

# FORGING A RESPONSIBLE FUTURE



# ABOUT THIS REPORT



The Vizsla Silver Corp. (“Vizsla Silver” or the “Company”) Sustainability Report provides a concise overview of the Company’s commitment to sustainability in alignment with the IFRS Foundation International Sustainability Standards Board SASB Metals and Mining Standard (“SASB”). The SASB data published in this report covers the period from May 1, 2023 to April 30, 2024, unless otherwise indicated (“FY 2023/24”).

The SASB standards are recognized globally for industry-specific guidance on sustainability reporting, ensuring that the information presented is financially material, relevant, and valuable to shareholders and stakeholders.

This document is an update to the inaugural report and is structured for readability and accessibility, as well as long-term consistency for year-over-year reporting. The governance, social, and environmental topics are separated into three sub-categories: (1) Risk and Opportunities, (2) Policies and Practices, (3) Goals and Actions. The first two topics will only be updated as significant changes occur for the Company. However, actions and corresponding metrics will be updated annually, measured against FY 2022/23 baseline.

A cautionary note about forward-looking information and statements is presented at the end of this report. Unless noted otherwise, all dollar amounts are expressed in U.S. dollars.

# CONTENTS

About this Report	Inside Front Cover	<b>ENVIRONMENT</b>	20
Message from the CEO	2	Environmental Risks & Opportunities	21
Our Approach to Sustainability	4	Environmental Policies & Practices	22
Performance Highlights	5	Environmental Goals & Actions	23
<b>GOVERNANCE</b>	6	<b>SASB PERFORMANCE METRICS INDEX</b>	26
Governance Risks & Opportunities	8	<b>IFC ALIGNMENT</b>	30
Governance Policies & Practices	10	<b>CAUTIONARY NOTE</b>	31
Governance Goals & Actions	11		
<b>SOCIAL</b>	12		
Social Risks & Opportunities	13		
Social Policies & Practices	14		
Social Goals & Actions	17		



## MESSAGE FROM THE CEO



**Michael Konnert**, President and CEO

We continue to improve our ESG measurements and standardizing processes to maintain the metric we require to assess our journey towards regenerative mining.

Vizsla Silver has a big vision. We want to become the world's largest independent underground silver producer.

The Company is developing the Panuco silver-gold project, and we are proud to be a part of the community and the long history of mining in this region of Sinaloa, Mexico.

We have always looked at things differently, including how we approach our hosting communities and how we can improve the relationship between mining and the environment. The most valuable resource in the environment is water, and we view the communities as partners in protecting it.

In last year's Sustainability Report, we discussed providing the world with Green Silver.

We endeavour to do this through a concept we call Regenerative Mining. We define Regenerative Mining as a mining operation that has a measurable and demonstrable net positive impact on local ecosystems and communities, aligning economic prosperity with environmental and social well-being.

In 2024, we continued towards the goal of Green Silver using Regenerative Mining. We assessed a series of initiatives as part of our effort. These initiatives are focused on seeking cost efficiencies within our project footprint and at the same time, potential future contributions to the project's environment. In addition, we commenced exploring water conservation solutions and other sustainable solutions that would guarantee a positive legacy after the Life of Mine. Economic



Core cross section

diversity for the local communities continues to be part of our sustainability vision.

This year was another important year for us in our extraordinary effort towards cleaning up historic mining sites. We have invested \$6M in remediating historic tailings at the El Coco project.

We are particularly proud of our greenhouse, which is germinating local species of plants likely for the first time in history. This allows for a meaningful reforestation program targeting to counterweight occurring soil erosion, which is underway.

Having released initial mine plans and designs this summer, we envision building an underground mine that has minimal surficial impacts, and where the majority of the impact seen are the

benefits to the communities and governments like jobs, investment and taxes.

We continue to improve our ESG measurements and standardizing processes to maintain the metrics we require to assess our journey towards regenerative mining.

We feel that our strong commitment to the concept of regenerative mining is an appropriate strategy during the current global conditions. At the same time, we are excited to have the opportunity to work in Mexico at a time when it's perceived that a new government will value sustainability and the global energy transition.

(Signed)

**Michael Konnert**  
President and CEO

# OUR APPROACH TO SUSTAINABILITY

At Vizsla Silver, we are committed to redefining the mining industry by demonstrating that regenerative mining practices can be economically feasible while contributing to the well-being of our environment and community. We measure this through three sustainability dimensions, environment (E), social (S), and governance (G), also known as ESG.

We are determined not just to reduce our environmental footprint but to regenerate ecosystems impacted by mining activities,

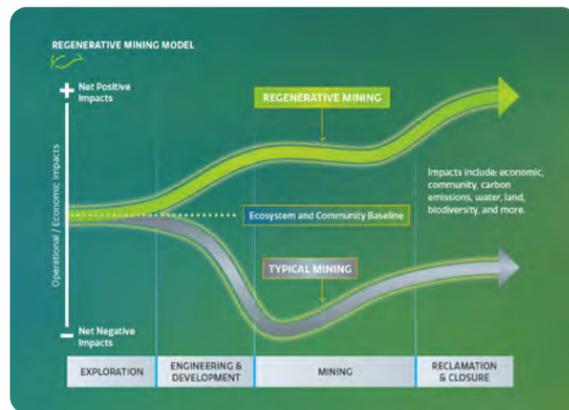
ensuring that they continue to thrive. To achieve this, we invest in people, leverage cutting-edge technologies, minimize resource waste, utilize renewable energy, and prioritize ecological regeneration. To ensure the organizational integrity of our project, we encourage transparent partnerships, facilitate stakeholder engagement, and implement social management initiatives. We are committed to setting a new industry standard as we **forge a responsible future.**

## SUSTAINABILITY VISION

Become the leading **GREEN SILVER** producer in the world through the exploration and development of the Panuco district in Mexico.



## REGENERATIVE MINING DEFINITION



We define regenerative mining as a mining operation that has a measurable and demonstrable net positive impact on local ecosystems and communities, aligning economic prosperity with environmental and social well-being. Learn more about Regenerative Mining in the [2023 Sustainability Report](#).



