

VIZSLA ROYALTIES CORP.

Condensed Interim Combined and Consolidated Financial Statements

For the three months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Combined and Consolidated Financial Statements for the Three Months Ended July 31, 2025 and 2024

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim combined and consolidated financial statements of Vizsla Royalties Corp. for the interim periods ended July 31, 2025 and 2024, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of the management.

The independent auditors, MNP LLP, have not performed a review of these unaudited condensed interim combined and consolidated financial statements.

September 26, 2025

VIZSLA ROYALTIES CORP.**Condensed Interim Combined and Consolidated Statements of Financial Position**

(Unaudited - Expressed in Canadian dollars)

	Note	July 31, 2025	April 30, 2025
		\$	\$
ASSETS			
Current			
Cash and cash equivalents	5	3,072,154	7,727,605
Interest receivable	5	-	57,205
Taxes receivable	6	9,054,414	21,310
Subscription receivable	8(b)	13,337	1,745
Prepaid expenses		248,320	33,660
		12,388,225	7,841,525
Royalty interests	7	54,544,661	1
Total assets		66,932,886	7,841,526
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	109,688	110,350
Total liabilities		109,688	110,350
SHAREHOLDERS' EQUITY			
Share capital	8(b)	70,344,505	10,749,112
Contributed deficit		(1,316,703)	(1,638,565)
Reserves		5,497,563	2,155,278
Accumulated other comprehensive income (loss)		(20,241)	938
Deficit		(7,681,926)	(3,535,587)
Total shareholders' equity		66,823,198	7,731,176
Total liabilities and shareholders' equity		66,932,886	7,841,526

Nature of operations and going concern (Note 1)

Subsequent events (Note 12)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Karlene Collier"

Director

/s/ "Keith Bodnarchuk"

Director

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

VIZSLA ROYALTIES CORP.**Condensed Interim Combined and Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended July 31,	
		2025	2024
		\$	\$
Operating expenses			
Directors' fees	9	48,750	-
Filing fees		70,373	2,961
Management fees	9	57,500	-
Marketing expenses		123,994	-
Office and miscellaneous	9	11,745	274
Professional fees		143,589	400,284
Rent expenses	9	15,000	-
Salary and wages		3,239	-
Share-based compensation	8(c)(f),9	3,369,611	236,865
Travel		17,322	-
		(3,861,123)	(640,384)
Other income			
Interest and other income	5	14,866	-
Foreign exchange gain		21,780	1,742
Net loss for the period		(3,824,477)	(638,642)
Currency translation differences		(21,179)	(22,895)
Comprehensive loss for the period		(3,845,656)	(661,537)
Loss per share:			
Basic and diluted		(0.07)	(0.02)
Weighted average number of common shares:			
Basic and diluted		51,999,913	27,857,345

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

VIZSLA ROYALTIES CORP.**Condensed Interim Combined and Consolidated Statements of Cash Flows**

(Unaudited - Expressed in Canadian dollars)

	Three months ended July 31,	
	2025	2024
	\$	\$
Operating activities		
Net loss for the period	(3,824,477)	(638,642)
Adjustments for:		
Share-based compensation	3,369,611	236,865
Foreign exchange gain	(21,780)	(1,742)
Changes in non-cash working capital items:		
Interest receivable	57,205	-
Taxes receivable	(8,844,200)	(16)
Prepaid expenses	(214,660)	-
Accounts payable and accrued liabilities	(662)	41,153
Cash used in operating activities	(9,478,963)	(362,382)
Investing activities		
Purchase of royalty interests	(54,544,660)	-
Cash used in investing activities	(54,544,660)	-
Financing activities		
Proceeds from private placement	-	4,967,417
Proceeds from warrant exercises	-	1,628
Proceeds from stock option exercises	27,139	-
Proceeds received from related party	-	367,420
Payments made to related party	-	(470,081)
Proceeds from bought deal offering	59,869,000	-
Cash share issuance costs	(339,664)	-
Cash provided by financing activities	59,556,475	4,866,384
Effect of exchange rate on changes in cash	(188,303)	(18)
Change in cash and cash equivalents	(4,467,148)	4,504,002
Cash and cash equivalents, beginning of the period	7,727,605	22,596
Cash and cash equivalents, end of the period	3,072,154	4,526,580
Supplemental cash flow information:		
Cash interest paid	-	-
Cash income tax paid	-	-
Cash interest received	72,071	-
Fair value of Vizsla Royalties Warrants issued	-	1,839,465
Fair value of Vizsla Royalties Warrants exercised	-	759
Fair value of common shares issued for share issuance costs in connection with the bought deal offering	786,198	-
Proceeds from Vizsla Royalties Warrant exercises included in subscription receivable	-	34
Proceeds from Vizsla Silver Warrant exercises included in subscription receivable	11,592	3,434

