# AURVISTA GOLD CORPORATION

(An Exploration Company)

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended

March 31, 2014 and 2013

(First Quarter, 2014)

This management's discussion and analysis (”MD&A”) of Aurvista Gold Corporation, (“Aurvista” or the “Company”), follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of Aurvista, on how the Company performed during the first three months of 2014. It includes a review of operations for the three months and a review of the Company's financial condition as at March 31, 2014 and the comparable period ended March 31, 2013.

This MD&A complements the unaudited financial statements for the first three months ended March 31, 2014 and 2013. It is intended to help the reader understand and assess the significant trends, and the risks and uncertainties related to the results of operations. It should be read in conjunction with the more fulsome disclosures of the audited financial statements and the accompanying audit report and notes to the financial statements for the year ended December 31, 2013.

The unaudited financial statements for the quarters ended March 31, 2014 and 2013 have been prepared in accordance with IAS 1, Presentation of Financial Statements.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com. The shares of Aurvista are listed on the TSX Venture Exchange under the symbol "AVA".

## REPORT'S DATE

This MD&A was prepared with the information available as at May 27, 2014

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

**This document is required by securities legislation to contain and does contain forward-looking statements, which reflect the Company's current expectations regarding future events. To the extent that any statements in this document contain information that is not historic, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" “might”, “could” and "believe". In the interest of providing shareholders and potential investors with information regarding Aurvista, including management's assessment of future plans and future operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks.**

**Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Corporation or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.**

**APPROVAL OF FINANCIAL STATEMENTS**

On May 27, 2014, the Board of Directors, on the recommendation of the audit committee, approved Aurvista's unaudited first quarter financial statements and this MD&A.

**NATURE OF ACTIVITIES**

Aurvista was incorporated on June 3, 2010 under the *Ontario Business Corporations Act*. On June 22, 2011, the Company was reconstituted under the *Canada Business Corporations Act* by letters of continuance. Aurvista is involved in the acquisition, exploration and development of mining properties in Canada. Aurvista's asset is the Douay Gold Project, consisting of 221 contiguous designated wholly-owned claims totaling approximately 11,430 hectares plus 32 contiguous designated joint venture claims totaling approximately 1,194 hectares located on the Casa Berardi Fault in northern Quebec.

Richard J. ("Rick") Adams, an experienced Chief Executive Officer drawing on a strong business and technical team with extensive exploration and mine production experience, leads the Company.

The Company uses advanced exploration techniques with the aim of discovering commercially exploitable gold deposits, which can either be placed into production by the Company or sold for a profit to companies that wish to place such deposits into commercial production.

The Company will aggressively continue to seek new opportunities in compliance with the corporate strategy.

## Performance in the Comparable Periods

### Management

Rick Adams is Chairman, President and Chief Executive Officer of Aurvista in addition to his role as a Director of the Company. Mr. Adams is a Professional Engineer who holds an MBA in Finance. He is an experienced Mining Executive with a proven international record of accomplishment in due diligence, finance, development, construction and operation. Mr. Adams is experienced in gold, nickel, copper, zinc, and diamond mining operations, and has been employed by, or consulted to, many of the world's largest resource companies, including Xstrata, AngloGold, Barrick, Placer Dome, Votorantim, INCO, Falconbridge, Teck-Cominco, Hudson Bay Mining & Smelting, DeBeers and Rio Tinto. He has worked in executive, operational and consulting roles for companies with projects in North America, Central America, South America, Europe, Asia and Africa. Mr. Adams was a Founder and Director of Castle Gold Corp., a Central American gold producer that was successfully sold in 2010 for $110 million.

Jean Lafleur is Vice President, Exploration. Mr. Lafleur is a Professional Geologist with 30 years experience in various capacities within the mineral exploration industry, including company, project and property evaluations and audits, project planning and execution, supervision and management, and resource estimations. He received his B. Sc. and M. Sc. degrees in Geology from the University of Ottawa, and has been active in mineral exploration, both in Canada and internationally (Africa, Mexico and Ecuador), with a wide range of industry-leading companies, such as Newmont, Falconbridge and Placer Dome. From 1998 to 2003, Mr. Lafleur worked with McWatters Mining Inc., a Quebec-based junior exploration and mining company, and was instrumental in the discovery of new ore reserves for the company's gold projects in the Val-d'Or and Malartic Mining camps, including developing the bulk gold exploration program at the Canadian Malartic Gold Property which eventually became Osisko's 11.1 million ounce Canadian-Malartic Deposit, which exhibits many similarities to the "porphyry" zone at Aurvista's Douay property.

Bryan Keeler is CFO in addition to his role as Director of the Company. Mr. Keeler has served in numerous operating and finance roles mostly at the CFO and Board level in the mining industry for over 25 years. Mr. Keeler received his B.Comm from the University of Toronto and articled as a Chartered Accountant with Clarkson Gordon & Co. Mr. Keeler worked for Westar Timber, Noranda Forest, Denison Mines and then with Gerald McCarvill in building Repadre Capital, McCarvill Corporation and Norvista Resources.

