
AURVISTA GOLD CORPORATION
FINANCIAL STATEMENTS
YEARS ENDED
DECEMBER 31, 2015 AND 2014
(EXPRESSED IN CANADIAN DOLLARS)

Aurvista Gold Corporation

Statements of Financial Position (Expressed in Canadian dollars)

	As at December 31, 2015	As at December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents (note 5)	\$ 257,735	\$ 1,001,593
Marketable securities (note 6)	48,600	81,000
Other receivables (note 11)	114,165	1,188
Sales taxes receivable	109,817	213,909
Mining exploration tax credit receivable (note 11)	100,000	300,000
Prepaid expenses	27,670	22,848
Total current assets	657,987	1,620,538
Property and equipment (note 7)	2,275	4,094
Mining properties (note 8)	1	20,892,875
Exploration and evaluation assets (note 9)	1	7,427,171
Total assets	\$ 660,264	\$ 29,944,678
EQUITY AND LIABILITIES		
Current liabilities		
Trade accounts payable and accrued liabilities	\$ 312,574	\$ 255,067
Flow-through share liability (note 19)	442,000	442,000
Total current liabilities	754,574	697,067
Non-current liabilities		
Deferred tax liabilities (note 10)	-	478,318
	754,574	1,175,385
Equity		
Share capital (note 12)	32,014,380	32,014,380
Reserves	912,567	901,037
Accumulated other comprehensive loss	(269,425)	(241,318)
Deficit	(32,751,832)	(3,904,806)
Total equity	(94,310)	28,769,293
Total equity and liabilities	\$ 660,264	\$ 29,944,678

The accompanying notes to the financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

"R. Bryan Keeler", Director

"Robert A. Mitchell", Director

Aurvista Gold Corporation
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended December 31, 2015	Year ended December 31, 2014
Operating expenses		
General and administrative (note 15)	\$ (540,003)	\$ (550,673)
Finance income	3,779	20,898
Finance (expense)	(32,046)	(4,145)
Impairment of mining properties and exploration and evaluation assets (note 8)	(28,780,601)	-
Loss before income taxes	(29,348,871)	(533,920)
Income tax recovery - deferred	474,025	279,973
Net loss for the year	\$ (28,874,846)	\$ (253,947)
Other comprehensive loss		
Items that will be reclassified subsequently to income		
Net change in available for sale financial assets	\$ (32,400)	\$ -
Income tax on other comprehensive loss	4,293	-
Other comprehensive loss for the year	(28,107)	-
Total comprehensive loss for the year	\$ (28,902,953)	\$ (253,947)
Basic and diluted net loss per share (note 18)	\$ (0.415)	\$ (0.004)
Weighted average number of common shares outstanding	69,511,617	69,511,617

The accompanying notes to the financial statements are an integral part of these statements.

Aurvista Gold Corporation

Statements of Cash Flows

(Expressed in Canadian dollars)

	Year ended December 31, 2015	Year ended December 31, 2014
Operating activities		
Net loss for the year	\$ (28,874,846)	\$ (253,947)
Adjustments for:		
Amortization	1,819	1,442
Income tax recovery	(474,025)	(279,973)
Share-based payments	39,350	42,553
Impairment of mining properties and exploration and evaluation assets	28,780,601	-
Changes in non-cash working capital items:		
Trade accounts receivable	-	2,182
Other receivables	(112,977)	-
Sales taxes receivable	104,092	(67,538)
Mining exploration tax credit receivable	267,582	1,212,246
Prepaid expenses	(4,822)	2,732
Trade accounts payable and accrued liabilities	86,691	14,302
Net cash provided by (used in) operating activities	(186,535)	673,999
Investing activities		
Acquisition of property and equipment	-	(5,458)
Increase in exploration and evaluation assets	(489,741)	(758,301)
Net cash used in investing activities	(489,741)	(763,759)
Financing activities		
Proceeds from secured loan, net of costs	221,914	-
Repayments of secured loan	(289,496)	-
Payment to related party intercompany	-	(1,535)
Receipt from related party intercompany	-	600
Net cash used in financing activities	(67,582)	(935)
Net change in cash	(743,858)	(90,695)
Cash and cash equivalents, beginning of year	1,001,593	1,092,288
Cash and cash equivalents, end of year	\$ 257,735	\$ 1,001,593

The accompanying notes to the financial statements are an integral part of these statements.