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

VIZSLA ROYALTIES CORP.
Condensed Interim Combined and Consolidated Statements of Changes in Shareholder's Equity

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares ⁽¹⁾	Share capital	Contributed deficit	Reserves	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$	\$
Balance, April 30, 2024	16,349,365	1	(1,316,703)	-	37,098	(159,204)	(1,438,808)
Shares issued in Debt Settlement Agreement	3,218,624	1,609,312	-	-	-	-	1,609,312
Shares issued in Private Placement	8,279,164	4,967,417	-	-	-	-	4,967,417
Shares issued from Vizsla Royalties Warrant exercises	3,323	2,421	-	(759)	-	-	1,662
Shares issued from Vizsla Silver Warrant exercises	6,869.00	3,434	-	-	-	-	3,434
Share-based compensation	-	-	-	236,865	-	-	236,865
Currency translation differences	-	-	-	-	(22,895)	-	(22,895)
Net loss for the period	-	-	-	-	-	(638,642)	(638,642)
Balance, July 31, 2024	27,857,345	6,582,585	(1,316,703)	236,106	14,203	(797,846)	4,718,345
Adjustment to shares issued in Debt Settlement Agreement	-	321,862	(321,862)	-	-	-	-
Shares issued in Private Placement	375,000	225,081	-	-	-	-	225,081
Shares issued from Vizsla Royalties Warrant exercises	6,481,624	3,239,861	-	759	-	-	3,240,620
Shares issued from Vizsla Silver Warrant exercises	279,922	362,821	-	-	-	-	362,821
Shares issued from Vizsla Silver's option exercises	1,465	1,481	-	-	-	-	1,481
Shares issued from stock option exercises	24,499	15,421	-	(9,018)	-	-	6,403
Share-based compensation	-	-	-	1,927,431	-	-	1,927,431
Currency translation differences	-	-	-	-	(13,265)	-	(13,265)
Net loss for the period	-	-	-	-	-	(2,737,741)	(2,737,741)
Balance, April 30, 2025	35,019,855	10,749,112	(1,638,565)	2,155,278	938	(3,535,587)	7,731,176
Adjustment to shares issued in Debt Settlement Agreement	-	-	321,862	-	-	(321,862)	-
Shares issued from Vizsla Silver Warrant exercises	5,945	11,592	-	-	-	-	11,592
Shares issued from stock option exercises	73,151	54,465	-	(27,326)	-	-	27,139
Shares issued in bought deal offering	31,510,000	59,869,000	-	-	-	-	59,869,000
Cash share issuance costs	-	(339,664)	-	-	-	-	(339,664)
Shares issued as share issuance costs	341,825	-	-	-	-	-	-
Share-based compensation	-	-	-	3,369,611	-	-	3,369,611
Currency translation differences	-	-	-	-	(21,179)	-	(21,179)
Net loss for the period	-	-	-	-	-	(3,824,477)	(3,824,477)
Balance, July 31, 2025	66,950,776	70,344,505	(1,316,703)	5,497,563	(20,241)	(7,681,926)	66,823,198