# PERFORMANCE HIGHLIGHTS

This past year, Vizsla Silver made significant progress towards its sustainability goals, as detailed throughout the Sustainability Report. Key ESG achievements include:

## GOVERNANCE

Strengthened our ESG reporting framework and increased transparency by preparing the **SECOND ANNUAL SUSTAINABILITY REPORT**

Initiated the process of **UPDATING OUR SOCIAL IMPACT ASSESSMENT** and formalizing the Social Management Plan

Began the process of **ALIGNING WITH THE EQUATOR PRINCIPLES**, demonstrating our commitment to responsible project financing

## SOCIAL

Maintained positive relationships with local ejidos through ongoing engagement, ensuring transparency and **FOSTERING PARTNERSHIP OPPORTUNITIES**

Invested nearly **\$100,000 IN THE LOCAL COMMUNITY**, bringing our cumulative total investment to over \$400,000

Facilitated three health fairs, providing essential **MEDICAL CARE TO NEARLY 550 COMMUNITY MEMBERS.**

## ENVIRONMENT

Maintained voluntary efforts to **REHABILITATE TWO AGING TAILING STORAGE FACILITIES** from legacy operations

Took a **DATA-DRIVEN APPROACH TO ENVIRONMENTAL MANAGEMENT** by initiating collection and analysis of water use data and fuel consumption data from drilling contractors

Utilized the plant nursery to **CULTIVATE APPROXIMATELY 4,000 NATIVE TREES**, accounting for 15 different species that will serve in future restoration activities





Copala town from a lookout

The mining sector faces a mix of global factors including changing political landscapes and increased emphasis on environmental sustainability. Boards and management teams need to make informed decisions to mitigate risks and navigate challenges effectively. Vizsla Silver's strategic responses, policies, goals, and actions are highlighted in this section to address risks and opportunities.

<p><u>Audit and Risk Committee</u></p> <ul style="list-style-type: none"> <li>Financial compliance</li> <li>Risk assessment and risk management</li> <li>Insurance</li> <li>Cybersecurity, privacy and data security</li> </ul>	<p><u>Corporate Governance &amp; Nominating Committee</u></p> <ul style="list-style-type: none"> <li>Corporate governance</li> <li>Diversity</li> </ul>
<p><u>Technical Committee</u></p> <ul style="list-style-type: none"> <li>Technical risks and mitigation strategies</li> <li>Safety and health policies and performance</li> </ul>	<p><u>Environmental &amp; Social Responsibility Committee</u></p> <ul style="list-style-type: none"> <li>ESG policies</li> <li>ESG compliance</li> </ul>



Muestra de núcleo



Core shack

## GOVERNANCE RISKS & OPPORTUNITIES

### Mexico's Mining Reform

While there may be risk of increased environmental scrutiny with Claudia Sheinbaum's presidency, the mining industry in Mexico is also poised for significant opportunities driven by her emphasis on sustainable development and environmental stewardship. Her policies are expected to encourage responsible mining practices that balance economic growth with environmental protection, attracting investments in innovation and technology within the sector.

### International Policies

While international policy does not necessarily have a direct impact on Vizsla operations, indirect impacts are likely. International disclosure requirements, such as the EU Corporate Sustainability Reporting Directive (CSRD), may impact operations over the long term by mandating additional disclosure for mineral companies in the technology and energy supply chains. The U.S. Securities and Exchange Commission's (SEC) Final Rule on Mandatory Climate Disclosures, while currently stayed, could also significantly affect disclosure requirements if implemented.

### The Equator Principles

Vizsla Silver recognizes the value of aligning policies and practices to the 10 Equator Principles. The Company has embarked on the process to align the [Equator Principles](#) by conducting a gap analysis. This analysis will evaluate the extent to which the Company already aligns to each principle and the next steps.

### Corruption Perception Index

SASB: EM-MM-510A.2

While Mexico does not fall within the SASB required reporting threshold (20 lowest rankings) based on [Transparency International's Corruption Perception Index](#) ("CPI"), corruption is a concern in Mexico. Mexico's CPI score is 31 (out of 100), and it ranks 126 (out of 180 countries). CPI states, "A country's score is the perceived level of public sector corruption on a scale of 0-100, where 0 means highly corrupt and 100 means very clean. A country's rank is its position relative to the other countries in the index. Ranks can change if the number of countries included in the index changes."

1 Transparency International, Corruption Perceptions Index, 2022



Geologists Angel González and Arnoldo Arvalo logging core

## GOVERNANCE POLICIES & PRACTICES

### ESG Governance

As outlined in the [Environmental & Social Responsibility Committee Charter](#), the Committee is responsible for developing and implementing ESG policies and guidelines, identifying ESG-related risks and opportunities, and recommending specific ESG goals. Committee members oversee data collection and reporting, monitor ESG performance, and communicate with the board of directors.

### ESG Reporting Practice SASB Framework

In 2023, Vizsla Silver adopted the [SASB Metals and Mining Standard](#) for ESG reporting. The SASB framework provides a strategic advantage by ensuring the Company is: 1) prepared for potential ESG regulatory requirements and 2) measuring financially material ESG topics that impact both stakeholders and operations. Nonetheless, increasingly stringent reporting requirements will continue to require Vizsla Silver to put the people, policies, and programs in place to collect the relevant data.



### Anti-Bribery, Anti-Corruption and Transparency SASB: EM-MM-510A.1

Vizsla Silver has a comprehensive [Anti-Bribery and Anti-Corruption Policy](#) to ensure ethical business practices and applies to all officers, directors, employees, and consultants, regardless of location. The policy emphasizes zero tolerance for bribery and corruption by all stakeholders, with the board overseeing its implementation and compliance. The policy aligns with international anti-corruption laws, such as the *Canadian Corruption of Foreign Public Officials Act* and the *United States Foreign Corrupt Practices Act*.

