

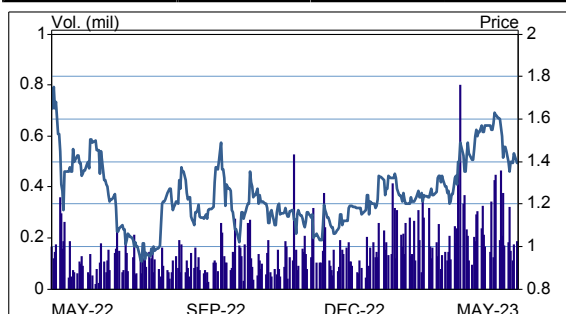
Vizsla Silver Corp. (VZLA)
Rating: Buy

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Site Visit to Panuco Displays Abundant Surface Mineralization; Continued Exploration Potential; Reiterate Buy; PT Lower

Stock Data		05/01/2023	
Price			\$1.39
Exchange		NYSE American	
Price Target			\$2.50
52-Week High			\$1.83
52-Week Low			\$0.91
Enterprise Value (M)			\$275
Market Cap (M)			\$289
Shares Outstanding (M)			207.7
3 Month Avg Volume			230,715
Short Interest (M)			0.36
Balance Sheet Metrics			
Cash (M)			\$14.0
Total Debt (M)			\$0.0
Total Cash/Share			\$0.07
EPS (C\$) Diluted			
Full Year - Apr	2021A	2022A	2023E
FY	(0.13)	(0.11)	(0.06)
Revenue (C\$M)			
Full Year - Apr	2021A	2022A	2023E
FY	C\$0.0	C\$0.0	C\$0.0



Site visit to Vizsla's Panuco project. On April 27, we traveled from Mazatlán, Mexico to Vizsla's Panuco project. Notably, the commute to Panuco was predominantly on paved roads and took about 60-minutes. The site visit consisted of about 10 buy- and-sell-side analysts. During the visit, we toured a variety of different stops throughout the property, including historic mine workings, current exploration targets, and eventually, the core shack.

Historic workings highlight extensive mineralization at surface. As part of the site tour, we had the opportunity to stop at the Napoleon South prospect. The area exhibited historic mining activities at surface, which continue to serve as a strong vectoring mechanism for the future delineation of mineralization throughout the property. Vizsla reported strong assay results at this target as recently as April 13, 2023, which were highlighted by 1,085 grams per tonne (gpt) silver equivalent (AgEq) over 4.00 meters (m). Further, we saw additional evidence of past mining activities at the El Papayo and Napoleon North targets, whereas surface sampling at site has seen grades in excess of 400 gpt silver, with some assays reaching as high as 1,000 gpt silver. In conclusion, our return to Panuco once again reiterated the extensive nature of near-surface silver mineralization throughout the property and we expect Vizsla to continue growing the project's already robust resource.

Panuco continues to check all the right boxes. As confirmed by our site visit, Panuco is highlighted by a high-grade epithermal system across multiple quartz veins. Given the geological characteristics at site, we believe the localized system has the potential to offer further growth through the delineation of additional and already existing vein sets. As of the firm's most recent technical report for the project, the cumulative length of veins at site has grown to about 86 kilometers. Notably, vein widths vary from decimeters to greater than 10m. Additionally, as discussed in this report, the project's location provides straightforward accessibility, which should prove to be highly beneficial for any future mining activities.

We reiterate our Buy rating while lowering our PT to \$2.50 from \$2.75. Our lower PT is the direct result of updating the firm's shares outstanding figure. 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 AgEq ounce value to the company's Indicated resources and a 0.9x multiple to this value per AgEq ounce for the company's Inferred resources. This yields a total asset value of \$404.5M, or \$1.81 per share. Additionally, we add \$60.0M for Napoleon, \$25.0M for San Antonio, and \$15.0M for Tajitos. We also provide value for the greenfield targets at site of \$30.0M. Finally, we account for Vizsla's cash to reach our total firm NAV of \$548.5M, which yields a rounded PT of \$2.50 per share.