(1) On June 24, 2024, the Company completed the Spinout Transaction and issued 16,349,365 Vizsla Royalties Shares in exchange for the 0.10 common share issued and outstanding at the close of the business day before the Effective Date (Note 1(b)). In addition, on August 6, 2024, the Company completed the Share Consolidation (Note 1(c)). As a result, all references to the number of common shares, weighted average number of common shares, loss per share, and number of stock options and share purchase warrants in these financial statements have been retrospectively restated to give effect to the Spinout Transaction and Share Consolidation.

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

VIZSLA ROYALTIES CORP.

Notes to the Condensed Interim Combined and Consolidated Financial Statements For the three months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Panuco Royalty Corp. ("Panuco" or the "Subsidiary") was incorporated on January 11, 2021, under the Business Corporations Act (British Columbia) with the name Vizsla Copper Corp. as a wholly owned subsidiary of Vizsla Silver Corp. ("Vizsla Silver"). The Subsidiary changed its name (i) to 1283303 B.C. Ltd. on April 23, 2021, (ii) to Vizsla Royalty Corp. on July 9, 2021, and (iii) to Panuco Royalty Corp. on October 13, 2023.

Vizsla Royalties Corp. ("Vizsla Royalties" or the "Parent") was incorporated on October 13, 2023 as a wholly owned subsidiary of Vizsla Silver. Vizsla Silver subsequently transferred its ownership of Panuco to Vizsla Royalties such that Panuco became a wholly owned subsidiary of Vizsla Royalties.

These financial statements present the results of the Vizsla Royalties and Panuco on a combined basis (such combined entity being referred to as the "Company") and include the historical results of Vizsla Royalties and Panuco prior to the transfer of Panuco from Vizsla Silver to Vizsla Royalties related to the year ended April 30, 2024.

The Company is a royalty-focused company holding net smelter return ("NSR") royalties on Vizsla Silver's wholly owned Panuco-Copala properties located in Mexico. The head office and principal address of the Company is located at suite 1723 - 595 Burrard Street, Vancouver, British Columbia, V7X 1J1. As at June 24, 2024, the Company became a reporting issuer in all provinces and territories of Canada. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "VROYV" and on the QTCQB Venture Market under the symbol "VROYF". On June 26, 2025, the Company's became listed on the Frankfurt Stock Exchange under the symbol "K2X".

a) Going concern

These condensed interim combined and consolidated financial statements for the three months ended July 31, 2025 and 2024 (the "financial statements") have been prepared on a going-concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company's ability to remain a going concern depends on the ongoing financial support of external financing since the Company has not historically, and is not expected to, generate revenue in the near future. Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company's activities for royalty generation are in an emerging nation and consequently may be subject to a higher level of risk compared to other developed countries. Operations, the status of mineral property rights, and the recoverability of investments in emerging nations can be affected by changing economic, legal, regulatory, and political situations.

As at July 31, 2025, the Company had working capital of \$12,278,537 (April 30, 2025 - \$7,731,175). During the three months ended July 31, 2025, the Company recorded a net loss of \$3,824,477 (2024 - \$638,642). The Company expects to incur further losses in the development of its business, all of which indicate a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The Company will require additional financing in order to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