The policy outlines clear definitions, anti-corruption standards, facilitating payment prohibitions, and red flags to identify potential corruption. It emphasizes transparent record-keeping, stakeholder communication, and regular monitoring to ensure compliance with evolving legal and ethical standards. The policy establishes a clear division of responsibilities and assigns key roles to various management levels.

Vizsla Silver's Anti-Bribery and Anti-Corruption Policy adheres to [Transparency International's Business Principles for Countering Bribery](#)<sup>1</sup> and the [UN Global Compact's 10th Principle](#)<sup>2</sup>. Key areas of alignment include risk assessment, conflict of interest disclosure, prohibition of bribes, transparency in political contributions, gifts, and hospitality expenses, and compliance among employees and vendors. All officers, directors, employees, and consultants are required to review and sign the [Anti-Bribery and Anti-Corruption Policy](#), [Code of Business Conduct and Ethics Policy](#), and [Whistleblower Policy](#). This enables the Company to maintain records of awareness, accountability, and enforcement.

1 Transparency International, Business Principles for Countering Bribery: A Multi-Stakeholder Initiative Led by Transparency International, October 2013.  
2 United Nations Procurement Division, The United Nations Global Compact, July 2000.  
3 Extractive Industry Transparency Initiative Standard, The EITI Principles, May 2003.

## GOVERNANCE GOALS & ACTIONS

Transparency policies outlined in the [Code of Business Conduct and Ethics Policy](#) are aligned with the [Extractive Industry Transparency Initiative Standard](#)<sup>3</sup>, specifically related to beneficial ownership, politically exposed persons, and financial disclosure provisions. The [Disclosure and Insider Trading Policy](#) also addresses systems and due diligence procedures related to business ethics and transparency.

Vizsla Silver's [Whistleblower Policy](#) describes the internal mechanisms for reporting and following up on suspected violations. The purpose of the policy is to provide employees, officers, directors, and consultants of the Company with a system whereby they can disclose any knowledge of actual or intended misconduct that may be unethical, illegal, or fraudulent and have protection from any form of retaliation.

GOAL	ACTION
<p><b>G1</b></p> <p>Establish ESG reporting process aligned with international standards</p>	<ul style="list-style-type: none"> <li>Vizsla Silver has prepared the second annual Sustainability Report in alignment with the internationally recognized SASB Metals and Mining Standard framework.</li> <li>A third party, Warm Springs Consulting, with SASB-credentialed consultants, has helped to prepare this report to ensure alignment with the standards.</li> </ul>
<p><b>G2</b></p> <p>Leverage technology to manage and enhance ESG performance</p>	<ul style="list-style-type: none"> <li>By leveraging various software programs, Vizsla Silver optimizes its approach to environmental stewardship, social responsibility, and good governance.</li> </ul>
<p><b>G3</b></p> <p>Ensure board-level ESG management and oversight</p>	<ul style="list-style-type: none"> <li>Members of the Environmental &amp; Social Responsibility Committee meet regularly to support the Company's ESG initiatives.</li> <li>The Committee has begun the process to update the Social Impact Assessment and formalize the Social Management Plan.</li> </ul>



Antonio Esparza (Vizsla Community Relations Manager) and Filiberto Morales Vizcarra (President of the agrarian community of San Miguel del Carrizal) hosting the Health Fair

Mining operations can have significant and lasting impacts on local communities. Prioritizing social considerations from the outset is key. Engaging with local communities and stakeholders, conducting comprehensive Social Impact Assessments ("SIA"), and embracing ethical practices are essential measures. These actions ensure mining operations can achieve financial success while fostering positive social outcomes and building strong community partnerships. This section of the report identifies social risks and opportunities, as well as the strategic responses in the form of policies, goals, and actions.

## SOCIAL RISKS & OPPORTUNITIES

### Social Risk Classification

According to the Organisation for Economic Cooperation and Development<sup>1</sup> ("OECD") Prevailing Risk Classification, Mexico is classified as a three (seven is the highest risk rating and zero is the lowest rating), indicating a relatively low level of risk as compared to other countries, and indicating a relatively high level of political, economic, and social stability.

### Health and Safety

Mining operations involve inherent risks, which is why employee health and safety is a core value for Vizsla Silver. The Company prioritizes employee and community health and safety. It believes all incidents are preventable through effective task planning, identifying dangers, and evaluating and controlling risks. This commitment ensures zero harm for both employees and the surrounding communities.



Supply of medicines at health fairs

<sup>1</sup> Organisation for Economic Cooperation and Development, Country risk classification, 1997.

**SOCIAL POLICIES & PRACTICES**

**Community Relations**

SASB: EM-MM-210B.1, EM-MM-210A.3

**SOCIAL MANAGEMENT PLAN**

The SIA, and by extension, the development of a Social Management Plan, serve as instrumental tools that enable the Company to create, sustain, and fortify the social operating licence essential for advancing the Panuco Project and achieving organizational objectives. The Social Management Plan places an emphasis on supporting the community through healthcare initiatives and funding for educational institutions. Throughout community relations, Vizsla Silver has taken appropriate actions to respect and preserve cultural heritage. These procedures have been informed

by the International Finance Corporation ("IFC") [Performance Standards on Environmental and Social Sustainability](#) (See IFC Alignment), the United Nations [Guiding Principles on Business and Human Rights](#) document, as well as industry best practices.

**GRIEVANCE PROCESS**

Vizsla Silver's grievance mechanism is pivotal in fostering transparency and accountability within a community. It provides a structured platform for community members to voice their concerns and seek redress for issues affecting their well-being. By addressing grievances fairly and promptly, the project grievance process will help prevent conflicts, build trust among community members and promote inclusive decision-making processes.

**Human and Community Rights**

SASB: EM-MM-210A.3

Vizsla Silver's [Human Rights Policy](#) describes the commitment to human rights, ensuring a culture of respect for human rights and inclusion. Aspects of this policy align with the [International Labour Organization Declaration on Fundamental Principles and Rights at Work](#). Recognizing that human rights due diligence is an ongoing and essential commitment, Vizsla Silver is dedicated to implementing a structured approach to guarantee the continual respect of human rights. Vizsla Silver's due diligence process includes an impact assessment, a social management plan, integration and action, monitoring, and communication.