Aurvista Gold Corporation

Statements of Changes in Equity

(Expressed in Canadian dollars)

Equity attributable to shareholders

	Reserves			Accumulated other comprehensive loss	Deficit	Total
	Share capital	Share-based payments reserve	Warrants reserve			
Balance, December 31, 2014	\$ 32,014,380	\$ 873,217	\$ 27,820	\$ (241,318)	\$ (3,904,806)	\$ 28,769,293
Warrant expiry	-	-	(27,820)	-	27,820	-
Share based payments	-	39,350	-	-	-	39,350
Net loss for the year	-	-	-	-	(28,874,846)	(28,874,846)
Other comprehensive loss	-	-	-	(28,107)	-	(28,107)
Balance, December 31, 2015	\$ 32,014,380	\$ 912,567	\$ -	\$ (269,425)	\$ (32,751,832)	\$ (94,310)
Balance, December 31, 2013	\$ 32,014,380	\$ 830,664	\$ 798,312	\$ (241,318)	\$ (4,362,688)	\$ 29,039,350
Warrant expiry	-	-	(770,492)	-	711,829	(58,663)
Share based payments	-	42,553	-	-	-	42,553
Net loss for the year	-	-	-	-	(253,947)	(253,947)
Balance, December 31, 2014	\$ 32,014,380	\$ 873,217	\$ 27,820	\$ (241,318)	\$ (3,904,806)	\$ 28,769,293

The accompanying notes to the financial statements are an integral part of these statements.

Aurvista Gold Corporation

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

1. Nature of operations and going concern

Aurvista Gold Corporation (the "Company" or "Aurvista") is a company domiciled in Canada. Aurvista was incorporated on June 3, 2010 under the Ontario Business Corporations Act and was continued under the Canada Corporations Act by articles of continuance dated June 22, 2011. The address of the Company's registered office is 250 Place d'Youville, 2e etage, Montreal, Quebec, H2Y 2B6. The Company is primarily involved in the exploration of mineral resources.

Until the Company has determined whether the properties, containing mineral reserves, can be economically mined, they are classified as mining properties. The recoverability of mining property costs and exploration and evaluation assets depends on the discovery of economically recoverable ore reserves, the Company's ability to obtain the necessary financing to complete the exploration and development of the mining properties and future profitable production or the disposal of the properties for proceeds in excess of their carrying value. The recoverability of mining property costs and exploration and evaluation assets increased during the year as the price of gold in Canadian dollars increased. However the Company was unable to raise financing and hence there is not certainty that its claims will remain in good standing through December 31, 2016. Accordingly the Company has booked an asset impairment reserve.

These financial statements have been prepared on the basis of 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. The Company has a working capital deficit at December 31, 2015 of \$96,587. Management is of the opinion that the Company will be able to meet its current exploration obligations, which are none, but can keep its properties in good standing for at least the next twelve months and can return to full scale operations only with its ability to raise equity financing or sell assets in the near term. Management believes that it will raise an additional financing which will correct the working capital deficit. Even if the Company has been successful in doing so in the past, there is no assurance that it will manage to obtain additional financing in the future. All exploration programs and its discretionary expenses are highly restricted.

Given that the Company now has a working capital deficiency and has not yet determined whether its mining properties contain mineral deposits that are economically recoverable and has an accumulated deficit of \$32,751,832, these conditions, together with the extreme current weakness in capital markets, raise significant doubts regarding the Company's ability to raise financing and to continue as a going concern.

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 balance sheet items that could be necessary should the Company be unable to continue its operations.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these financial statements are based on IFRSs issued and outstanding as of April 20, 2016, the date the Board of Directors approved the statements.

Aurvista Gold Corporation

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items in the statements of financial position:

- financial instruments at fair value through profit or loss are measured at fair value.
- available-for-sale financial assets are measured at fair value.

In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The Company has elected to present the statement of loss and comprehensive loss in a single statement.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

(i) Capitalization of mining properties and exploration and evaluation assets

Management had previously determined that mining properties and exploration and evaluation costs incurred have future economic benefits and believes that they are economically recoverable. In making this judgement, management has assessed various sources of information including but not limited to the geological and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Notes 8 and 9 for details of capitalized mining properties and exploration and evaluation costs.

(ii) Impairment of mining properties and exploration and evaluation assets

While assessing whether any indications of impairment exist for mining properties and exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of mining properties and exploration and evaluation assets.