b) Spinout Transaction

On June 24, 2024 (the "Effective Date"), Vizsla Silver and Vizsla Royalties completed an arrangement agreement, whereby Vizsla Silver would spin out certain common shares and common share purchase warrants of the Company to the shareholders of Vizsla Silver (the "Spinout Transaction"). Pursuant to the Spinout Transaction, the shareholders of Vizsla Silver at the Effective Date received, in exchange for each Vizsla Silver common share held at the close of the business day before the Effective Date, one-third of a Company's common shares (the "Vizsla Royalties Shares"), one-third of a Company's share purchase warrants (the "Vizsla Royalties Warrants"), and one new common share of Vizsla Silver (the "New Vizsla Silver Share"). As a result, Vizsla Royalties issued 16,349,365 Vizsla Royalties Shares and 8,049,365 Vizsla Royalties Warrants to Vizsla Silver shareholders and Vizsla Silver - 8,300,000 common shares were retained by Vizsla Silver. Each Vizsla Royalties Warrant entitles the holder to acquire one additional Vizsla Royalties Share at a price of \$0.50 per share until December 24, 2024 (120 days after the Company's listing date of August 26, 2024). Vizsla Silver continues to hold a number of Vizsla Royalties' shares which represent 17.2% ownership as of July 31, 2025.

VIZSLA ROYALTIES CORP.

Notes to the Condensed Interim Combined and Consolidated Financial Statements

For the three months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

Pursuant to the terms of the Spinout Transaction, Vizsla Silver's outstanding stock options (the Vizsla Silver Options") and share purchase warrants (the "Vizsla Silver Warrants") were adjusted as follows:

- Each outstanding Vizsla Silver Option was exchanged for: (a) one Vizsla Silver replacement option (the Vizsla Silver Replacement Options") to acquire one New Vizsla Silver Share, and (b) one Vizsla Royalties option (the Vizsla Royalties Options") to acquire one-third of Vizsla Royalties Shares. Each whole Vizsla Royalties Option has an exercise price equal to the product of the original exercise price of the Vizsla Silver Option multiplied by the fair market value of one-third of the Vizsla Royalties Share at the Effective Date, divided by the total of the fair market value of one New Vizsla Silver Share and one-third of the Vizsla Royalties Share at the Effective Date, divided by the total of the fair market value of one New Vizsla Silver Share and one-third of the Vizsla Royalties Share at the Effective Date. As a result, the Company issued 2,726,624 Vizsla Royalties Options with an average exercise price of \$1.44 and will expire between August 6, 2025 and September 25, 2029..
- Each outstanding Vizsla Silver Warrant was amended to allow the holder to acquire: (a) one New Vizsla Silver Share, and (b) one-third of Vizsla Royalties Shares at the original exercise price. Upon the exercise of the Vizsla Silver Warrants, Vizsla Silver will collect and pay to the Company an amount for each one-third of the Company issued common share that is equal to the exercise price under the Vizsla Silver Warrant multiplied by the fair market value of one-third of Vizsla Royalties Share at the Effective Date divided by the total of the fair market value of one New Vizsla Silver Share and one-third of Vizsla Royalties Share at the Effective Date.

c) Share Consolidation

On August 6, 2024, the Company completed a consolidation of its issued and outstanding common shares (the "Share Consolidation") on the basis of one new common share for every ten existing common shares. As a result, all references to the number of common shares, weighted average number of common shares, loss per share, and number of stock options and share purchase warrants in these financial statements have been retrospectively restated to give effect to the Share Consolidation.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on September 26, 2025.

These financial statements have been prepared in accordance with IFRS[®] Accounting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited annual financial statements for the years ended April 30, 2025 and 2024 (the "Annual Financial Statements").

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as set out in the accounting policies below. In addition, these financial statements have been prepared using the accrual basis of accounting other than the combined and consolidated statements of cash flows.

c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company is the Canadian dollar. The financial statements are presented in Canadian dollars, except as otherwise noted. References to "US\$" or "USD" are to United States dollars and references to "MXN" are to Mexican pesos.

