

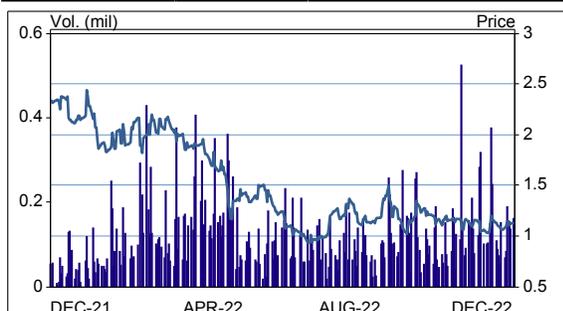
Vizsla Silver Corp. (VZLA)
Rating: Buy

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Definitive Agreement for Strategic Investment; Strong Metal Grades Seen in Recent Assays; Reiterate Buy

Stock Data		12/19/2022		
Price		\$1.18		
Exchange		NYSE American		
Price Target		\$2.00		
52-Week High		\$2.60		
52-Week Low		\$0.91		
Enterprise Value (M)		\$208		
Market Cap (M)		\$210		
Shares Outstanding (M)		178.7		
3 Month Avg Volume		137,108		
Short Interest (M)		0.30		
Balance Sheet Metrics				
Cash (M)		\$1.7		
Total Debt (M)		\$0.0		
Total Cash/Share		\$0.01		
EPS (C\$) Diluted				
Full Year - Apr	2021A	2022A	2023E	
FY	(0.13)	(0.11)	(0.07)	
Revenue (C\$M)				
Full Year - Apr	2021A	2022A	2023E	
FY	C\$0.0	C\$0.0	C\$0.0	



Definitive agreement for strategic investment. On December 19 2022, Vizsla announced that the firm had entered into a binding strategic investment agreement with Prismo Metals (PRIZ.CN; not rated). This agreement includes a right of first refusal to buy the Palos Verdes project from Prismo, as well as the purchase of 4M units of Prismo, for an aggregate consideration of C\$2.0M. Importantly, the Palos Verdes concession sits within the eastern area of Vizsla's Panuco district and covers 700 meters (m) of strike length along the Palos Verdes vein. In addition, we highlight similar grade profiles at Palos Verdes to those seen at Panuco, as recent drilling returned 2,336 grams per tonne (gpt) silver and 8.42 gpt gold over a true width of 0.8m.

Drilling continues to grow mineralized footprint which we now represent in our model. On December 1, 2022, Vizsla announced assay results from seven new drill holes targeting the southern extension of the Napoleon Vein at the Panuco project in Mexico. Notably, the recent results remain focused on the western portion of the district as part of the company's 120,000-meter (m) expansion and discovery program for 2022.

Highlighting notable intercepts. We intend to highlight a variety of mineralized intercepts within the seven new holes, reiterating the significant grades that continue to be seen at Panuco. In turn, we emphasize hole NP-22-320, which returned 2,305 gpt silver equivalent (AgEq) over a 1.55m true width interval. This AgEq figure consists of 279 gpt silver, 24.01 gpt gold, 1.82% lead, and 7.58% zinc, while a shorter (and clearly cherry-picked) 1.18m interval saw an augmented grade of 2,631 gpt AgEq. We highlight the location of NP-22-320, as well as other recent intercepts, in Exhibit 1 on page two of this report. In our view, Vizsla's results continue to reconcile well with the company's present geologic model at site, which should help guide future exploration work at the property.

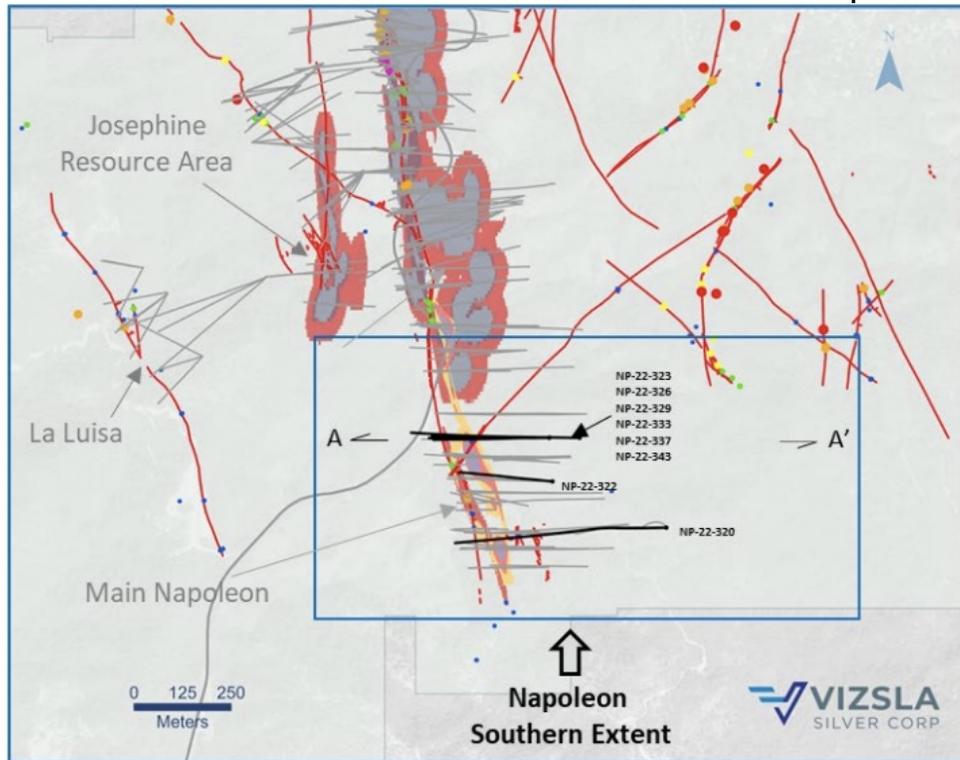
We are reiterating our Buy rating on Vizsla while maintaining our PT of \$2.00. Despite breaking out the value of various exploration targets within Panuco, this benefit was offset by greater shares outstanding. We continue to derive our valuation for the site based on a dollar value per AgEq ounce delineated to date. We reach this value based on an average of enterprise values per ounce across a range of comparable companies that operate within Mexico. In turn, we apply a ~C\$2.70 per SEO value to the company's Indicated resources and a 0.9x multiple to this value per SEO for the company's Inferred resources. This yields a total asset value of \$214.0M, or \$1.11 per share. Additionally, we add \$60.0M for Napoleon, \$25.0M for San Antonio, and \$15.0M for Tajitos. We also lowered our value for the company's other greenfield targets at site to \$60.0M (prior: \$80.0M) to account for the targets we now value separately. Finally, we account for Vizsla's \$1.7M in cash to reach our total firm NAV of \$375.8M, which yields a rounded PT of \$2.00 per share.