**Stock Performance**

The Company moved its management team from Montreal to Toronto in 2012. The Company's Head Office remains in Montreal but the Toronto business office is now at the centre of the world's largest capital market for small to medium sized exploration companies. In March 2012, the Company was able to raise $1.6 million in the sale of units at $0.25 per unit, each unit consisting of a share and a ½ warrant. Each whole warrant would entitle the purchaser to acquire an addition share of Aurvista at $0.35 per share.

It was during this financing that management sensed for the first time that the capital markets were beginning to weaken and would become, two years later, the bear market in which we now operate. The Company was impacted, losing share price. Capital raises subsequent to the March 2012 financing have been difficult. The significant decline in share price is chronicaled below.

In anticipation of the 2013 drilling program, the Company, in November 2012, went back to the capital markets looking to raise up to $4.5 million. The capital markets were much more difficult than had been anticipated. The Company raised by brokered private placement $1.5 million in units at $0.25 per unit and in early 2013 cleaned up the offering through an unbrokered private placement of $130,000 in units again at $0.25 per unit. Each unit consisted of one common share and ½ share purchase warrant, each whole warrant entitling the purchaser to acquire a further common share at $0.40 per share. In addition to the common share issue the Company issued flow-through shares raising $1.225 million at $0.30 per share. In total the Company raised $2.8 million, well short of the $4.5 million target. Since that time market conditions have weakened further and prices offered are such that major dilution would take place if accepted.

On January 25, 2013, the Company concluded the final tranche of the above private placement issuing 520,000 units for aggregate proceeds of $130,000.

On April 22, 2013 the Company settled the promissory note and accrued interest thereon payable to Norvista Resources Corporation ("Norvista") through the issuance of 3,928,274 common shares at a fair market price of $0.23 per share.

Since that time, markets declined rapidly, and the Company seeing the rising tide of negativity decided at that time to withdraw any discretionary expenditures including those in support of marketing the Company and its shares as not being productive at this time. Such expenditures will be reconsidered in a period of recovering prices. Share prices have remained in the $0.045 to $0.06 range recently but hit a low of $0.035 early in the fourth quarter of 2013.

As detailed below under operating performance, the Company's re-examined its publicly stated primary focus towards low-grade bulk mining and took steps to conceptualize higher grade production from the Douay West Zone in combination with potentially creating a Toll Milling or similar agreement (again, all as detailed under Operating Performance below). The Company believes that a Toll Milling or Joint Venture production arrangement may be seen as a positive step in restoring per share values.

**Operating Performance**

The 2012 drilling program and the resulting Block Model analysis substantially increased the inferred resources of the Douay project. The details of the mineral resource follow under Exploration Activity.

Given the response to our November 2012 financing, the Company cut the first phase of the 2013 Drilling Program in half, focusing only on key areas of interest but with the hope that capital markets would turn around in early 2013. Not only did capital markets not turn around, they got worse.

During the First Quarter of 2013 and to a limited extent in April 2013 the Company completed Phases 1 and 2 of its three-phase 2013 Drill Program. This led to the discovery of two new gold zones within the South Porphyry, which extends 1.5 kilometers south of the Main Porphyry. Drilling confirmed again that the Douay property contains a large low grade gold envelope which contains high grade veins, lenses and pods. It also contains the highly prospective, but largely unexplored, Pull-Apart Zone.

Management was pleased with the results of the Drill Program and all drilling decisions that had gone into developing the program but it was clear that capital markets did not respond. It was not clear whether the capital markets were being driven down by risk aversion to junior exploration, by a growing aversion to low grade bulk mining projects or by our specific drill results. It is true that our drill results showed new areas of long intervals of very low grade material. Management's view was that if there is a continuation of the gold bearing envelope there is in all likelihood a continuation of higher grade veins, pods and lenses therein. Numerous higher grade sections have yet to be detected due to the very large, 200 meter, drill-hole spacing. This is a hypothesis as of now, but management believes that this is correct.

Management can't do much about a capital markets aversion to junior mining exploration, however, we did re-examine the bigger picture fundamentals of low-grade bulk mining and concluded that at gold prices in the current range of $1,300 per ounce low-grade bulk mining was producing financial results insufficient for Aurvista to justify the extensive capital cost of building a low-grade bulk mining facility. Aurvista also made the judgment that the ultimate size of its resource would likely be smaller than that of each of Detour Gold and Osisko Gold, further diminishing our economies of scale. Accordingly at current gold prices, management changed its primary focus over to the higher gold grade zones and their production potential. Low grade bulk mining will always remain as a long-term opportunity but is not currently a primary focus. To this end the Company engaged a mine engineering firm to conceptualize the development of the relatively well defined high-grade Douay West Zone. Their report has now been received. The engineering study will be used as a focal point in the internal evaluation of the Douay West Zone and the report will be used as an integral piece of the ongoing planning and development of the Douay West Zone. Until a feasibility study has been completed, there is no certainty the proposed operations will be economically viable. As a result of the engineering report, additional studies, reviews and testing were initiated on the project, all of which are presented in the Exploration Activities section below.