VIZSLA ROYALTIES CORP.**Notes to the Condensed Interim Combined and Consolidated Financial Statements****For the three months ended July 31, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)**d) Basis of consolidation**

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at July 31, 2025 is as follows:

Subsidiaries	Country of incorporation	Percentage ownership	Functional currency	Principal activities
Canam Royalties Mexico, S.A. de C.V.	Mexico	100%	MXN	Royalty company
Panuco Royalty Corp.	Canada	100%	CAD	Royalty company

3. MATERIAL ACCOUNTING POLICIES

In preparation of these financial statements, the Company used the same accounting policies disclosed in the notes to the Annual Financial Statements except for the following:

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments, which may result in material adjustments to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

5. CASH AND CASH EQUIVALENTS

On August 12, 2024, the Company acquired a short-term investment held with a reputable bank in Canada for \$2,000,000. The short-term investment bears an annual interest rate of 4.00% and matured on June 9, 2025. As at July 31, 2025, the balance of the short-term investment of \$nil (April 30, 2025 - \$2,000,000) was included in cash and cash equivalents on the Company's condensed interim combined and consolidated statements of financial position. During the three months ended July 31, 2025, the Company earned and received interest income of \$8,701 (2024 - \$nil) and received payment of interest of \$57,205, which was included in interest receivable as at April 30, 2025.

On April 30, 2025, the Company acquired a short-term investment held with a reputable bank in Canada for \$3,000,000. The short-term investment had an annual interest rate of 3.00% and matured on May 15, 2025. The short-term investment was repaid to the Company on May 15, 2025 along with interest income of \$3,699 (2024 - \$nil).

On May 1, 2025, the Company acquired a short-term investment held with a reputable bank in Canada for \$2,000,000. The short-term investment had an annual interest rate of 3.00% and matured on May 15, 2025. The short-term investment was repaid to the Company on May 15, 2025 along with interest income of \$2,466 (2024 - \$nil).

VIZSLA ROYALTIES CORP.**Notes to the Condensed Interim Combined and Consolidated Financial Statements****For the three months ended July 31, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars, except where noted)

6. TAXES RECEIVABLE

A summary of the Company's taxes receivable is as follows:

	July 31, 2025	April 30, 2025
	\$	\$
GST receivable	75,945	-
Mexican value added tax receivable (Note 7)	8,978,469	21,310
	9,054,414	21,310

7. ROYALTY INTERESTS

On February 25, 2022, the Company signed two agreements to purchase a 0.5% and 2.0% NSR on properties that are part of the Panuco-Copala properties in Mexico from Minera Canam S.A. de C.V. ("Minera Canam"), a subsidiary of Vizsla Silver. The Company paid US\$100,000 for the 0.5% NSR and US\$900,000 for the 2.0% NSR.

On November 16, 2022, the Company signed three agreements to purchase a 2.0% NSR royalty on multiple properties that are part of the Panuco-Copala properties in Mexico from Minera Canam for the following payments:

- US\$3,500 for the 2.0% royalty on the La Cruz Negra and La Cruz Negra 2 properties.
- US\$2,000 for the 2.0% royalty on the San Antonio property.
- US\$5,000 for the 2.0% royalty on the Maria Chuchena property.

On July 23, 2023, the Company signed an agreement to purchase a 2.0% NSR royalty on multiple properties that are part of the Panuco-Copala properties in Mexico from Minera Canam. On October 26, 2023, the Company paid US\$10,000 for the 2.0% royalty on the El Oregano, El Oregano 2, and Dos Compadres properties.

The purchase of the NSR from Minera Canam by the Company was a transaction between parties under common control. Accordingly, the royalty interests were recorded at fair value which was determined to be \$1. For the year ended April 30, 2024, the difference between the fair value and the agreed consideration of \$13,138 (US\$10,000) is recorded as contributed deficit in equity.

On June 4, 2025, the Company signed a royalty purchase agreement (the "Purchase Agreement") to purchase an additional 3.0% NSR on certain concessions ("Silverstone Concessions") comprising the Panuco-Copala properties. On June 12, 2025, pursuant to the Purchase Agreement, the Company paid \$54,448,000 (US\$40,000,000) for the 3.0% NSR on the Silverstone Concessions. In connection with the purchase of the 3.0% NSR, the Company paid \$8,751,893 (US\$6,400,000) in value-added tax. Transaction costs in the amount of \$96,660 related to the purchase of the 3.0% NSR were capitalized. As at July 31, 2025, the Company holds 3.5% NSR on the Silverstone Concessions of which 0.5% was retained from the Company's spin-out from Vizsla Silver.