Internal sources of information include the manner in which the assets are being developed and indications of preliminary expectations of economic performance of the assets. Estimates include but are not limited to preliminary estimates of the undiscounted future cash flows expected to be derived from the Company's properties and costs to sell the properties. Reductions in metal price forecasts, increases in preliminary estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse economics as well as the availability of cash to continue normal operations can result in a writedown of the carrying amounts of the Company's mining properties and exploration and evaluation assets.

Aurvista Gold Corporation

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

Use of estimates and judgements (continued)

(iii) Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets or liabilities recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

(iv) Share-based payments

Management determines costs for share-based payments using the Black-Scholes option pricing model. The fair value of the market-based and performance-based share awards are determined at the date of grant and incorporates Black-Scholes input assumption's including the future volatility of the stock price, expected dividend yield, and expected life. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Financial instruments

Financial assets and liabilities are initially recognized at fair value plus any directly attributable transaction costs except for those which are designated at fair value through profit or loss.

(i) Non-derivative financial assets

Financial assets at fair value through profit or loss:

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Aurvista Gold Corporation

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade accounts receivable, other receivables, amount due from a related party and funds reserved for exploration.

Cash and cash equivalents consist of cash balances and may include investment savings accounts, banker's acceptances, term deposits, guaranteed investment certificates and/or bonds with original maturities of three months or less from the date of acquisition.

Funds reserved for exploration are flow-through financing proceeds not invested in exploration and evaluation assets. The Company is committed to spend those amounts on exploration programs.

Available-for-sale financial assets:

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories.

Shares included in marketable securities are classified as available-for-sale financial assets. They are initially recognized at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognized in other comprehensive income and presented within equity in accumulated other comprehensive income. When an investment is realized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

(ii) Non-derivative financial liabilities

The Company classified its trade accounts payable and accrued liabilities and amount due to a related party as financial liabilities at amortized cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Aurvista Gold Corporation

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

Refundable credit on mining duties and refundable tax credit related to resources

The Company is eligible for a refundable credit on mining duties under the Quebec Mining Duties Act. This refundable credit on mining duties is equal to 8% of expenses incurred for mining activities in Quebec. The accounting treatment for refundable credit on mining duties depends on management's intention to go into production in the future or rather to sell its mining properties to another mining producer once the technical feasibility and the economic viability of the properties have been demonstrated. This assessment is made at the level of each mining property. In the first case, the credit on mining duties is recorded as an income tax recovery under IAS 12, Income Taxes, which generates at the same time a deferred tax liability and deferred tax expense since the exploration and evaluation assets have no more tax basis following the Company's election to claim the refundable credit. In the second case, it is expected that no mining duties will be paid in the future; and accordingly, the credit on mining duties is recorded as a government grant under IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, which is recorded against exploration and evaluation assets. Currently, credits on mining are recorded in compliance with IAS 12.

The Company is also eligible for a refundable tax credit related to resources for mining industry companies in relation to eligible expenses incurred. The refundable tax credit related to resources represents up to 31% of the amount of eligible expenses incurred and is recorded as a government grant against exploration and evaluation assets.

Credits related to resources and credits for mining duties recognized against exploration and evaluation expenditures are recorded when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. They are recognized in profit or loss on a systematic basis over the useful life of the related assets.

Property and equipment

Items of property and equipment are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Amortization is calculated over the depreciable amount, which is the cost of an asset, or another amount substituted for cost, less its residual value. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives and the methods of amortization for the current and comparative periods are as follows:

Computer equipment	Straight-line	3 years
Leasehold improvements	Straight-line	Lower of term of lease or economic life

Amortization methods, useful lives and residual values are reviewed periodically and at each financial year end and adjusted if appropriate.

Aurvista Gold Corporation

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

Mining properties and exploration and evaluation assets

Mining properties correspond to acquired interests in mining exploration permits and claims which include the rights to explore for, mine, extract and sell all minerals from such claims.

All pre-exploration costs, i.e. costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on an area of interest, are expensed as incurred.

Once the legal right to explore has been acquired, mining properties and exploration and evaluation expenditure are capitalized in respect of each identifiable area of interest until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

The Company capitalizes all exploration costs that result in the acquisition and retention of resource properties or an interest therein. The amount shown for mineral rights and deferred exploration expenditures represents costs to date, including acquisition, maintenance, exploration and salaries based on time spent. All other costs are expensed as incurred.