Near-term catalysts. Vizsla is slated to continue its aggressive exploration activities at site this year as management anticipates drilling 90,000 – 100,000m during 2023. Notably, this program remains fully funded as the company's primary goal for 2023 is incremental expansion and the de-risking of Panuco's resource base. In turn, a total of seven drill rigs are expected to be active throughout the year, with four rigs focused on upgrading and expanding the current resource in the western portion of the district. Additionally, three rigs remain allocated for exploration on targets proximal to the current resources in the west, as well as high-priority targets in the central portion of the district.

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

We visited Vizsla's Panuco project in Mexico on April 27, 2023. Our trip began in Mazatlán, where we had breakfast with the management team at our hotel before heading to site. Importantly, the site is only about a 60-minute drive from Mazatlán and almost exclusively on paved roads. The group site visit was attended by about 10 buy- and sell-side analysts. In our view, this turnout reflects the strong interest the project is getting in the market, given its extensive potential.

Exhibit 1: Overview of Panuco



Source: Company reports.

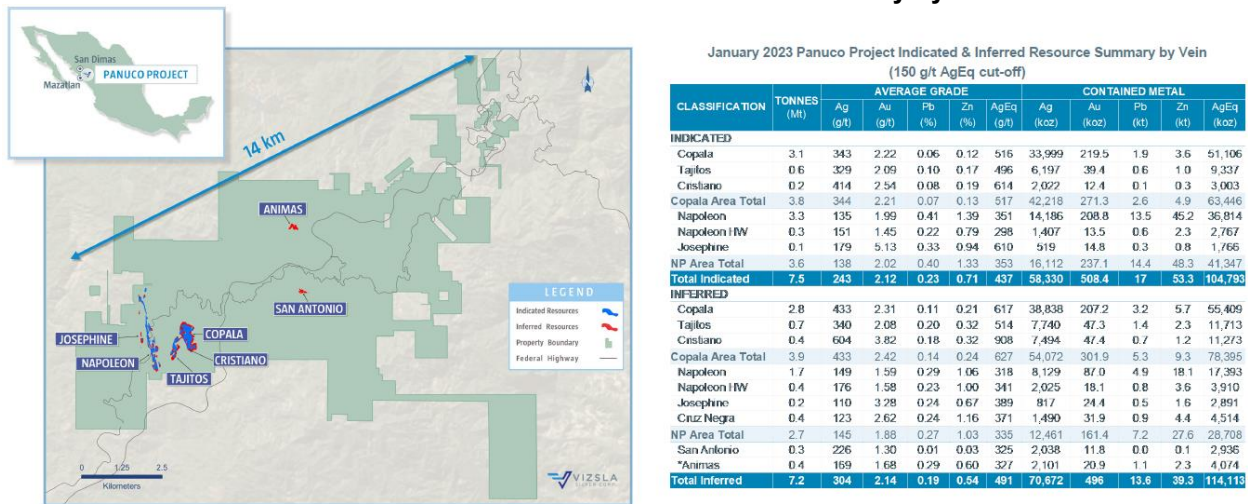
Our last trip to Panuco was in April of 2022. We direct readers to our July 28, 2022, initiation report on Vizsla titled, [*"Springboarding Off of a Strong Maiden Resource; Re-Rating Potential; Initiating Coverage With a Buy Rating and \\$1.60 PT."*](#) for more details on the prior site visit.

Vizsla has a large-scale drilling program. At present, the firm utilizes seven drilling rigs, four for resource expansion and three for exploration drilling. Importantly, the firm has had an all-in exploration cost of only \$0.19 for each ounce discovered at the site thus far. In addition, we stress past successes in delineating ounces at the project and that we expect this trend to continue over the next few years.

Drilling at Panuco has led to extensive size and scale for Vizsla. Overall, the firm presently has 7.5 million tonnes of ore in the Indicated category containing a total of 104.8M AgEq ounces. About 61% of this tonnage stems from the combined Copala area, with another 39% from Napoleon and Josephine. Finally, we note that management stated during their presentation that only 30% of known targets at the site have been drill-tested thus far.