**Financial Performance**

Aurvista recorded a Net Profit/(Loss) in the three months ended March 31, 2014 of ($24,870) compared to Net Profit of $246,471 in the same periods of 2013. On a per share basis this equates to $(0.000) and $0.004 per share, respectively. Please see the detailed comparisons below under Selected Quarterly Information. General and Administrative Costs were $91,449 in the first quarter of 2014 compared to $189,841 in the comparable period of 2013. Looking forward there are still some minor areas of cost reduction but there are also areas such as operating personnel which will increase in 2014 plus legal and advisory costs associated with developing a toll milling or joint venture structure plus the recommencement of marketing the Company, which will begin in due course. Further, the Premium on Flow-Through Shares, an Income item, was $nil for the first three months of 2014 compared to $346,958 in the comparable period in 2013. The Premium on Flow-Through Shares is firstly contingent on doing flow-through financing and secondly priced at a premium to the then market. At this time it is difficult to forecast whether the Company will issue flow-through shares in 2014 let alone to forecast the size of the premium if any that could be achieved. On one hand, there is a large need of exploration capital for companies, including Aurvista but on the other hand at the current low level of stock prices and the associated excessive dilution there is not a lot of qualifying exploration spending being planned. At this time, in this capital market, it does not seem to make sense to raise further capital with its associated heavy dilution. If capital markets improve and Aurvista's share prices increase the Company will certainly consider additional financings and new drilling programs to better define additional higher-grade zones. The Deferred Income Tax Recovery was $58,663 in the three months ended March 31, 2014 compared to a recovery of $102,495 in the same period of 2013. In both periods, the recovery was generated by the expiry of warrants and the elimination of the accounting value thereto.

As at March 31, 2014, the Company remains well financed with $1,456,026 in Working Capital and a current burn rate of about $50,000 monthly ($600,000 per annum) (not including drilling). Please see our more fulsome comments under Liquidity and Capital Resources.

In summary, 2012, 2013 and the start of 2014 has been a very difficult period, but despite that challenge, the Company made progress in developing the Douay Gold Project. The Company believes that the Douay Project now represents one of the largest undeveloped gold deposits in Quebec. Higher grade zones could feed the need for self-funded cash flow and the middle to lower grade zones and the prospective but largely unexplored area known as “the Pull-Apart”, could sit as a costless option against higher gold prices.

## Exploration Activities

The technical data that follows has been verified by Marc L’Heureux, P. Geo. and Qualified Person as defined by *National Instrument 43-101 – Standards of Disclosure for Mineral Projects*.

### Douay Gold Project

During the quarter, the Company has undertaken a geophysical test program to define the thickness of the overburden materials (namely clay) overlying the Douay West Zone. The results will be correlated against the findings of past geotechnical holes to establish a depth to bedrock. The overburden thicknesses and the geomechanical properties will impact the overall slope angle that can be used for open pit design. A preliminary geotechnical review of past drilling, sampling, and laboratory testing is currently being conducted. The purpose of this review is to determine, at a preliminary level, a range of slope angles that can be applied to the overburden. These initial slope angles will better position the Company to decide on the practicality of mining the zone in part as an open pit or whether to focus solely on the underground potential.

At the same time the Company has undertaken a study to determine whether an optical sorting system can function effectively on Douay West Zone mineralization. If sorting is deemed to be feasible, such a system could reduce the cost of transporting ore to a milling facility or alternatively could increase the economic range over which ore can be transported. An extension to the economic transport range could increase the number of potential mills which might enter some form of toll milling arrangement.

The Douay property consists of 216 contiguous 100%-owned designated claims totaling approximately 11,408 hectares, 5 contiguous 90%-owned designated claims totaling 22.49 hectares, plus 32 contiguous 75%-owned designated joint venture claims totaling approximately 1,194 hectares located on the Casa Berardi – Cameron Fault in northern Quebec. The 32 joint venture claims relate to the North-West JV property which is an island of claims within the central northern part of the Douay Property. The North-West Claims are owned as to 75% Aurvista and 25% Soquem Inc., which is a Crown Corporation of the Province of Quebec. Such ownership is subject to Aurvista completing a further $175,000 of approved work with no time limitation on the Property. The 5 claims held at 90% by the Company are in joint venture with Vior Inc. that own the remaining 10%, and are located as well as an island within the central part of the Douay Property. The 10% Joint Venture interest can be purchased for $25,000.

In August, 2012, the independent consultant Cliff Duke, P. Eng., of Riverbend Geological Services completed a NI 43-101 resource estimate report on the Douay property. The resources in the report were estimated in accordance with the definitions contained in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards on mineral resources, and reserves definitions and guidelines that were prepared by the CIM standing committee on reserve definitions and adopted by the CIM council on Nov. 27, 2010. A supporting technical report was filed under the company's profile on SEDAR on August 10, 2012

Riverbend estimates that the 8 zones on the Douay property contain 2.7 Mt of Indicated Resource at 2.76 g/t Au for 238,000 oz. Au above a 0.3 g/t Au cut-off grade. An Inferred Resource of 115 Mt at 0.75 g/t Au for 2.75 M oz. Au above a 0.3 g/t Au cutoff has also been estimated. Among the 8 zones of the Douay property, the Douay West high-grade gold deposit contains 828,000 t of Indicated Resource at 5.78 g/t Au for 154,000 oz. Au above a 3.0 g/t Au cut-off grade, with an Inferred Resource of 181,000 t at 4.87 g/t Au for 28,400 oz. Au above a 3.0 g/t Au cutoff.