Mining properties and exploration and evaluation assets are carried at historical cost less any impairment losses recognized.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable for an area of interest, the Company stops capitalizing mining properties and exploration and evaluation costs for that area, tests recognized mining properties and exploration and evaluation assets for impairment and reclassifies any unimpaired mining properties and exploration and evaluation assets either as tangible or intangible mine development assets according to the nature of the assets.

Impairment

(i) Financial assets

Financial assets which are not carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event can be reliably estimated to have a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated discounted future cash flows. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in unrealized gains/losses on available-for-sale financial assets in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income.

Aurvista Gold Corporation

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

Impairment (continued)

(ii) Non-financial assets

The carrying amounts of intangible assets and property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment.

The carrying amounts of mining properties and exploration and evaluation assets are assessed for impairment only when indicators of impairment exist, typically when one of the following circumstances apply:

- Exploration rights have or will expire in the near future;
- No future substantive exploration expenditures are budgeted;
- No commercially viable quantities are discovered and exploration and evaluation activities will be discontinued;
- Exploration and evaluation assets are unlikely to be fully recovered from successful development or sale.

If any such indication exists, then the asset's recoverable amount is estimated.

Mining properties and exploration and evaluation assets are also assessed for impairment upon the transfer of exploration and evaluation assets to development assets regardless of whether facts and circumstances indicate that the carrying amount of the exploration and evaluation assets is in excess of their recoverable amount.

The recoverable amount of an asset or cash-generating unit, other than mining properties and exploration and evaluation assets, is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The level identified by the Company for the purposes of testing mining properties and exploration and evaluation assets for impairment corresponds to the mining property.

Mining properties and exploration and evaluation assets are valued at the undiscounted estimated future cash flows because of the highly cyclical nature of commodity prices.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to the assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized for the asset in prior years.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The Company has no material provisions at December 31, 2015 and December 31, 2014, except for the provision disclosed in note 19.

Aurvista Gold Corporation

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

Share capital

(i) Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(ii) Flow-through shares

The Canadian tax legislation permits an entity to issue securities to investors whereby the deductions for tax purposes relating to resource expenditures may be claimed by the investors and not by the entity. These securities are referred to as flow-through shares. The Company finances a portion of its exploration programs with flow-through share issuance.

At the time of share issuance, the Company allocates the proceeds between share capital and an obligation to deliver the tax deductions, which is recorded as a liability for flow-through shares obligation. The Company estimates the fair value of the obligation using the residual value method, i.e. by comparing the price of the flow-through share to the price of a common share.

(iii) Warrants

Warrants are classified as equity as they are derivatives over the Company's own equity that will be settled only by the Company's own equity instruments.

Share-based payments

The grant date fair value of share-based payment awards granted to directors, officers and service providers is recognized as a share-based payment expense, with a corresponding increase in share-based payments, over the period that the participants unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market conditions at the vesting date.

Leases

All leases meet the criteria of an operating lease and as such the leased assets are not recognized in the Company's statement of financial position.

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

Finance income and finance costs

Interest received and interest paid are classified under operating activities in the statement of cash flows.

Aurvista Gold Corporation

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized with regards to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred taxes are recognized as income or expense in profit or loss, except to the extent that tax arises from transactions recognized in equity. Therefore, when deferred taxes relate to equity items, a backwards tracing is necessary to determine the adjustment to taxes (e.g. change in tax rates and change in valuation allowance) that should be recorded in equity. For this purpose, the accounting policy of the Company is to first allocate changes in valuation allowance to capital losses due to share issuance costs before non-capital losses carryforwards.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise warrants and share options granted to employees and directors.

These potential common shares are not included in the calculation of the weighted average number of outstanding shares for diluted loss per common share when the effect would be anti-dilutive.

Segment reporting

The Company determined that it had only one operating segment, i.e. the mining exploration.

Aurvista Gold Corporation

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

New standards and interpretations not yet adopted

IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

3. Capital risk management

The Company's objective in managing capital is to ensure continuity as a going-concern as well as to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to 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 mining properties to improve its financial performance and flexibility.

The Company considers its capital to be equity, which comprises share capital, reserves, accumulated other comprehensive loss and accumulated deficit, which at December 31, 2015, totaled \$(94,310) (December 31, 2014 - \$28,769,293).