Near-term catalysts. We reiterate that Vizsla continues to incorporate valuable data into its overall geologic understanding of the Panuco project. Notably, observations based on precious and base metal zonation along the Napoleon vein corridor continue to suggest a tilted profile as higher precious metal grades trend toward surface. In contrast to this phenomenon, deeper drilling has proved the existence of increased base metal grades amid a reduction in precious metal content which was further confirmed by hole NP-22-230. In turn, directional drilling remains ongoing at the southern end of Napoleon, which intends to test both the main Napoleon structure and its vein splays to depth. Importantly, the hanging wall vein splays at Napoleon, while are relatively narrow in nature, were not included in the initial March 2022 resource estimate. Notably, however, these more discrete structures have the potential to positively impact future resource estimates given their repetitive nature.

Risks. (1) Commodity price risk; (2) operating and technical risk; (3) political risk; and (4) financing risk.

Exhibit 1: Location of Recent Drill Holes at Southern Extension of Napoleon



Source: Vizsla's December 1, 2022, press release.

Vizsla Silver Corp.

Note: Figures below in 000's of U.S. dollars unless otherwise indicated.

Value of resources at Panuco	\$ 214,036	\$ 1.11 per share	valued at ~C\$2.70 per SEO (in line with current peer average)		
San Antonio	\$ 25,000				
Tajitos	\$ 15,000				
Napoleon	\$ 60,000				
Other exploration targets within Panuco	\$ 60,000	\$ 0.31 per share	Utilizing a 0.9x multiple towards Inferred resources.		
Plus cash & equivalents	\$ 1,732	\$ 0.01 per share	as of 10/31/22		
Less debt	\$ -	\$ - per share	as of 10/31/22		
Total current value	\$375,768	\$ 1.94 per share	USD/CAD	1.36	as of 12.20.22
Common shares	178,681	as of 12/12/22			
Options & Warrants	14,959	as of 7/31/22 Excludes warrants with exercise price > C\$2.40			
Fully diluted shares	193,640	as of 7/31/22			
Vizsla (VZLA) Share price	\$ 1.18	per share	as of 12.20.22		
Vizsla Net Asset Value	\$ 1.94	per share			
Rounded (\$0.10) price target	\$ 2.00	per share	41.0% discount to price target		

Comparable companies and associated EV/oz values.

Company Name	Ticker	S/O (M)	Market Price	Market Cap	Cash	Debt	Net Debt	EV	SEOs (M)	EV/oz
Silver Tiger	SLVR.V; not rated	306.3	\$ 0.23	\$ 70.45	\$ 26.19	\$ -	\$ (26.19)	\$ 44.26	79.21	0.56
Vizsla	VZLA.V; Buy	178.7	\$ 1.59	\$ 284.10	\$ 11.11	\$ -	\$ (11.11)	\$ 272.99	112.62	2.42
GoGold	GGD.TO; not rated	295.4	\$ 1.86	\$ 549.51	\$ 103.82	\$ -	\$ (103.82)	\$ 445.69	133.26	3.34
SilverCrest	SIL.TO; not rated	146.5	\$ 8.99	\$ 1,317.02	\$ 161.27	\$ 122.40	\$ (38.87)	\$ 1,278.15	141.74	9.02
MAG Silver	MAG.TO; Buy	98.8	\$ 20.62	\$ 2,037.81	\$ 53.73	\$ -	\$ (53.73)	\$ 1,984.08	570.68	3.48
Aya Gold and Silver	AYA.TO; not rated	105.0	\$ 8.26	\$ 867.36	\$ 75.59	\$ -	\$ (75.59)	\$ 791.76	102.45	7.73
									Average	2.71
									Rounded Average	2.70

Source: H.C. Wainwright & Co. estimates.

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Market Outperform (Buy): The common stock of the company is expected to outperform a passive index comprised of all the common stock of companies within the same sector.

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Related Companies Mentioned in this Report as of Dec/20/2022

Company	Ticker	H.C. Wainwright Rating	12 Month Price Target	Price	Market Cap
MAG Silver Corp	MAG	Buy	\$16.00	\$15.41	\$1523

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Distribution of Ratings Table as of December 19, 2022				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	585	86.80%	128	21.88%
Neutral	70	10.39%	11	15.71%
Sell	0	0.00%	0	0.00%
Under Review	19	2.82%	4	21.05%

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