Due diligence processes focused on human rights take place during all stages of project development. Impact assessments will be conducted at each phase of the project, or at a minimum, on a five-year basis throughout operations.

**Indigenous Rights**

SASB: EM-MM-210A.2, EM-MM-210A.3

According to the Instituto Nacional de los Pueblos Indígenas<sup>1</sup>, and the Indigenous Communities Index Law for the State of Sinaloa, there are no known Indigenous communities located in or near the Concordia municipality. While there are no known Indigenous communities impacted by the Panuco Project, the Company honours and recognizes the

**OUR CORE SOCIAL VALUES**



**SOCIAL RESPONSIBILITY**

We prioritize the well-being and safety of our employees, local communities, and stakeholders. We endeavour to foster positive relationships, respect cultural diversity, and support local development initiatives. We aim to provide fair and equitable working conditions, encourage employee engagement and empowerment, and invest in community development programs.



**STAKEHOLDER ENGAGEMENT**

We recognize the importance of engaging with our stakeholders to ensure their concerns are heard and addressed. We actively seek input from local communities, environmental organizations, Indigenous groups, and other relevant parties. We aim to foster open and transparent communication channels, building long-term relationships based on trust and mutual respect.



**HEALTH AND SAFETY**

We prioritize the health and safety of our employees, consultants and visitors. We maintain rigorous safety standards, implement robust safety protocols, and continuously educate and train our workforce on safety best practices. We are committed to creating a safe work environment, free from hazards, promoting a strong safety culture throughout the organization.



**RESPONSIBLE SUPPLY CHAIN MANAGEMENT**

We promote responsible sourcing and ethical supply chain practices. We engage with suppliers and partners who share our commitment to ESG values, ensuring the responsible sourcing of materials, promoting fair labour practices, and strengthening transparency within our supply chain.



**CONTINUOUS IMPROVEMENT AND REPORTING**

We strive for ongoing improvement in our ESG performance. We regularly assess our operations, set ambitious targets, and implement measures to address any identified areas for improvement. We are committed to the transparent reporting of our progress and sharing relevant ESG information with our stakeholders.

<sup>1</sup> Concordia Baseline Study, Flores Doncel Consultores, 2022.

rights and interests of Indigenous peoples and the communities in which it operates. The [Human Rights Policy](#) outlines the frameworks that guide Vizsla Silver's relations with Indigenous peoples.

**Economic and Environmental Rights**

SASB: EM-MM-210B.1

Vizsla Silver's [Human Rights Policy](#) and [Environmental and Climate Change Policy](#) outline the Company's commitment to responsible mining through social responsibility, recognizing that economic rights (fair wages, payment transparency, etc.) and environmental rights (access to clean air, water, and sanitation) are fundamental components of human rights, and the well-being of the local communities. These policies describe practices regarding employment, fair wages, payment transparency, national resource governance, and respect for infrastructure and agricultural land.

**Security**

SASB: EM-MM-210A.1, EM-MM-210A.3

The security and physical safety of local residents and employees are critical to operations. Vizsla Silver acknowledges that the function of public or private security forces within mine sites, surrounding areas, and transportation routes should exclusively be to maintain the rule of law, which includes the protection of human rights, ensuring the security of mine workers, equipment, and installations, and preventing unauthorized disruption of legitimate mining operations and trade. Vizsla Silver supports security and human rights principles that align with the ["Voluntary Principles on Security and Human Rights."](#)

Although the Company does not operate in an area of conflict, Vizsla Silver has leveraged the ["OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas"](#) document as a guide to ensure operations promote the highest ethical standards. Components of the OECD Model Supply Chain Policy<sup>1</sup> have been incorporated into the [Human Rights Policy](#).



2023 Christmas party at Copala town

<sup>1</sup> Organisation for Economic Cooperation and Development, Section 2, OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 2016.

**Health and Safety**

SASB: EM-MM-210B.1

The [Health and Safety Policy](#) outlines activities to support the Company's goal of zero accidents. Vizsla Silver has implemented health and safety training initiatives, a safe cycle system, zero-tolerance rules, and a medical emergency action plan. Aspects of Vizsla Silver's policy are aligned with the [IFC Performance Standards](#) on Environmental and Social Sustainability (See IFC Alignment).

**Supplier Code of Conduct**

SASB: EM-MM-210A.3, EM-MM-210B.1

Vizsla Silver's [Supplier Code of Conduct](#) outlines business partner expectations regarding community rights and interests, human rights, Indigenous rights, and operations. By doing business with Vizsla Silver, business partners agree to adhere to this code and promote responsible practices throughout their supply chain.



Inspection of first aid kit

**SOCIAL GOALS & ACTIONS**

GOAL	ACTION
<p><b>COMMUNITY RELATIONS</b></p> <p><b>Build solid, long-term relationships with local communities</b></p> <p>S1</p>	<ul style="list-style-type: none"> <li>Vizsla Silver has been working with the community and has fostered strong relationships with the local ejido communities with the transparent intention of developing and extracting mineral resources in the Panuco district.</li> <li>The Company has signed five long-term agreements with ejidos within the area of impact.</li> </ul>
<p><b>HUMAN RIGHTS, INDIGENOUS RIGHTS*, AND COMMUNITY RIGHTS</b></p> <p><b>Identify and measure potential community impacts</b></p> <p>S2</p>	<ul style="list-style-type: none"> <li>To assess potential change, Vizsla Silver has conducted a baseline study and SIA, and is in the process of preparing for a second SIA.</li> <li>The Company continues to facilitate free and informed consultation among local communities.</li> </ul>

\*As noted in Indigenous Rights, there are no Indigenous communities with lands or stakes to lands within or near the Panuco Project site

GOAL

LOCAL ECONOMIC RIGHTS

Invest in sustainable development for community economic resilience

S3

ACTION

- Vizsla Silver has prioritized activities such as infrastructure improvement, investments in public buildings, clean water for residents, and support for agricultural infrastructure. In the past year, the Company has financially supported eight infrastructure projects within the community, along with two projects focused on clean water.
- Vizsla Silver is exploring a shared value agreement with a percent of profit placed into a sustainable development fund to be invested back into the local businesses and ejidos.