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 for eligible exploration expenses. The Company is in current compliance of these regulatory requirements. In 2011, the Company was underspent on Canada Revenue Agency's (the "CRA") interpretations of these regulations and is subject to an agreement with Canadian Taxation Authorities (see note 19 contingency).

The Company is subject to Policy 2.5 of the TSX Venture Exchange (TSX-V) which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2015, the Company is not compliant with Policy 2.5. The impact of this violation is not known and is ultimately dependent on the discretion of the TSX-V.

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

4. Financial risk management

Fair value

Certain of the Company's accounting policies and disclosures require the determination of fair value. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that financial asset or financial liability.

Aurvista Gold Corporation

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4. Financial risk management (continued)

Fair value (continued)

In establishing fair value, the Company uses a fair value hierarchy based on levels as defined below:

- Level 1: defined as observable inputs such as quoted prices in active markets.
- Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: defined as inputs that are based on little or no observable market data and, therefore, requiring entities to develop their own assumptions.

The carrying values of short-term financial assets and liabilities, which include trade accounts receivable, other receivables, funds reserved for exploration, trade accounts payable and accrued liabilities and amount due to a related company approximate their fair value because of the short-term nature of these items.

As of December 31, 2015 and December 31, 2014, all financial instruments held at fair value are considered to be level 1 under the fair value hierarchy.

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and foreign currency risk).

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, trade accounts receivable and other receivables. Cash is held with a select major Canadian chartered bank, from which management believes the risk of loss to be minimal. Trade accounts receivable and other receivables consist of receivables from unrelated companies. Amounts receivable are in good standing as of December 31, 2015. Management believes that the credit risk with respect to these amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2015, the Company had cash and cash equivalents and marketable securities of \$306,335 (December 31, 2014 - \$1,082,593) to settle trade accounts payable and accrued liabilities of \$312,574 (December 31, 2014 - \$255,067). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. As discussed in Note 1, the Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. To date the Company has been unsuccessful in securing additional financing in an extremely weak junior exploration company capital market. Management is continuing in its efforts to secure a financing and believes it will be successful.

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(Expressed in Canadian dollars)

4. Financial risk management (continued)

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash and cash equivalent balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is nil.

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As of December 31, 2015, the Company was not a precious minerals, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(i) Cash and cash equivalents are subject to floating interest rates. The Company has no variable debt and receives low interest rates on its cash and cash equivalents balances. As such, the Company does not have significant interest rate risk.

(ii) The Company's investment in marketable securities amounting to \$48,600 are subject to fair value fluctuations. As at December 31, 2015, if the fair value of the Company's investment in marketable securities had decreased/increased by 25% with all other variables held constant, comprehensive loss and equity for the year ended December 31, 2015 would have been approximately \$12,150 higher/lower.

Aurvista Gold Corporation

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5. Cash and cash equivalents

	As at December 31, 2015	As at December 31, 2014
Bank balances	\$ 257,735	\$ 18,703
Investment savings accounts	-	982,890
Cash and cash equivalents	\$ 257,735	\$ 1,001,593

6. Marketable securities

	As at December 31, 2015	As at December 31, 2014
Cost		
1,080,000 common shares of S.E.M. Vior Inc. ("Vior")	\$ 350,870	\$ 350,870
Unrealized (loss)		
1,080,000 common shares of Vior	(302,270)	(269,870)
	\$ 48,600	\$ 81,000

7. Property and equipment

Cost	Computer software	Leasehold improvements	Computer equipment	Total
Balance, December 31, 2013	\$ -	\$ 14,480	\$ 3,711	\$ 18,191
Additions	5,458	-	-	5,458
Balance, December 31, 2014	5,458	14,480	3,711	23,649
Balance, December 31, 2015	\$ 5,458	\$ 14,480	\$ 3,711	\$ 23,649

Accumulated Amortization	Computer software	Leasehold improvements	Computer equipment	Total
Balance, December 31, 2013	\$ -	\$ 14,480	\$ 3,633	\$ 18,113
Amortization during the year	1,364	-	78	1,442
Balance, December 31, 2014	1,364	14,480	3,711	19,555
Amortization during the year	1,819	-	-	1,819
Balance, December 31, 2015	\$ 3,183	\$ 14,480	\$ 3,711	\$ 21,374

Carrying value	Computer software	Leasehold improvements	Computer equipment	Total
Balance, December 31, 2013	\$ -	\$ -	\$ 78	\$ 78
Balance, December 31, 2014	4,094	-	-	4,094
Balance, December 31, 2015	\$ 2,275	\$ -	\$ -	\$ 2,275