8. SHARE CAPITAL**a) Authorized share capital**

The Company is authorized to issue an unlimited number of common shares without par value.

VIZSLA ROYALTIES CORP.**Notes to the Condensed Interim Combined and Consolidated Financial Statements****For the three months ended July 31, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL (continued)**b) Issued share capital**

During the three months ended July 31, 2025, the Company had the following share capital transactions:

- On June 12, 2025, the Company completed the bought deal offering, issuing 31,510,000 common shares at a price of \$2.00 per common share for gross proceeds of \$63,020,000 (US\$46,000,000). Pursuant to the bought deal offering, the Company paid cash commissions of \$3,151,000 to CIBC Capital Markets ("CIBC") as lead bookrunner and underwriter, on its own behalf and on behalf of a syndicate of underwriters. In connection with the bought deal offering, the Company incurred share issuance costs of \$1,125,862 comprised of cash share issuance costs of \$339,664 and 341,825 common shares issued to CIBC at a fair value of \$2.30 per share for aggregate fair value of \$786,198. The completion of the bought deal offering was a closing condition pursuant to the Purchase Agreement (Note 7).
- During the three months ended July 31, 2025, the Company issued 73,151 common shares pursuant to the exercise of 73,151 stock options of the Company for gross proceeds of \$27,139. As a result, the \$27,326 fair value attributed to options exercised was reclassified from reserves to share capital.
- During the three months ended July 31, 2025, the Company issued 5,945 common shares pursuant to the exercise of Vizsla Silver Warrants for gross proceeds of \$11,592. As at July 31, 2025, the amount remained outstanding and was included in subscription receivables in the statements of financial position.

c) Stock options

A summary of the Company's stock option activity is as follows:

	Number of stock options	Weighted average exercise price
	#	\$
Balance, April 30, 2024	-	-
Granted (Note 1(b))	2,726,624	1.44
Exercised	(24,499)	0.26
Expired	(2,000)	0.26
Cancelled	(5,504)	0.38
Balance, April 30, 2025	2,694,621	1.46
Granted	3,961,850	2.35
Exercised	(73,151)	0.37
Forfeited	(3,333)	0.40
Outstanding, July 31, 2025	6,579,987	2.01
Exercisable, July 31, 2025	2,233,907	1.59

VIZSLA ROYALTIES CORP.**Notes to the Condensed Interim Combined and Consolidated Financial Statements****For the three months ended July 31, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding as at July 31, 2025, is as follows:

Date of expiry	Number of stock options #	Weighted average exercise price \$	Weighted average remaining life Years
August 6, 2025	31,668	0.38	0.02
December 1, 2025	3,333	0.32	0.34
January 12, 2026	2,000	0.34	0.45
June 22, 2026	84,330	0.39	0.89
July 12, 2026	7,333	0.40	0.95
July 27, 2026	2,317	0.40	0.99
September 24, 2026	54,167	0.40	1.15
February 1, 2027	333	0.40	1.51
February 17, 2027	49,590	0.33	1.55
June 2, 2027	15,233	0.35	1.84
February 10, 2028	57,000	0.34	2.53
May 19, 2028	106,998	0.34	2.80
November 15, 2028	13,334	0.32	3.30
November 15, 2028	8,333	0.33	3.30
February 26, 2029	20,167	0.21	3.58
June 12, 2029	201,001	0.40	3.87
September 25, 2029	1,961,000	1.86	4.16
June 13, 2030	3,961,850	2.35	4.87
	6,579,987	2.01	4.42

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model ("BSM") for stock options granted during the three months ended July 31, 2025 and year ended April 30, 2025 is as follows:

	July 31, 2025	April 30, 2025
Share price	\$2.35	\$0.67
Exercise price	\$2.35	\$1.45
Risk-free interest rate	2.93%	3.73%
Expected life	5.00 years	2.52 years
Expected volatility	84.00%	100.17%
Expected annual dividend yield	0.00%	0.00%

The risk-free rate of periods within the expected life of the stock options is based on the Canadian government bond rate. The annualized volatility assumptions are based on the historical results of benchmark companies.