LOCAL ECONOMIC RIGHTS

Provide stable and high-quality employment for the local community

S4

- The Company provides all employees with fair and competitive compensation packages.
- Sixty-four percent of the Vizsla Silver workforce is from local communities.
- Fifteen percent of the Vizsla Silver workforce is female.

LOCAL ECONOMIC RIGHTS

Provide services and resources to support employees

S5

- Vizsla Silver provides transportation to 46% of its employees, including those living in San Miguel del Carrizal (Santa Lucía, Guayanera, La Mesa del Carrizal) and Copala (Copala, El Habal).
- Located in Concordia, Camp Clementina accommodates up to 35 employees at the high-quality Company housing, on an as-needed basis. During the past year, Vizsla Silver provided company-sponsored housing to 26% of its workforce.



Vizsla's vehicle fleet



New year's health, safety, environmental and social reinforcement training

GOAL

HEALTH AND SAFETY

Maintain safety of Vizsla Silver employees

S6

ACTION

- Vizsla Silver provides health and safety training to employees and contractors on various topics, including first aid, firefighting and rescue, insect bite prevention and treatment, and defensive driving.

HEALTH AND SAFETY

Increase the overall health and well-being of local communities

S7

- Vizsla Silver organized three public health fairs to support the community. At these events, an array of medical services is offered across diverse specialties, including general medicine, pediatrics, gynecology, psychology, nutrition, and internal medicine. Qualified healthcare professionals provide and administer medications.
- Vizsla Silver has facilitated 16 health-related campaigns within the community. The approach focuses on awareness, control, prevention and diagnosis, with topics ranging from mental health to dehydration to ergonomics.



Fire extinguisher training in Concordia core shack



Health fair attendees at Santa Lucía clinic



Blood pressure recording for all attendees



Registry of vital signs at health fairs



# ENVIRONMENT

Transplanting process at Vizsla's nursery

Silver plays a critical role in the transition to renewable energy due to its high electrical conductivity, vital for the efficient functioning of various renewable energy technologies, including solar panels, electric vehicles, and energy storage systems. Vizsla Silver acknowledges the important role it plays in the renewable energy supply chain, as well as the important role within the local ecosystem. This section describes the risks and opportunities along with the strategic response in the form of policies and practices, as well as goals and actions.

## ENVIRONMENTAL RISKS & OPPORTUNITIES

### Energy and Climate

Climate change poses a threat not just to the planet but to the economic well-being of nearly every community and industry. Vizsla Silver recognizes the need for a transition to a net-zero economy while continuing to provide the critical minerals necessary to do so.

Physical risks to Vizsla Silver and the Panuco district include extreme storm events (hurricanes), drought, riverine flooding, and extreme heat. This could impact both physical infrastructure and worker health and safety. Over the next few years, Vizsla Silver will work to evaluate various climate scenarios and measure the potential impacts to better plan and allocate resources that support both Company and community resilience. To the greatest extent possible, the Company will identify the risks and impacts of greenhouse gas ("GHG") emissions, climate change and adaptation opportunities, and potential transboundary effects, such as air pollution or use and/or pollution of international waterways.

Climate change also poses a unique opportunity for Vizsla Silver as part of the renewable energy supply chain. According to the [International Energy Agency 2021 Net Zero by 2050 Report](#), critical mineral production needs to grow four to six times in order to combat climate change<sup>1</sup>. As the Company

continues to develop mining operations, it will continue to assess global risks and plan how to mitigate them at the local level. As a leader in Green Silver, Vizsla Silver is positioned well to profit from this strategic advantage.

### Water

SASB: EM-MM-140A.1

Due to local climate factors, the project area, and much of the surrounding country, is considered high water risk. Vizsla Silver is committed to using water resources efficiently to minimize impacts and contribution to these water default risks, as addressed in the [Environmental & Climate Change Policy](#).

Additionally, the surrounding ejido communities rely on the valuable water resources in the region. Ensuring that the ejido communities around the Panuco site continue to have access to safe and dependable water supply is a priority in operational planning.

### Waste and Hazardous Materials

Vizsla Silver acknowledges the risks associated with hazardous materials associated with mining operations. The Company's approach to managing hazardous materials is detailed in the next section and can be found in the [Waste Management Policy](#).

<sup>1</sup> International Energy Agency. (2021, May). Net Zero by 2050.

## ENVIRONMENTAL POLICIES & PRACTICES

### Environmental Management

SASB: EM-MM-110A.2, EM-MM-160A.1

Vizsla Silver's [Environmental and Climate Change Policy](#) and principles address the Company's commitment to sustainable practices and the management approach to deliver on those commitments. At a minimum, procedures related to environmental management meet local and national laws and regulations. The procedures and principles that Vizsla Silver has implemented have been informed by the [IFC Performance Standards](#) on Environmental and Social Sustainability (See IFC Alignment), ISO 14001:2015 Environmental Management Systems Standard, Security of Environment and National Resources ("SEMARNAT"), Federal Attorney for Environmental Protection ("PROFEPA"), General Law of Ecological Balance and Environmental Protection ("LGEEPA"), and the General Law for the Prevention and Integral Management of Waste ("LPGIR"), as well as industry best practices.

### CLIMATE AND ENERGY

Vizsla Silver acknowledges the risks of climate change and the Company's responsibility to address energy use and emissions production. This responsibility includes exploring energy efficiency and alternative energy solutions, carbon reduction initiatives, and setting carbon reduction targets. The Environmental and Climate Change Policy outlines the steps being taken through each stage of the Panuco Project to manage energy consumption and emissions production.