The updated mineral resource estimate includes all drilling completed to the end of March, 2012, and comprises results from 657 holes drilled on the project since its discovery. The Company also believes the Douay Gold Project represents one of the largest undeveloped gold deposits in Quebec.

**Subsequent Events and Outlook**

The Aurvista team is currently assessing best scenarios to maximize economic viability and technical feasibility of the Douay West deposit. In order to reduce the financial risk, the team is evaluating the most profitable scenario by going over preliminary engineering and geotechnical steps of different mining development options including surface, underground and a combination of both. A custom milling agreement will also have to be considered in this evaluation. These steps will be followed by the initiation of the permitting process as a prefeasibility study will be completed as per the mining lease requirement. A tentative timeframe of the different steps to production should be known during the next months.

On the exploration front, the Company is still generating drill targets on extensions to existing high-grade gold zone on the Douay Property. Apart from the Douay West deposit, several other high-grade zone were identified on the Property, namely the “10” Zone, the Main Zone, the NW JV Zone, some areas within the Main Porphyry Zone, and more recently the South Porphyry Zone. All those zones will be included in plans for drill testing as soon as financing is available.

## Selected quarterly financial information

The following selected financial information is derived from the Company’s unaudited interim financial statements and from audited annual financial statements. Since its incorporation, the Company has not paid nor does it plan to pay any cash dividends on its outstanding common shares. It is highly unlikely that any dividends will be paid in the near future.

Aurvista anticipates that the quarterly and annual results of operations will primarily be impacted for the near future by several factors, including the timing and extent of the exploration expenditures, the timing of funding secured and efforts related to the development of the Company. Due to these fluctuations, the Company believes that quarter-to-quarter and year-to-year comparisons of the operating results, while the company remains in the exploration stage, may be a misleading indication of future performance.

| Selected Quarterly Financial Information | | | | | |
|---|---|---|---|---|---|
| Four Quarters starting Apr 1, 2012 | | | | | |
| | | Three Mths June 30, 2012 | Three Mths Sept 30, 2012 | Three Mths Dec 31, 2012 | Three Mths Mar 31, 2013 |
| Statements of Comprehensive (loss) Income | | | | | |
| | Operating (Expenses) | $ (229,926) | $ (189,051) | $ (313,682) | $ (189,841) |
| | Income related to flow-through | 136,195 | | | 346,958 |
| | Finance Income | 1,525 | 1,411 | 1,734 | 670 |
| | Finance (Expense) | (21,760) | (15,966) | (21,512) | (13,811) |
| | Income Tax Expense | | | 351,847 | 102,495 |
| | Net Loss | (113,966) | (203,606) | 18,387 | 246,471 |
| | Other Comprehensive Loss | (27,000) | 54,000 | (70,267) | (27,000) |
| | Total Comprehensive Loss | $ (140,966) | $ (149,606) | $ (51,880) | $ 219,471 |
| | Net Loss per share, basic and diluted | $ (0.002) | $ (0.004) | $ (0.001) | $ 0.004 |
| Statements of Cash Flows | | | | | |
| | Cash Flows from operating activities | $ (780,977) | $ (215,327) | 167,233 | (317,019) |
| | Cash Flows from financing activities | 43,354 | (150,000) | 3,875,404 | 126,874 |
| | Cash Flows from investing activities | 270,512 | (16,255) | (2,948,476) | (426,675) |
| | Increase in Cash and Equivalents | $ (467,111) | $ (381,582) | 1,094,161 | (616,820) |
| | | As at June 30, 2012 | As at Sept 30, 2012 | As at Dec 31, 2012 | As at Mar 31, 2013 |
| Statements of Financial Position | | | | | |
| | Cash and Cash Equivalents | $ 1,193,544 | $ 811,962 | $ 1,906,123 | $ 1,289,303 |
| | Marketable Securities | 243,000 | 297,000 | 216,000 | 189,000 |
| | Funds Reserved for Exploration | 79,326 | | 1,224,999 | 149,895 |
| | Mining Properties | 20,892,875 | 20,892,875 | 20,892,875 | 20,892,875 |
| | Exploration and Evaluation Assets | 6,358,957 | 6,454,538 | 6,625,222 | 8,127,001 |
| | Equity | 25,987,095 | 25,915,989 | 28,057,990 | 28,341,936 |
| | Total Assets | 29,183,528 | 28,716,045 | 31,127,755 | 31,161,280 |