During the three months ended July 31, 2025, the Company had the following stock option transactions:

- On June 13, 2025, the Company granted 3,961,850 stock options exercisable at \$2.35 to directors, officers, employees, and consultants of the Company. The stock options vest over two years and are exercisable for a five-year term expiring on June 13, 2030. The fair value of the stock options was determined to be \$6,344,250 using the BSM.
- On June 23, 2025, 3,333 vested options were forfeited following the departures of certain employees and consultants of the Company.
- During the three months ended July 31, 2025, the weighted average share price on the date of option exercise was \$2.64 (2024 - \$nil).

VIZSLA ROYALTIES CORP.**Notes to the Condensed Interim Combined and Consolidated Financial Statements****For the three months ended July 31, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL (continued)**d) Performance share units**

On April 1, 2025, the Company adopted an omnibus equity incentive compensation plan (the "Omnibus Plan") to replace the Company's existing stock option plan, which is subject to approval of the TSX-V and disinterested shareholder approval.

On April 11, 2025, pursuant to the terms of the Omnibus Plan, the Company granted 2,800,000 PSUs to officers, directors, employees and consultants of the Company. The PSUs have a fair value of \$1.85 per share, vest after one year, contingent on the achievement of specific performance targets. If the performance conditions are met, each vested PSU entitles the holder to receive one common share of the Company or receive cash at the discretion of the Company's Board of Directors. As of July 31, 2025, approval has not been granted.

e) Share purchase warrants

A summary of the Company's share purchase warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, April 30, 2024	-	-
Issued (Note 1(b))	8,049,365	0.50
Exercised (Note 8(b))	(6,484,947)	0.50
Expired	(1,564,418)	0.50
Balance, July 31, 2025 and April 30, 2025	-	-

On June 19, 2024, in connection with the Spinout Transaction (Note 1(b)), the Company issued 8,049,365 Vizsla Royalties Warrants. The Company attributed \$1.00 to share capital and a residual value of \$nil to the Vizsla Royalties Warrants issued. Each Vizsla Royalties Warrant entitles the holder to acquire one additional Vizsla Royalties Share at a price of \$0.50 per share until December 24, 2024 (120 days after the Company's listing date of August 26, 2024). As a result, 1,564,418 Vizsla Royalties Warrants expired unexercised.

The weighted average share price on the date of the share purchase warrant exercises for the three months ended July 31, 2025 was \$nil (April 30, 2025 - \$1.65).

f) Restricted share units

On June 13, 2025, the Company granted 2,522,780 restricted share units ("RSUs") to directors, officers, and consultants of the Company. Each RSU vests into one common share of the Company. The granted RSUs vest over two years in three equal annual instalments every anniversary until fully vested. The fair value of the RSUs at the grant date was \$2.35 per RSU.

A summary of the Company's RSU activity is as follows:

	Number of RSUs	Weighted average grant price
	#	\$
Balance, April 30, 2025 and 2024	-	-
Granted	2,522,780	2.35
Balance, July 31, 2025	2,522,780	2.35

A summary of the Company's RSUs outstanding as at July 31, 2025 is as follows:

Date of expiry	Number of RSUs	Weighted average fair value	Weighted average remaining life
	#	\$	Years
June 13, 2028	2,522,780	2.35	2.87
	2,522,780	2.35	2.87

VIZSLA ROYALTIES CORP.**Notes to the Condensed Interim Combined and Consolidated Financial Statements****For the three months ended July 31, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL (continued)

During the three months ended July 31, 2025, the Company recorded share-based compensation related to the vesting of RSUs granted of \$476,369 (2024 - \$nil).