### WATER MANAGEMENT

As part of the Company's commitment to ensuring clean and safe water resources remain available to the communities surrounding the Panuco Project, Vizsla Silver has developed a Water Management Policy that outlines the steps being taken to follow through on that commitment. In collaboration with stakeholders, Vizsla Silver aims to properly identify and manage water concerns and default risk with

best practice solutions in mind. Responsible water management includes the remediation of legacy tailing storage facilities.

### Biodiversity

SASB: EM-MM-160A.1

Vizsla Silver's Environmental and Climate Change Policy outlines the steps the Company has taken to ensure that operations will be conducted in a manner that respects and preserves biodiversity in the surrounding ecosystems. The Company aims to minimize impacts on local ecosystems while fostering a culture of environmental stewardship. This includes not operating within UNESCO World Heritage Sites.

### Waste and Hazardous Materials

SASB: EM-MM-150A.10

The Waste Management Policy outlines the Company's commitment to reducing waste, recycling, and managing waste materials in an environmentally responsible manner. Policies will evolve as operations move from exploration to development. All hazardous waste management practices are guided by ISO 14001:2015 Environmental Management Systems Standard. Prior to productive operations, the hazardous waste management plan will be authorized by Mexican authority NOM-052-SEMARNAT-2005.

The Environmental Superintendent provides oversight of waste and hazardous management and is responsible for compliance. Compliance mechanisms include weekly monitoring and inspections, verification, and reporting. During the exploration stage, Vizsla Silver is not engaged with business partners involved in mining waste or hazardous materials aside from fuel used in drilling operations. All vendors and contractors are required to comply with Company policies, as described in the Supplier Code of Conduct, and maintain appropriate authorizations.

## ENVIRONMENTAL GOALS & ACTIONS

### GOAL

#### GREENHOUSE GAS EMISSIONS Measure GHG emissions

E1

### ACTION

- Vizsla Silver commissioned its second GHG inventory. The inventory was developed in accordance with the revised GHG Protocol Corporate Standard and the Corporate Value Chain Accounting and Reporting Standard. Procedures and calculations per the ISO Standard 14064-1 (pertaining to GHG quantification) were utilized.
- Vizsla Silver began collecting fuel consumption data from drilling contractors and has incorporated emissions data into its annual GHG Inventory Report.

More details regarding the GHG inventory can be found in [FY 2023/24 GHG Inventory Report](#).



Inspection of safety devices on rigs at Copala town



Water pipes for drilling, road irrigation and community support

### GREENHOUSE GAS EMISSIONS

#### Set GHG emissions target and reduce emissions

E2

- In 2024, the Vizsla Silver management team participated in an ESG Vision Workshop to review results from the GHG inventory and identify various pathways to total absolute net zero emissions as part of a short- and long-term strategy to manage both Scopes 1 & 2 GHG emissions. Vizsla Silver has evaluated emissions reduction scenarios and will continue to evaluate the technical and economic feasibility of electric vehicles and solar, as well as the purchase of carbon credits and renewable energy credits.

GOAL

ACTION

AIR QUALITY

Measure and reduce air quality pollutants

E3

- As part of the GHG inventory, Vizsla Silver has calculated fugitive emissions associated with Scope 1 emissions. Goals pertaining to air quality are included in the energy management goal, below.



Weather station: rain, temperature, radiation, wind and evaporation monitoring

Hazardous substance spill control training by Ingrid Gutiérrez (environmental monitor)

Water quality monitoring in the communities

ENERGY MANAGEMENT

Reduce energy consumption and increase use of renewable energy

E4

- The Company is aiming to not only use cleaner sources of energy but also reduce overall energy consumption. Vizsla Silver is exploring options to incorporate on-site renewable energy, transition to electric vehicles, and utilize other energy efficiency options.

WATER MANAGEMENT

Manage water responsibly

E5

- A water quality sampling was performed by a certified laboratory, identifying the parameters required for human, (domestic) and livestock use. Results were shared with local communities through formally convened assemblies in San Miguel del Carrizal and Copala.
- The Company has continued construction of two diversion channels to rectify drainage issues caused by legacy operational activities.

GOAL

ACTION

WASTE AND HAZARDOUS MATERIALS MANAGEMENT

Manage waste and hazardous materials responsibly

E6

- The Panuco Project is still in the exploration phase and is not currently producing hazardous waste or tailings waste. As part of the GHG inventory, however, Vizsla Silver has estimated the amount of nonproductive operational waste for all sites associated with the Panuco Project and has established a baseline for estimated waste generation.
- The Company continues to manage 80 waste bins, which Vizsla Silver placed throughout six different communities to collect domestic waste. Waste is collected by Vizsla Silver each week and disposed of at a municipal landfill.
- Vizsla Silver participated in an electronics recycling campaign in Mazatlan.



Weekly environmental monitoring at contractors' waste storage facilities

Electronic recycling campaign in Mazatlan

Fauna monitoring: rescue and relocation of amphibians

BIODIVERSITY

Identify areas of critical species and habitats and ensure long-term biodiversity preservation

E7

- The Company recognizes the importance of biodiversity conservation and has incorporated related principles and practices into its Environmental and Climate Change Policy.
- Vizsla Silver has taken the steps to identify nearby areas home to critical species and habitats. The Panuco Project is located 5.5 kilometres from the Ejido El Palmito preservation area, the nearest preservation area.
- Approximately 4,000 native trees, accounting for 15 different species, are being nurtured at Vizsla Silver's nursery. This proactive effort will ensure a healthy stock of plants for long-term restoration of any areas potentially affected by the Panuco Project.

