

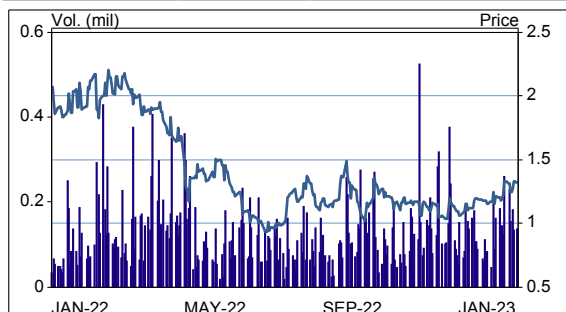
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Vizsla Silver Corp. (VZLA)
Rating: Buy

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Substantial Resource Growth at Panuco Driven by Further Delineation of the Copala Vein; Reiterate Buy; PT Higher

Stock Data		01/24/2023	
Price		\$1.32	
Exchange		NYSE American	
Price Target		\$2.75	
52-Week High		\$2.24	
52-Week Low		\$0.91	
Enterprise Value (M)		\$234	
Market Cap (M)		\$236	
Shares Outstanding (M)		178.7	
3 Month Avg Volume		139,949	
Short Interest (M)		0.27	
Balance Sheet Metrics			
Cash (M)		\$1.8	
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



Updated Mineral Resource Estimate (MRE) for Panuco. On January 24, Vizsla Silver announced an updated MRE for its Panuco silver-gold project located in Sinaloa, Mexico. Highlights from this update include a 71% increase in Indicated resources, to 104.8M silver equivalent ounces (SEOs), and a 150% increase in Inferred resources to 114.1M SEOs. Additionally, the firm saw a 14% growth in its average Indicated grade, which is now about 437 grams per tonne (gpt) per SEO, and a 42% increase in the average Inferred grade to 491 gpt per SEO. We stress that the substantial increase in resources at site was predominantly a result of the company's ongoing focus on the Copala vein and the overall western portion of Panuco.

Highlighting significant growth of the Copala vein. Driving the aforementioned augmentation in resources was a 701% increase in Indicated resources (to 51.1M SEOs) at Copala, as well as a 198% increase in Inferred material to 55.4M SEOs. We stress that a total of 10 epithermal veins were included in the updated MRE, ultimately representing about 10% of the known vein strike within the district. In addition, the company's discovery rate speaks volumes about the abundance of mineralization, as total all-in exploration costs were only approximately \$0.19 per SEO discovered. In turn, the updated MRE included 198 new infill and expansion holes for a total of 82,140 meters, as Vizsla's total drill database now consists of 644 holes for a combined 202,709m.

We reiterate our Buy rating and meaningfully increase our PT to \$2.75 from \$2.00 to reflect impressive improvement of Panuco. In short, our increased PT is due to the inclusion of Vizsla's updated MRE within our model, as well as a more favorable USD/CAD exchange rate. 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\$2.55 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 \$410.1M, or \$2.12 per share. Additionally, we add \$60.0M for Napoleon, \$25.0M for San Antonio, and \$15.0M for Tajitos. Given recent drilling success and its commensurate conversion to resources we lower our value for the company's other (and remaining) greenfield targets at site to \$30.0M (from \$60.0M). Finally, we account for Vizsla's \$1.8M in cash to reach our total firm NAV of \$541.8M, which yields a rounded PT of \$2.75 per share.

Near-term catalysts. While Vizsla's recent results have provided exceptional growth at Panuco over a short 10-month timeframe, and ultimately came in above our expectations, we nonetheless believe that the project has additional runway. In turn, the company plans to continue its aggressive exploration program with seven drill rigs focused on category conversion, incremental expansion, and the testing of new targets. As a result, new drilling, in addition to previously completed holes, is expected to support a potential MRE update as soon as 2H23. In conclusion, we believe that management's understanding of Panuco's underlying geology continues to show as the property offers ongoing growth at a relatively low cost to the firm.

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

Vizsla Silver Corp.

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

Value of resources at Panuco \$ **410,053** \$ **2.12 per share** valued at ~C\$2.55 per SEO (in line with current peer average)

San Antonio \$ 25,000

Tajitos \$ 15,000

Napoleon \$ 60,000

Other exploration targets within Panuco \$ 30,000 \$ 0.15 per share Utilizing a 0.9x multiple towards Inferred resources.

Plus cash & equivalents \$ 1,763 \$ 0.01 per share as of 10/31/22

Less debt \$ - \$ - per share as of 10/31/22

Total current value \$ **541,816** \$ **2.80 per share** USD/CAD 1.3362 as of 1.24.23

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 \$ **1.32 per share** as of 1.24.23

Vizsla Net Asset Value \$ 2.80 per share

Rounded (\$0.10) price target \$ **2.75 per share** **52.0% 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	\$ 1.73	\$ 309.12	\$ 2.36	\$ -	\$ (2.36)	\$ 306.76	226.73	1.35
GoGold	GGD.TO; not rated	295.4	\$ 1.86	\$ 549.51	\$ 102.01	\$ -	\$ (102.01)	\$ 447.51	133.26	3.36
SilverCrest	SIL.TO; not rated	146.5	\$ 8.99	\$ 1,317.02	\$ 158.45	\$ 120.26	\$ (38.19)	\$ 1,278.83	141.74	9.02
MAG Silver	MAG.TO; Buy	98.8	\$ 20.62	\$ 2,037.81	\$ 52.79	\$ -	\$ (52.79)	\$ 1,985.02	570.68	3.48
Aya Gold and Silver	AYA.TO; not rated	105.0	\$ 8.26	\$ 867.36	\$ 74.27	\$ -	\$ (74.27)	\$ 793.09	102.45	7.74
									Average	2.53
									Rounded Average	2.55

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 Jan/24/2023

Company	Ticker	H.C. Wainwright Rating	12 Month Price Target	Price	Market Cap
MAG Silver Corp	MAG	Buy	\$16.00	\$15.48	\$1558

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Distribution of Ratings Table as of January 23, 2023				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	579	86.68%	129	22.28%
Neutral	71	10.63%	12	16.90%
Sell	0	0.00%	0	0.00%
Under Review	18	2.69%	4	22.22%

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