| Selected Quarterly Financial Information | | | | |
|---|---|---|---|---|
| Four Quarters starting Apr 1, 2013 | | | | |
| | Three Mths June 30, 2013 | Three Mths Sept 30, 2013 | Three Mths Dec 31, 2013 | Three Mths Mar 31, 2014 |
| | | | | |
| Statements of Comprehensive (loss) Income | | | | |
| Operating (Expenses) | $ (173,856) | $ (154,144) | $ (163,284) | $ (91,449) |
| Income related to flow-through | 48,374 | | | |
| Finance Income | | 6,199 | 4,151 | 8,020 |
| Finance (Expense) | (740) | (134) | -4,342 | (104) |
| Income Tax Expense | | | 180,900 | 58,663 |
| Net Loss | (126,222) | (148,079) | 17,425 | (24,870) |
| Other Comprehensive Loss | (108,000) | 27,000 | -9,113 | 27,000 |
| Total Comprehensive Loss | $ (234,222) | -$121,079 | $8,312 | $2,130 |
| | | | | |
| Net Loss per share, basic and diluted | $ (0.002) | (0.002) | $0.000 | $0.000 |
| | | | | |
| Statements of Cash Flows | | | | |
| Cash Flows from operating activities | (475,128) | (135,616) | 816,349 | $ 869,077 |
| Cash Flows from financing activities | (15,412) | | 935 | (935) |
| Cash Flows from investing activities | (139,505) | (110,916) | (126,722) | (127,558) |
| Increase in Cash and Equivalents | (630,045) | (246,532) | 679,562 | $ 740,584 |
| | | | | |
| | As at June 30, 2013 | As at Sept 30, 2013 | As at Sept 30, 2013 | As at Mar 31, 2014 |
| | | | | |
| Statements of Financial Position | | | | |
| Cash and Cash Equivalents | $ 659,258 | $ 442,691 | $ 1,092,288 | $ 1,832,872 |
| Marketable Securities | 81,000 | 108,000 | 81,000 | 108,000 |
| Funds Reserved for Exploration | | | | |
| Mining Properties | 20,892,875 | 20,892,875 | 20,892,875 | 20,892,875 |
| Exploration and Evaluation Assets | 8,318,601 | 7,093,961 | 7,255,133 | 7,344,632 |
| Equity | 29,048,775 | 28,966,172 | 29,039,350 | 28,993,905 |
| Total Assets | 30,449,389 | 30,396,332 | 30,321,778 | 30,221,609 |

## RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2014,

### Net Profit (Loss)

During the three months ended March 31, 2014, the Company realized a Net Profit (Loss) of ($24,870) as compared to a Net Profit of $246,471 for the same period in 2013. The first quarter of 2013 contained $346,958 in the amortization of the December 2012 flow-through premium. Each element of the net Profit (loss) is discussed below.

### Operating expenses

During the first quarter ended March 31, 2014, operating expenses were $91,449 as compared to $189,841 for the same period in 2013. General and Administrative were down in each cost category. Professional fees mainly legal fees were down as there were simply less issues. Office and general was down $49,249 from $66,977 in 2013 to $17,728 in 2014 due to lower rent, lower website development costs and no corporate marketing costs. Non-Cash Share-Based Payments expense was $11,088 in the first quarter of 2014 compared to $37,640 in the comparable period of 2013. The cost of the fourth quarter share option grant was much lower than prior years. As detailed in prior quarters the Company was able to move away, commencing in 2013, from a peer group basis of determining the

Black-Scholes variables. Management believed that the peer group method was generating too high a cost of issuing Warrants, Dealer Warrants and Options. The cost of Share-Based Payments in 2013 appears more in line with the range of costs management is seeing in the capital markets.

**Other income related to flow-through shares**

Most of the flow-through money raised in December 2012 was expended in the first quarter of 2013 with the remainder spent in the second quarter of 2013 and hence all of the premium, $395,332 was amortized to income in those periods. There was no amortization in the third or fourth quarters of either 2012 or 2013 and no amortization in the first quarter of 2014.

**Finance income**

Finance income is small and represents interest income on Guaranteed Investment Certificates. The Company keeps its excess cash in either GIC's or Money Market instruments, replenishing its chequing account needs with small transfers as necessary. GIC balances declined slightly as cash was transferred to chequing in the first quarter.. A deposit of $825,963 was made on March 26, 2014 but was not invested into a GIC by the Bank until shortly after March 31. Finance Income should increase again throughout the remainder of 2014.

**Finance expense**

The decrease in finance expense, $104 in 2014 compared to $13,811 in 2013, is the result of the conversion of Debt into Equity in the second quarter of 2013.

**Year to date analysis**

Year to date comparisons will commence in the second quarter report.

## LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2014, the Company had working capital of $1,456,026, compared to working capital of $1,590,892 as at December 31, 2013 and $1,111793 as at March 31 the year prior, after adjusting for the demand promissory note which was to be converted to common shares in the subsequent quarter. Current Assets consists mostly of Cash, Cash Equivalents and Marketable Securities. Other current asset and current liability accounts tend to be small. The Company continues to have a tax issue with respect to flow-through spending in 2010 and 2011 which remains open before the Tax Court of Canada. The Company reported in the second quarter MD&A that the Company had an agreement with Canada Revenue Agency (CRA) and was finalizing the matter. Subsequent to the release of that information CRA reconsidered their understanding of the agreement, leaving the Company with the continuing unresolved issue. The Company has accrued $442,000 as a current liability and as a potential settlement amount to or on behalf of the flow-through investors. CRA has rejected that proposed settlement concept and other similar proposals. At this time it is unknown as to the amount, if any, assigned by a Court ruling, the nature of the final Tax Court result or its impact on liquidity.