9. RELATED PARTY TRANSACTIONS

Key management personnel include those who have the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, officers and companies controlled by key management personnel.

A summary of the Company's related party transactions is as follows:

	Three months ended July 31,	
	2025	2024
	\$	\$
Directors' fees	48,750	-
Management fees	50,000	-
Office and miscellaneous	7,612	-
Rent expenses	15,000	-
Share-based compensation	1,763,263	-
	1,884,625	-

As at July 31, 2025, the Company had \$24,750 (April 30, 2025 - \$23,839) due to related parties, which is included in accounts payable and accrued liabilities. The amounts are unsecured, due on demand, and are non-interest bearing.

As at July 31, 2025, the Company had \$nil (April 30, 2025 - \$7,875) in prepaid rent to a related company under common control, included in prepaid expenses.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at July 31, 2025, Company's financial instruments are comprised of cash and cash equivalents, subscription receivable, and accounts payable and accrued liabilities, all of which are classified at amortized cost. The carrying value of these financial instruments approximate their respective fair values due to their short-term nature.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's primary exposure to credit risk is through its cash and cash equivalents and subscription receivable. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. The Company manages its credit risk relating to cash and cash equivalents and interest receivable from short-term investments through the use of major financial institutions which have a high credit quality as determined by rating agencies. Cash and cash equivalents are held with reputable banks in Canada and Mexico. The Company's exposure to credit risk related to subscription receivable is insignificant. The Company assesses its credit risk as low.

b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no sources of revenue and has obligations to settle its accounts payable and accrued liabilities. The Company manages this risk by careful management of its working capital to ensure the Company's expenditures will not exceed available resources. As at July 31, 2025, the Company had a working capital of \$12,278,537 (April 30, 2025 - \$7,731,175). The Company assesses its liquidity risk as low.

VIZSLA ROYALTIES CORP.

Notes to the Condensed Interim Combined and Consolidated Financial Statements

For the three months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars, except where noted)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

c) Foreign exchange risk

Foreign exchange risk is the risk that a variation in exchange rates between the Canadian dollar, the United States dollar, and Mexican Peso will affect the Company's operations and financial results. The Company and its subsidiaries are exposed to foreign exchange risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

The Company measures the effect on total assets or total receipts of reasonably foreseen changes in foreign exchange rates. The analysis is used to determine if these risks are material to the financial position of the Company.

A summary of the Company's financial assets denominated in MXN and USD, expressed in Canadian dollars, is as follows:

	July 31, 2025	April 30, 2025
	\$	\$
Assets		
Cash and cash equivalents	2,567,219	214,756
	2,567,219	214,756

The Company has not entered any foreign currency contracts to mitigate this risk. A 5% change in the foreign exchange rate between the CAD to the MXN and USD would increase the net loss and comprehensive loss for the three months ended July 31, 2025, by approximately \$128,300 (April 30, 2025 - \$10,700).

11. CAPITAL MANAGEMENT

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

There were no changes in the Company's approach to capital management during the three months ended July 31, 2025. In the management of capital, the Company includes the components of shareholder's equity. As at July 31, 2025, the Company is not subject to externally imposed capital requirements.

12. SUBSEQUENT EVENTS

Subsequent to period end, the Company issued 45,668 common shares pursuant to the exercise of 45,668 stock options with a weighted average exercise price of \$0.45.

On September 10, 2025, the Company granted 150,000 stock options exercisable at \$3.03 and 250,000 cash-settled deferred share units ("DSUs") to certain directors and officers. The stock options vest over two years and are exercisable for a five-year term expiring on September 10, 2030. The DSUs were granted under, and are subject to the terms of, the Company's DSU plan. Both the stock options and the DSUs are subject to the approval and policies of the TSX-V.