Management expects 90,000 – 100,000m of drilling this year. We highlight that Vizsla's program is one of the larger drilling programs in Mexico this year, even though the total is slightly less than the 120,000m of drilling undertaken in 2022. The company is already funded for the remainder of this year, as Vizsla presently holds about C\$50M in cash following a recent financing, compared with its burn rate of about C\$2M per month.

Exhibit 2: Indicated and Inferred Resource Summary by Vein



Source: Company reports.

Safety at site remains paramount. Vizsla has not had a lost-time incident (LTI) in almost 1.3 million man-hours. As of our visit, the firm had gone 796 days without an LTI, and we expect this trend to continue as the company maintains its strong focus on ESG and safety for its workers. In addition, we note that the firm had a total reportable incident rate (TRIR) of only 0.15 since January 2021. This figure is also meaningfully below the Mexican TRIR average of 0.25.

We managed to tour a number of stops for the various prospective areas of Panuco's 7,190-hectare land package. Our first stop was at Napoleon South, before we made the 15-minute drive to Napoleon North. Following this, we proceeded to Copala, Tajitos, and Cristiano. Finally, we proceeded to the Alteration Roadcut before a brief visit to the core shack and heading back to town.

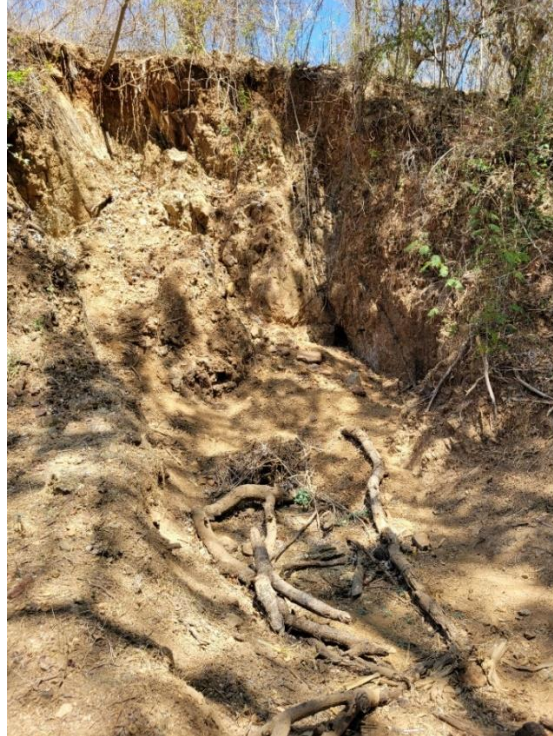
Exhibit 3: Welcome to Panuco



Source: H.C. Wainwright & Co. site visit to Vizsla's Panuco project on April 27, 2023.

We had a chance to see some historic workings at Napoleon South, our first stop of the tour. The historic mine, which is now mostly caved in, went about 20 – 30m into the wall. Importantly, one can still see remnants of ore at the surface. In addition to the historic workings, we also had a chance to see some outcroppings located about 50m away.

Exhibit 4: Stop 1 - Napoleon South



Source: H.C. Wainwright & Co. site visit to Vizsla's Panuco project on April 27, 2023.

Exhibit 5: Ore Outcroppings at Napoleon South



Source: H.C. Wainwright & Co. site visit to Vizsla's Panuco project on April 27, 2023.

Our second stop was at Napoleon North. We believe that this area, which has seen very successful exploration in the past, presently maintains continued exploration potential. Our first stop was at some of Vizsla's historic drill holes, namely NP-21-209, NP-21-205, and NP-21-201, which were drilled from the same pad.

Exhibit 6: Historic Drill Holes at Napoleon North



Source: H.C. Wainwright & Co. site visit to Vizsla's Panuco project on April 27, 2023.

We then proceeded to El Papayo and its historic workings. We stress that the exact figure regarding tonnage and grade mined from El Papayo about 10 – 20 years ago are hard to get. Importantly, however, we note that several remaining samples had grades in excess of 400 gpt silver, with some of the higher-grade samples remaining at site testing up to 1,000 gpt silver.

Exhibit 7: Historic Workings at El Papayo / Napoleon North



Source: H.C. Wainwright & Co. site visit to Vizsla's Panuco project on April 27, 2023.