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Notes to Financial Statements

Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

8. Mining Properties

	As at December 31, 2015	As at December 31, 2014
Douay property		
Opening balance	\$ 20,892,875	\$ 20,892,875
Impairment	(20,892,874)	-
Ending balance	\$ 1	\$ 20,892,875

Douay Property:

On July 5, 2010 and amended on March 7, 2011, the Company entered into an Agreement with Vior in order to acquire 100% of Vior's interest in the Douay Gold Property located 50 kms southwest of Matagami and 120 kms north of Amos, Quebec in Abitibi. The Douay property consists of 250 contiguous designated wholly-owned claims totaling approximately 133.1 square kilometres plus 5 contiguous designated 90% owned joint venture claims totalling 0.2 square kilometres plus 32 contiguous designated 75% joint venture claims totaling approximately 11.9 square kilometres (the "North West Claims") located on the Casa Berardi Fault in northern Quebec.

On July 5, 2010, the Company earned a 25% interest by paying \$1,500,000.

On May 26, 2011, the Company earned an additional 25% interest in the Douay Property, thereby bringing its total interest in the property to 50% by paying an additional \$1,500,000.

On August 9, 2011, following an Initial Public Offering and a consolidation of outstanding shares based on a 1 for 2 ratio, Aurvista earned the remaining 50% of the Vior interest in the Douay Project by issuing 21,250,000 shares to Vior. In addition Aurvista was declared to have completed its minimum of \$3,000,000 in exploration work on the Douay property on or before December 31, 2011.

The North West Claims are an island within the central northern part of the Douay Property. The North West Claims will be owned as to 75% by Aurvista and 25% by Soquem Inc., a Crown Corporation of the Province of Quebec, subject to Aurvista completing \$175,000 of work on the North West Claims. The work requirement is without a deadline.

On November 1, 2013, the Company received from P&E Mining Consultants Inc. a report 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 only. The Report was not 43-101 compliant. The Report was used for the basis of an impairment test at December 31, 2013 and no impairment provision was required.

On January 22, 2015, the Company received from P&E Mining Consultants Inc. a second report entitled "Technical Report and Preliminary Economic Assessment." The report was 43-101 and 43-101F1 compliant and was filed on SEDAR. A reasonable forward looking view of the resulting adjusted net cash flow from that report was sufficient to demonstrate that an impairment provision was not required for the Douay Property acquisition costs and the accumulated exploration and evaluation costs as at December 31, 2014 and as at December 31, 2015. However, due to financial constraints, no future substantive exploration expenditures are budgeted and the Company no longer has certainty as to its ability to meet continuing mining claim obligations. As a result, the Company has booked an asset impairment reserve against its mining properties and exploration and evaluation assets until such time as the Company is able to raise sufficient financing to remove this uncertainty.

Aurvista Gold Corporation

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(Expressed in Canadian dollars)

9. Exploration and evaluation assets

	As at December 31, 2015	As at December 31, 2014
Douay property		
Exploration and evaluation costs		
Opening balance	\$ 7,427,171	\$ 7,255,133
Drilling and core	158,436	306,785
Engineering	192,883	341,506
Environmental	652	135,017
Geochemical	-	3,120
Geology	72,429	91,033
Geophysics	149,072	4,784
Licences and permits	2,375	18,910
Project management and supervision	-	62,769
Other exploration costs	52,292	201,590
	8,055,310	8,420,647
Tax credit related to resources	(167,582)	(993,476)
Impairment	(7,887,727)	-
Ending balance	\$ 1	\$ 7,427,171

10. Income taxes

a) The following table reconciles the expected income tax expense (recovery) at the Canadian Federal and Provincial statutory rate of 26.5% (2014 - 26.5%) to the amounts recognized in the statements of operations

For the years ended December 31,	2015	2014
Net loss for the year before income taxes	\$ (29,348,871)	\$ (533,920)
Expected income tax recovery	(7,777,450)	(141,489)
Non-deductible stock based compensation	10,428	11,277
Share issue expenses deductible	(99,502)	(104,851)
Impairment of mining properties and exploration and evaluation assets	7,391,139	-
Non deductible expenses and other	1,360	(103,573)
Expiry of warrants and agent options	-	58,663
Income tax expense (recovery)	\$ (474,025)	\$ (279,973)