Short-term cash advances from Norvista Reasources were converted into Demand Promissory Notes in order to provide orderly documentation and effective April 1, 2013, such loans were converted into common shares of Aurvista at a price of $0.23 per share.

The Company's longer term ability to carry out its business plan is dependent on its obtaining additional financing or in the sale of the properties to third parties at a profit. As of the date of this MD&A, the Company believes it has sufficient cash on hand and working capital to continue operations for more than two or more years depending how the tax issue described above resolves itself. The Company's outstanding warrants and outstanding exercisable stock options may provide some additional capital but is unlikely. As at the date of this MD&A, the exercise price of the options and warrants is more than the market price of the Company's common stock.

### Cash flows from operating activities

Cash (outflows)/inflows (into)/from operating activities were $869,077 and ($317,019) respectively during the three month periods ended March 31, 2014 and 2013. The improved cash flow was caused by $949,619 in collections in Revenu Quebec accounts receivable regarding both Quebec Exploration Tax Credits and sales taxes refunds as compared to a build-up of sales tax accounts receivable of $245,866 in the first quarter of 2013, an improvement of $1,195,485. Adding to this improvement is a cash basis net loss of $72,367 in 2014 compared to a cash basis net loss in 2013 of $151,615, a further improvement of $79,248. Trade Accounts Payable declined $69,845, as there was drilling in the first quarter of 2013 but none in 2014.

### Cash flows from financing activities

Cash flows from financing activities were ($935) in 2014 compared to $126,874 in the first quarter of 2013. The March 2013 raise consisted of the cleanup of an underwriting in November/December 2012. The clean-up portion was 520,000 shares at $0.25 per share and one-half warrant exercisable some at $0.40 per share for proceeds totaling $130,000 less costs assigned to warrants and costs of share

During the recent past financing activities included the following transactions:

- In November and December, 2012, the Company closed two tranches of a private placement financing through Jacob Securities Inc. of Toronto, Ontario. Each Unit is priced at C$0.25 and will consist of one common share and one-half of one common share purchase warrant with each whole warrant exercisable at C$0.40 to purchase one common share for a period of 24 months from the closing date of the offering. Aggregate proceeds in a difficult market were $1,473,853. The Company closed a further tranche in January 2013 of $130,000.

- In December 2012 the Company concluded a private placement by issuing 4,083,326 flows-through common shares at a price of $0.30 per share for total proceeds of $1,224,998.

### Cash flows from investing activities

Cash out flows into investing activities were $127,588 in 2014 compared to an outflow of $426,675 in 2013 as the Company continued with its 2012/2013 winter drilling program. In the first quarter of 2013 Exploration and Evaluation assets expenditures were funded in part by flow-through funds and in part by available cash.

### TRANSACTIONS WITH RELATED PARTIES

Under an administrative agreement between the Company and Norvista (which shares common directors), the Company had as at December 31, 2013 a payable to Norvista of $935. The amount was paid in the first quarter of 2014. In addition the Company paid $32,280 in intercompany charges, which are an accumulation of the December 2012 intercompany balance of $17,368 plus rent charges, shared insurance, and sundry minor office administration costs for 2013. These transactions were measured at fair value and were conducted in the normal course of business.

Under an agreement between the Company and Global Mineral Advisory Services (“GMAS”), which is owned by the Chairman, President and CEO of the Company, during the three months ended March 31, 2014 GMAS invoiced the Company $30,000 ($120,000 for the twelve months of 2013) for CEO services provided. These transactions were measured at fair value and were conducted in the normal course of business.

## CONTINGENCIES

Governmental laws and regulations regarding environmental protection regulate the Company's operations. The environmental consequences are not easily identifiable, either in terms of results, the impacts or the expiration date. Currently, and to the best knowledge of its management, the Company is in conformity with current laws and regulations.

The Company has a tax issue with respect to flow-through spending in 2010 and 2011, which remains in appeal, in front of the Tax Court of Canada. The details have been fully described under Liquidity and Capital Resources above.

## Evaluation of Internal Control over Financial Reporting

Management maintains a system of internal control over financial reporting to provide reasonable assurance that assets are safeguarded from any loss or unauthorized use and that financial information is reliable and available in a timely manner. The President and Chief Executive Officer and the Chief Financial Officer have also designed or had designed internal controls over financial reporting to provide reasonable assurance that financial reporting is reliable and that the financial statements are designed to report financial information in accordance with IFRS. There were no important changes in the internal control over financial reporting during the three-month period ended March 31, 2014, that had or could reasonably be expected to materially affect the internal control over financial reporting ("ICFR").

## OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any Off Balance Sheet Arrangement or Off Statement of Financial Position Arrangement that is not disclosed in the Company's first quarter financial statements.