Exhibit 8: Ore at El Papayo / Napoleon North

Source: H.C. Wainwright & Co. site visit to Vizsla's Panuco project on April 27, 2023.

The last stop of our bus tour before the core shack was at Copala. Importantly, we had a chance to see Vizsla's resource outline for the ore body. As can be seen in Exhibit 9 below, the area is filled with various drill pads. In our view, this displays the extensive exploration that has been undertaken at the site. We also highlight the powerline in the same Exhibit. In our view, the picture perfectly shows Panuco's proximity to essential infrastructure.

Exhibit 9: Copala / Tajitos

Source: H.C. Wainwright & Co. site visit to Vizsla's Panuco project on April 27, 2023.

Following our tour of the site, we had a chance to see some of the recently drilled rocks at the core shack. As an example, we note a high-grade intercept from hole NP-23-358. This hole included an intercept spanning 0.85m of 610 gpt silver and 4.17 gpt gold. While clearly a short intercept, we stress that the hole returned high-grade samples quite consistently.

Exhibit 10: High-Grade Sample from Hole NP-23-358 (Depth of 502.85 – 503.7m)



Source: H.C. Wainwright & Co. site visit to Vizsla's Panuco project on April 27, 2023.

Exhibit 11: High-Grade Sample From Hole NP-23-358

NP-23-358										
PROSPECT	SITE_ID	SAMPLE_ID	From (m)	Depth To (m)	Length	Gold (g/t)	Silver (g/t)	Lead (g/t)	Zinc (g/t)	Silver Equivalent (g/t)
La Luisa	NP-23-358	G397502	501.3	502.05	0.75	0.506	75.7	8890	29100	236.3
La Luisa	NP-23-358	G397503	502.05	502.85	0.8	1.995	215	7740	11000	397.3
La Luisa	NP-23-358	G397504	502.85	503.7	0.85	4.17	610	8950	23100	958.9
La Luisa	NP-23-358	G397506	503.7	505.15		1.13	212	3040	8900	318.7
La Luisa	NP-23-358	G397507	505.15	506.4		1.44	1045	2990	20800	1153.3
La Luisa	NP-23-358	G397508	506.4	507.65		87	273	7700	25800	6242.0
La Luisa	NP-23-358	G397509	507.65	508.9		0.91	91.1	1780	6550	175.0
La Luisa	NP-23-358	G397511	508.9	509.2		43.2	277	2130	2320	3188.0
La Luisa	NP-23-358	G397512	509.2	509.5		2.15	164	3060	7690	334.0
La Luisa	NP-23-358	G397513	509.5	510.75		5.64	45.5	297	1140	428.0
La Luisa	NP-23-358	G397514	510.75	511.0		0.293	55.1	1600	4640	92.0
La Luisa	NP-23-358	G397516	512	512.0		0.073	20.5	220	2550	33.0
La Luisa	NP-23-358	G397517	513.3	513.3		0.311	231	13350	187500	955.0

True width

Note: AgEq = Ag g/t x Ag rec. + ((Pb g/t x Zn rec. + (Zn g/t x Zn rec. x Zn 2,424.4/t lead and

Pb ppm	Zn ppm	AgEq
4181.49	20289.33	1076.27

Source: H.C. Wainwright & Co. site visit to Vizsla's Panuco project on April 27, 2023.

Following our visit to the core shack, we proceeded to return to Mazatlán. The ride was once again quick and uneventful, and we managed to have some time before eventually eating dinner, further proving Panuco's proximity to the city.

In conclusion, we believe that Panuco has meaningful potential for further exploration and eventual development. The site appears to have a favorable combination of high grades strewn around a large land package. In addition, we stress Vizsla's positive safety record, local community support, and experienced management team.