## SASB PERFORMANCE METRICS INDEX

METRIC	FY 2022/23 DATA	FY 2023/24 DATA	UNIT OF MEASURE	SASB CODE	RELATED GOAL
<b>GREENHOUSE GAS EMISSIONS</b>					
Gross global Scope 1 emissions <sup>1</sup>	181	1,440	(t) CO <sub>2</sub> e	EM-MM-110a.1	<a href="#">E1</a>
Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	See 2023 Sustainability Report	See reference	n/a	EM-MM-110a.2	<a href="#">E1, E2</a>
<b>AIR QUALITY</b>					
Air emissions of the following pollutants <sup>2</sup> :					
Carbon monoxide (CO)	0.86	8.3	t	EM-MM-120a.1	<a href="#">E3</a>
Oxides of nitrogen (excluding N <sub>2</sub> O)	3.23	35.70	t	EM-MM-120a.1	
Oxides of sulphur (SO <sub>x</sub> )	1.02	2.30	t	EM-MM-120a.1	
Particulate matter (PM <sub>10</sub> )	0.06	2.50	t	EM-MM-120a.1	
Mercury (Hg)	0	0	t	EM-MM-120a.1	
Lead (Pb)	0	0	t	EM-MM-120a.1	
Volatile organic compounds (VOCs)	0.09	5.50	t	EM-MM-120a.1	
<b>ENERGY MANAGEMENT</b>					
Total energy consumed <sup>3</sup>	3,404	21,033	GJ	EM-MM-130a.1	<a href="#">E4</a>
Percent of energy from grid power	18%	3%	%	EM-MM-130a.1	
Percent of energy from renewables	0%	0%	%	EM-MM-130a.1	
<b>WATER MANAGEMENT</b>					
Total water withdrawn	744	46,808	m <sup>3</sup>	EM-MM-140a.1	<a href="#">E5</a>
Total water consumed	42	64	m <sup>3</sup>	EM-MM-140a.1	
Percentage of water withdrawn and consumed in regions with High or Extremely High Baseline Water Stress	93%	99%	%	EM-MM-140a.1	
Number of incidents of non-compliance associated with water quality permits, standards and regulations	0	0	#	EM-MM-140a.2	

<sup>1</sup> Vizsla Silver's increase in emissions between FY 2022/23 and FY 23/24 is due to an increase in data availability, rather than any change in operations. In FY 23/24, Vizsla Silver started collecting fuel consumption data from drilling operators. While drilling operators are considered third-party contractors, drilling is under the operational control of Vizsla Silver and therefore, is included in FY 2023/24 Scope 1 emissions.

<sup>2</sup> Vizsla Silver's increase in air pollutants between FY 22/23 and FY 23/24 is due to the inclusion of data from third party drilling operators. See footnote 1.

<sup>3</sup> Vizsla Silver's increase in total energy consumed between FY 22/23 and FY 23/24 is due to the inclusion of data from third party drilling operators. See footnote 1.

METRIC	FY 2022/23 DATA	FY 2023/24 DATA	UNIT OF MEASURE	SASB CODE	RELATED GOAL	
<b>WASTE &amp; HAZARDOUS MATERIALS MANAGEMENT</b>						
Total weight of non-mineral waste generated	8	4	t	EM-MM-150a.4	<a href="#">E6</a>	
Total weight of tailings produced	n/a	n/a	t	EM-MM-150a.5		
Total weight of waste rock generated	n/a	n/a	t	EM-MM-150a.6		
Total weight of hazardous waste generated	n/a	n/a	t	EM-MM-150a.7		
Total weight of hazardous waste recycled	n/a	n/a	t	EM-MM-150a.8		
Number of significant incidents associated with hazardous materials and waste management	n/a	n/a	#	EM-MM-150a.9		
Description of waste and hazardous materials management policies and procedures for active and inactive operations	See 2023 Sustainability Report	See reference	n/a	EM-MM-150a.10		
<b>BIODIVERSITY IMPACTS</b>						
Description of environmental management policies and practices for active sites	See 2023 Sustainability Report	See reference	n/a	EM-MM-160a.1		<a href="#">E7</a>
Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation <sup>4</sup>	n/a	n/a	%	EM-MM-160a.2		
Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	0%	0%	%	EM-MM-160a.3		
<b>SECURITY, HUMAN RIGHTS &amp; RIGHTS OF INDIGENOUS PEOPLES</b>						
Percentage of (1) proved and (2) probable reserves in or near areas of conflict <sup>5</sup>	0%	0%	%	EM-MM-210a.1	<a href="#">S1</a>	
Percentage of (1) proved and (2) probable reserves in or near Indigenous land	0%	0%	%	EM-MM-210a.2		
Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	See 2023 Sustainability Report	See reference	n/a	EM-MM-210a.3		

<sup>4</sup> Not Applicable: Vizsla Silver is not yet in productive operations, with no waste rock or tailings.

<sup>5</sup> Mexico is not considered an area of conflict. (Department of Peace and Conflict Research, Uppsala Conflict Data Program, 2023)

## SASB PERFORMANCE METRICS INDEX (cont.)

METRIC	FY 2022/23 DATA	FY 2023/24 DATA	UNIT OF MEASURE	SASB CODE	RELATED GOAL
<b>COMMUNITY RELATIONS</b>					
Discussion of process to manage risks and opportunities associated with community rights and interests	See 2023 Sustainability Report	See reference	n/a	EM-MM-210b.1	<a href="#">S2</a>
Number and duration of non-technical delays <sup>6</sup>	15	0	# Days	EM-MM-210b.2	
<b>LABOUR RELATIONS</b>					
Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees <sup>7</sup>	0%	0%	%	EM-MM-310a.1	n/a
Number and duration of strikes and lockouts <sup>7</sup>	0	0	# Days	EM-MM-310a.2	
<b>WORKFORCE HEALTH &amp; SAFETY</b>					
All-incidence rate	2.4	2.0	Rate	EM-MM-320a.1	<a href="#">S6</a>
Fatality Rate	0	0	Rate	EM-MM-320a.1	
Near Miss Frequency Rate (NMFR)	3.2	2.29	Rate	EM-MM-320a.1	
Average hours of health, safety, & emergency response training for:					
(a) direct employees	16.4	34.5	Rate	EM-MM-320a.1	
(b) contract employees	16.4	34.5	Rate	EM-MM-320a.1	
<b>BUSINESS ETHICS &amp; TRANSPARENCY</b>					
Description of the management system for prevention of corruption and bribery throughout the value chain	See 2023 Sustainability Report	See reference	n/a	EM-MM-510a.1	<a href="#">G3</a>
Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	0	0	t saleable	EM-MM-510a.2	n/a

<sup>6</sup> While there were 0 company-wide delays at active sites, there was a partial closure of the Coco Plant, where legacy clean-up efforts are underway. The non-technical delay was due to the expiration of the land lease; the duration of the delay was 120 days.

