-term credit rating of these banks, as determined by Standard and Poor's, was A+.

Loan receivable is secured through a general security agreement with the borrower. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for loan receivable.

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#### **1.14 – Financial Instruments and Other Instruments (continued)**

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. An immaterial amount of interest rate exposure exists in respect of cash balances on the statement of financial position. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

#### **1.15 – Other MD&A Requirements**

##### **Summary of Outstanding Securities as at August 27, 2019**

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 33,326,164 Shares (including 7,162,500 Shares held in escrow)

Warrants: 355,833 @ \$0.15 per share.

6,666,666 @ \$0.25 per share.

Stock options: 2,010,000 @ \$0.15 per share.

1,318,000 @ \$0.17 per share.

#### **RISK FACTORS AND UNCERTAINTIES**

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties, currently in British Columbia, Canada. Due to the nature of the Company's business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves), many risk factors will apply. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company may also impair the business operations.

#### **Going Concern and Financing Risks**

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

#### **Insufficient Financial Resources**

The Company does not presently have sufficient financial resources to meet obligations when they become due, undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

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#### **1.15 – Other MD&A Requirements (continued)**

##### **General Economic Conditions**

The recent events in global financial markets have had a profound impact on the global economy. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. These factors could have a material adverse effect on the Company's financial condition and results of operations.

##### **Share Price Volatility**

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of our Company. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

##### **Dependence on Others and Key Personnel**

The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its mineral properties; (ii) the ability to produce minerals from any mineral deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

##### **Government Regulation**

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to prospecting, development, production, environmental protection, mining taxes, labor standards, property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

##### **Competition**

The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

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#### **1.15 – Other MD&A Requirements (continued)**

##### **Fluctuation of Metal Prices**

Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. 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.

##### **Title Matters**

Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples. Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties for which titles have been issued are in good standing.

##### **Uncertainty of Resource Estimates/Reserve**

Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable.

##### **Limited Experience**

The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

##### **Speculative Business**

Resource exploration and development is a speculative business and involves a high degree of risk, 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 size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no known resource, and there are no known reserves, on any of the Company's properties.

##### **Permits and Licenses**

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out its projects, on reasonable terms or at all. Delays, or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

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

**Management Discussion and Analysis**

**For the year ended April 30, 2019 and the Period from Incorporation (September 26, 2017) to April 30, 2018**

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***1.15 – Other MD&A Requirements (continued)***

**Dilution to the Company’s Existing Shareholders**

The Company will require additional equity financing to be raised in the future. The Company may issue securities at less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.