## SUBSEQUENT EVENTS

There were no events subsequent to March 31, 2014.

## GOING CONCERN ASSUMPTION

The annual financial statements have been prepared based on the going concern assumption, in other words, the Company will be able to realize its assets, discharge its liabilities and pursue its mining exploration program in the normal course of operations. Management is of the opinion that even without its capacity to continue to raise equity financing in the future, the Company will be able to meet its current exploration obligations and keep its properties in good standing for at least the next twelve months. Near the end of the first quarter of 2012 capital markets weakened significantly in particular for mining stocks and in particular for junior exploration companies. Capital Markets have remained weak for Junior Mining Companies through the date of this report. Management is adjusting plans accordingly. There are no commitments and no obligations with respect to exploration programs.

Given that the Company has not yet determined whether its mining properties contain mineral deposits that are economically recoverable, the Company did not generate income or cash flows from its operations prior to changes in working capital. These conditions raise doubts regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern subsequent to the next twelve months is dependent upon its ability to raise financing to explore its mining properties or to bring them into production. The potential impact of the outstanding tax issue is disclosed in detail under Liquidity and Capital Resources above. As noted above, capital markets weakened generally and in the junior mining exploration sector, the weakening was further exaggerated. Even if the Company has been successful in the past, there is no assurance that the Company will manage to obtain additional financing in the future. Management continually assesses its need for financing and its strategic alternatives, including potential changes to its exploration programs and the extent of its discretionary expenses.

The Company's financial statements do not include any adjustments to the assets carrying amount, to the expenses presented and to the reclassification of the Statement of financial position items that could be necessary should the Company be unable to continue its operations.

### Other Material Accounting Assumptions

The Company acquired the Douay Property for $20,892,875 and has spent and capitalized an additional $7,344,632 in exploration and evaluation expenditures. The carrying value of the Douay Project is $28,237,507.

On November 1, 2013 the Company received a report from a mine engineering consulting firm entitled "Douay West Conceptual Mining Assessment" (the "Report"). The report addressed pit planning, subsequent underground mine planning and the economics of developing the Douay West Zone. The full impact of the report will be discussed in detail when the 43-101 Report is filed.

The estimated net cash flow detailed in the report did not take into account the estimated future costs of permitting and development capital nor did it take into account any value which might have to be given in achieving a toll milling or joint venture agreement.

The resulting adjusted net cash flow is sufficient to demonstrate that an impairment provision against the total of the Mining Properties and capitalized Exploration and Evaluation carrying value is not required at this time. There is no assurance that any or all of the above assumptions may change with changes in, among other things, gold prices, exchange rates, cost estimates or engineering assumptions.

The Company is currently taking the necessary steps towards achieving a toll milling or joint venture agreement with local mills in the area. Subsequent to such agreement, if any, the Company will contract for an updated and 43-101 compliant report.

## CAPITAL MANAGEMENT

The Company's objective in managing capital is to ensure continuity as a going-concern as well as ultimately to safeguard its ability to defend the title to the Douay Property but at the same time to advance the project as quickly as possible given those constraints. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell an interest in mining properties to improve its financial performance and flexibility.

The Company defines its capital as the shareholders' equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long-term debt, as the Company does not currently generate operating revenues. There is no dividend policy. The Company is subject to regulatory requirements related to the use of funds obtained by flow-through share arrangements. These funds have to be expended on eligible exploration expenses. The Company expects following completion of the inherited 2010 and 2011 flow-through issue with CRA to be in compliance of these regulatory requirements.

The Company's management of capital remained unchanged since the prior year.

| Capital | 2014 | 2013 | 2013 | 2013 | 2013 | 2012 | 2012 | 2012 |
|---|---|---|---|---|---|---|---|---|
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| | 28,993,905 | 29,039,350 | 28,966,172 | 29,048,775 | 28,341,936 | 28,057,990 | 25,915,989 | 25,987,095 |

**IFRS Accounting policies and estimates** The Company's significant accounting policies and estimates under IFRS are disclosed in the audited annual financial statements for year ended December 31, 2013.

### OTHER REQUIREMENTS IN THE MANAGEMENT DISCUSSION AND ANALYSIS

The following selected financial information is derived from audited and unaudited financial statements.

| Disclosure of outstanding share data (as at March 31, 2014) | | | | |
|---|---|---|---|---|
| Common shares outstanding; | | | | |
| | | 69,511,617 | | |
| Share options outstanding: | | 6,053,000 | | |
| Average exercise price of: | | $0.29 | | |
| | Expiry Date | Number of Shares | Exercise Price | Remaining Life |
| Nov'15 | | 1,323,000 | $0.40 | 1.8 |
| Jan'17 | | 500,000 | $0.40 | 2.8 |
| Oct'17 | | 1,900,000 | $0.40 | 1.5 |
| Dec'18 | | 2,330,000 | $0.12 | 4.7 |
| | | 6,053,000 | | |
| Warrants Outstanding: | | 3,207,706 | | |
| Average exercise price | | $0.40 | | |
| | Expiry Date | Number of Shares | Exercise Price | Remaining Life |
| Nov'14 | | 1,940,000 | $ 0.40 | 0.6 |
| Dec'14 | | 1,007,706 | $ 0.40 | 0.7 |
| Jan'15 | | 260,000 | $ 0.40 | 0.9 |
| | | 3,207,706 | | |
| Agent Options Outstanding: | | 0 | | |
| Average exercise price | | $0.00 | | |

## RISK AND UNCERTAINTIES

Aurvista is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

**Interest risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk.

The Company's policy as it relates to its cash balances is to invest excess cash in highly liquid, low-risk, short-term interest-bearing investments (such as banker's acceptances, term deposits, guaranteed investment certificates or bonds) with maturities of 360 days or less from the original date of acquisition.