We reiterate our Buy rating while lowering our PT to \$2.50 from \$2.75. Our lower PT is the direct result of updating the firm's shares outstanding figure. 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 AgEq ounce value to the company's Indicated resources and a 0.9x multiple to this value per AgEq ounce for the company's Inferred resources. This yields a total asset value of \$404.5M, or \$1.81 per share. Additionally, we add \$60.0M for Napoleon, \$25.0M for San Antonio, and \$15.0M for Tajitos. We also provide a fixed value of \$30.0M for the greenfield targets at site. Finally, we account for Vizsla's cash to reach our total firm NAV of \$548.5M, which yields a rounded PT of \$2.50 per share.

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 **\$ 404,453** **\$ 1.81 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 \$ 0.13 per share Utilizing a 0.9x multiple towards Inferred resources.

Plus cash & equivalents \$ 14,009 \$ 0.06 per share as of 1/31/23

Less debt \$ - \$ - per share as of 1/31/23

Total current value **\$548,462** **\$ 2.45 per share** USD/CAD 1.3547 as of 5.1.23

Common shares 207,742 as of 3/9/23

Options & Warrants 15,927 as of 3/9/23 Excludes warrants with exercise price > C\$2.40

Fully diluted shares **223,669** as of 3/9/23

Vizsla (VZLA) Share price **\$ 1.39 per share** as of 5.1.23

Vizsla Net Asset Value \$ 2.45 per share

Rounded (\$0.10) price target **\$ 2.50 per share** **44.4% 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	\$ 103.42	\$ -	\$ (103.42)	\$ 446.09	133.26	3.35
SilverCrest	SIL.TO; not rated	146.5	\$ 8.99	\$ 1,317.02	\$ 160.64	\$ 121.92	\$ (38.72)	\$ 1,278.31	141.74	9.02
MAG Silver	MAG.TO; Buy	98.8	\$ 20.62	\$ 2,037.81	\$ 53.52	\$ -	\$ (53.52)	\$ 1,984.29	570.68	3.48
Aya Gold and Silver	AYA.TO; not rated	105.0	\$ 8.26	\$ 867.36	\$ 75.30	\$ -	\$ (75.30)	\$ 792.06	102.45	7.73
Average										2.53
Rounded Average										2.55

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

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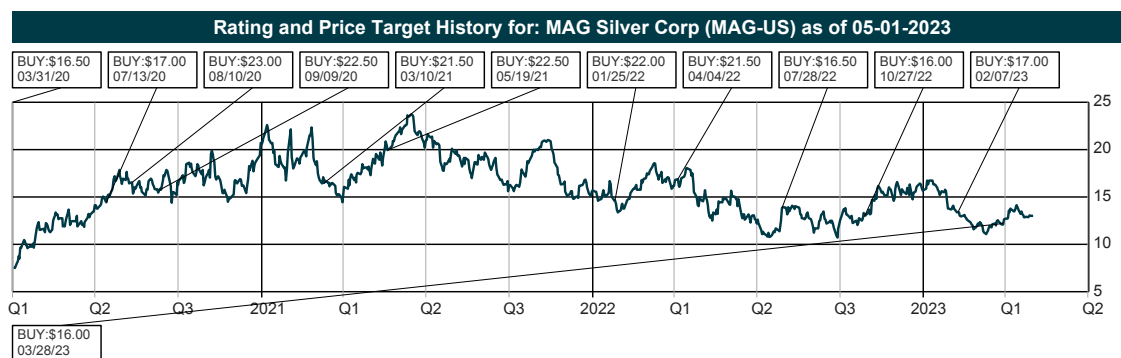
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RETURN ASSESSMENT

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.

Market Perform (Neutral): The common stock of the company is expected to mimic the performance of a passive index comprised of all the common stock of companies within the same sector.

Market Underperform (Sell): The common stock of the company is expected to underperform a passive index comprised of all the common stock of companies within the same sector.



Related Companies Mentioned in this Report as of May/01/2023

Company	Ticker	H.C. Wainwright Rating	12 Month Price Target	Price	Market Cap
MAG Silver Corp	MAG	Buy	\$16.00	\$13.01	\$1338

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Distribution of Ratings Table as of May 1, 2023				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	563	87.97%	129	22.91%
Neutral	61	9.53%	12	19.67%
Sell	0	0.00%	0	0.00%
Under Review	16	2.50%	3	18.75%

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