<sup>7</sup> The workforce does not have collective bargaining at this time. There have been no strikes during the reporting period.

METRIC	FY 2022/23 DATA	FY 2023/24 DATA	UNIT OF MEASURE	SASB CODE	RELATED GOAL
<b>TAILINGS STORAGE FACILITIES MANAGEMENT</b>					
Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP <sup>8</sup>	n/a	n/a	Various	EM-MM-540a.1	n/a
Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities <sup>8</sup>	See 2023 Sustainability Report	See reference	n/a	EM-MM-540a.2	
Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities <sup>8</sup>	See 2023 Sustainability Report	See reference	n/a	EM-MM-540a.3	
<b>SASB ACTIVITY METRICS</b>					
Production of (1) metal ores and (2) finished metal products <sup>9</sup>	n/a	n/a	t saleable	EM-MM-000.A	n/a
(a) Total number of employees	102	82	#	EM-MM-000.B	
(b) Percentage contractors <sup>10</sup>	5%	6%	%	EM-MM-000.B	

<sup>8</sup> Vizsla Silver's operations are not yet in the production phase and are not producing tailings waste.

<sup>9</sup> Not Applicable: Vizsla Silver's operations are not yet in the production phase and are not producing (1) metal ores and (2) finished metal products.

<sup>10</sup> Data used for normalization purposes.

# IFC ALIGNMENT

## ENVIRONMENTAL SASB: EM-MM-160A.1

International Finance Corporation (IFC) Objectives	Vizsla Silver Alignment
<b>STANDARD 1</b>	
To identify and evaluate environmental and social risks and impacts of the project.	Standard addressed within: <ul style="list-style-type: none"> <li>Environmental &amp; Climate Change Policy</li> <li>Health and Safety Policy</li> <li>Human Rights Policy</li> </ul>
To adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, Affected Communities, and the environment.	
To promote improved environmental and social performance of clients through the effective use of management systems.	
To ensure that grievances from Affected Communities and external communications from other stakeholders are responded to and managed appropriately.	
To promote and provide means for adequate engagement with Affected Communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.	
<b>STANDARD 3</b>	
To avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities.	Standard addressed within: <ul style="list-style-type: none"> <li>Environmental &amp; Climate Change Policy</li> <li>Waste Management Policy</li> <li>Water Management Policy</li> </ul>
To promote more sustainable use of resources, including energy and water.	
To reduce project-related GHG emissions.	
<b>STANDARD 4</b>	
To anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances.	Standard addressed within: <ul style="list-style-type: none"> <li>Environmental &amp; Climate Change Policy</li> <li>Human Rights Policy</li> </ul>
To ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities.	
<b>STANDARD 6</b>	
To protect and conserve biodiversity.	Standard addressed within: <ul style="list-style-type: none"> <li>Environmental &amp; Climate Change Policy</li> </ul>
To maintain the benefits from ecosystem services.	
To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.	
<b>STANDARD 4</b>	
To anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances.	Standard addressed within: <ul style="list-style-type: none"> <li>Human Rights Policy</li> <li>Environmental &amp; Climate Change Policy</li> </ul>
To ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities.	

## COMMUNITY RIGHTS & INTERESTS SASB: EM-MM-210B.1

International Finance Corporation (IFC) Objectives	Vizsla Silver Alignment
<b>STANDARD 5</b>	
To avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs.	Standard addressed within: <ul style="list-style-type: none"> <li>Human Rights Policy</li> </ul>
To avoid forced eviction.	
To anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected.	
To improve, or restore, the livelihoods and standards of living of displaced persons.	
To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.	
<b>STANDARD 8</b>	
To protect cultural heritage from the adverse impacts of project activities and support its preservation.	Standard addressed within: <ul style="list-style-type: none"> <li>Human Rights Policy</li> </ul>
To promote the equitable sharing of benefits from the use of cultural heritage.	

### CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Sustainability Report constitute forward-looking statements or forward-looking information under applicable securities laws (collectively, "forward-looking statements"). Such statements relate to future events or the Company's plans, performance, business prospects, or opportunities.

Forward-looking statements include, but are not limited to:

- our business strategy, sustainability strategy and our ESG goals, targets and activities;
- the achievement of the objectives and key performance indicators stated in this report and the potential future benefits and outcomes from our activities and initiatives; and
- anticipated development, expansion, exploration and drilling activities.

All forward-looking statements contained in this document represent the Company's views as of the date of this report. We have included forward-looking statements to assist our shareholders and other stakeholders in understanding our business- and sustainability-related goals, objectives, and impacts. By their very nature, forward-looking statements require us to make assumptions. There are many factors, circumstances, and risks (known and unknown) that could cause the actual results to be materially different from those implied or expressed by these forward-looking statements, including changes in ESG goals and policies; changes in project parameters as plans continue to be refined; that our compliance, safety, environmental and other risk management programs will continue to be effective, or that any of our programs will be as effective as anticipated; commodity prices; actual performance of plant, equipment or processes relative to specifications and expectations; accidents; fluctuations in costs; labour relations; availability and performance of contractors; relations with local communities; changes in national or local governments; changes in applicable legislation or application thereof; delays in obtaining approvals or financing; requirements for additional capital; environmental risks, as well as those set forth in our public filings.

The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included herein should not be unduly relied upon. These statements speak only as of the date hereof. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws.



**CORPORATE OFFICE**

---

595 Burrard Street, Suite 1723  
Vancouver, British Columbia  
V7X 1L4

T +1 604 364-2215

E [info@vizslasilver.ca](mailto:info@vizslasilver.ca)

[vizslasilvercorp.com](http://vizslasilvercorp.com)