The Company has limited exposure to financial risk arising from fluctuations in interest rates earned on cash equivalents and the volatility of these rates. As at March 31, 2014, cash equivalents total $1,832,872 and interest income was small.. A rise in interest rates could however increase the price of gold which could have a material impact.

**Liquidity risk**

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents to meet its financial obligations as they fall due. For this reason the Company reduced exploration spending in 2013 and remains flexible on 2014 exploration spending. The Company establishes budget and cash estimates to ensure it has the necessary funds to fulfill its obligations. Obtaining additional funds makes it possible for the Company to continue its operations, and while it has been successful in doing so in prior years, there can be no assurance it will be able to do so in the future. Late in the first quarter of 2012, capital markets weakened and have remained weak through the date of this report. In the mining exploration sector, the weakening was further exaggerated. Please see our more fulsome comments under Liquidity and Capital Resources.

**Credit risk**

Credit risk is the risk that one party will fail to discharge an obligation to a financial instrument and cause the other party to incur a financial loss. The Company's financial assets exposed to credit risk are primarily composed of cash and cash equivalents and Quebec tax credits and refunds. To mitigate exposure to normal trade credit risk, the Company policy is to limit the concentration of credit risk and to ensure counterparties demonstrate minimum acceptable worthiness. The Company's cash and cash equivalents are held at a large Canadian Bank.

**Market risk**

The Company holds common shares of a public company in the mineral exploration industry. The holding is strategic but the holding does expose the Company to market risk in ultimately trading these shares and to unfavourable market conditions, which could result in the disposal at less than their value as at December 31, 2013. As at March 31, 2014, the value of these common shares and warrants is $108,000.

**Exploration and mining risks**

The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. At present, other than the original Douay West high-grade ore body, which is relatively small, there are no technically demonstrated concentrations of obviously commercial ore on the mineral properties of which the Company owns an interest. However, that being said, taking the mineral resources as a whole, the Company believes that there is a favourable probability that a commercial mine will be built. Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company from time to time increases its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There is no underground or surface plant or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

### Titles to property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects. The Company must spend $175,000 to effect its 75% joint venture interest in small number of certain claims.

### Permits and licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects. The Company has commenced application on certain claims.

### Metal prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted. The price which management watches is the long-term forecast price of gold.

### Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees. Having said that, and acknowledging the risk, it could be of great benefit to attract such a competitor as a partner in a joint venture to fully explore the large Douay property.

### Environmental regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company makes every effort to fully comply with all environmental regulations.

### Conflicts of interest

Certain directors are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

### Stage of development

The Company's properties are in the advanced exploration stage and to date none of them has a proven ore body, other than the Douay West Zone. The Company does not have a history of earnings or providing a return on investment, and in future, there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

### Industry conditions

Future mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

### Uninsured hazards

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards which cannot be insured against or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company's assets or the insolvency of the Company.

### Future financing

Completion of future programs may require additional financing, which may dilute the interests of existing shareholders.

### Key employees

Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

**Canada Customs and Revenue Agency**

No assurance can be made that Canada Customs and Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada). The Company is currently negotiating with CRA to settle a claim against flow-through investors. The Company accrued $442,000 as a current liability and as a potential settlement amount on behalf of the flow-through investors. CRA has rejected that proposal and other similar proposals. At this time it is unknown as to the amount, if any, or the nature of the final result.

## CERTIFICATION OF QUARTERLY FILINGS

The President and Chief Executive Officer and the Chief Financial Officer have signed the Basic Certifications of Annual and Quarterly Filings as required by National Instrument 52-109 for venture issuer, thus confirming, the review, the absence of misrepresentations and the fair presentation of the annual filings.

- The President and Chief Executive Officer and the Chief Financial Officer confirm to have reviewed the annual audited financial report, the quarterly financial report, the MD&A and the Annual Information Form (if applicable),(together, the "annual filings") of the Company for the year ended December 31, 2013 and the three months ended March 31, 2014

- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the annual and quarterly filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the quarterly filings.

- Based on their knowledge, having exercised reasonable diligence, the President and Chief Executive Officer and the Chief Financial Officer confirm that the quarterly financial report together with the other financial information included in the quarterly and annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the period presented in the filings

- The President and CEO and the CFO have under Evaluation Of Internal Control Over Financial Reporting provided separate certificates regarding ICFR.