Aurvista Gold Corporation

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10. Income taxes (continued)

b) Significant components of the Company's deferred income tax assets (liabilities) are as follows:

As at December 31,	2015	2014
Non-capital losses carried forward	\$ 1,281,807	\$ 1,043,502
Property and equipment	27,805	27,323
Share issue costs	51,758	151,260
Marketable securities	40,051	35,758
Exploration and evaluation asset	1,194,248	(1,736,161)
Deferred tax assets (liabilities)	\$ 2,595,669	\$ (478,318)

c) Movement in deferred tax liabilities:

For the years ended December 31,	2015	2014
Balance, beginning of year	\$ (478,318)	\$ (699,628)
Recognized in equity	-	(58,663)
Recognized in other comprehensive income	4,293	-
Utilization of losses in net income	-	58,663
Recognized in net loss	474,025	221,310
Balance, end of year	\$ -	\$ (478,318)

d) As at December 31, 2015, the Company has \$4,837,008 of non capital losses which can be used to reduce taxable income in future years. These losses expire as follows:

2030	\$ 376,630
2031	1,190,823
2032	1,218,803
2033	489,458
2034	662,030
2035	899,264
	<u>\$ 4,837,008</u>

11. Secured loan payable

On September 4, 2015, the Company entered into an agreement to factor its 2014 claims for Quebec Exploration Tax Credits. The 2014 credits, originally estimated at \$300,000, were filed as part of its Quebec tax return to claim \$367,582. The Company factored \$275,600 of its claim, which was not to exceed 75% of the claim, less fees of \$16,480 and prepaid nine months of interest of \$37,206 based on annual interest of 18%.

Prior to December 31, 2015, the Quebec Exploration Tax Credits were received by the corporation that loaned the Company the funds. As a result, the loan payable was repaid during the period and the excess of the Quebec Exploration Tax Credits received over the repayment amount of \$114,165 has been setup in other receivables. This amount was received by the Company subsequent to December 31, 2015.

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Years Ended December 31, 2015 and 2014

(Expressed in Canadian dollars)

12. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2013, December 31, 2014 and December 31, 2015	69,511,617	\$ 32,014,380

13. Stock options

The following table reflects the continuity of stock options:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2013	6,053,000	0.29
Expired	(773,000)	0.40
Granted (i), (ii)	775,000	0.12
Balance, December 31, 2014	6,055,000	0.26
Expired	(3,125,000)	0.34
Granted (iii)	3,000,000	0.10
Balance, December 31, 2015	5,930,000	0.13

(i) On September 15, 2014, the Company granted 275,000 incentive stock options to an employee with each option exercisable into one common share of the Company at an exercise price of \$0.12 per share for a period of five years. The options vest 75,000 immediately with an additional 100,000 vesting on each of the next two anniversaries of the date of grant. The grant date fair value of \$10,560 or \$0.0384 per option was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 149% which is based on historical volatility, risk-free rate of return of 1.69% and an expected maturity of 5 years.

(ii) On October 29, 2014, the Company granted 500,000 incentive stock options to an officer with each option exercisable into one common share of the Company at an exercise price of \$0.12 per share for a period of five years. The options vest 1/3 on each anniversary of the date of grant. The grant date fair value of \$23,750 or \$0.0475 per option was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 148% which is based on historical volatility, risk-free rate of return of 1.56% and an expected maturity of 5 years.

(iii) On November 18, 2015, the Company granted 3,000,000 incentive stock options to certain directors, officers and consultants with each option exercisable into one common share of the Company at an exercise price of \$0.10 per share for a period of five years. The options vest 1/4 immediately and 1/4 on each anniversary of the date of grant. The grant date fair value of \$91,800 or \$0.0306 per option was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 157% which is based on historical volatility, risk-free rate of return of 0.96% and an expected maturity of 5 years.

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13. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of December 31, 2015:

Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
0.40	1.0	500,000	500,000
0.12	3.0	1,930,000	1,930,000
0.12	3.8	500,000	166,667
0.10	4.9	3,000,000	750,000
0.13	3.9	5,930,000	3,346,667

14. Warrants

The following table reflects the continuity of warrants:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2013	6,482,206	0.37
Expired	(6,222,206)	0.37
Balance, December 31, 2014	260,000	0.40
Expired	(260,000)	0.40
Balance, December 31, 2015	-	-

15. General and administrative

	Year ended December 31, 2015	Year ended December 31, 2014
Professional fees	\$ 58,901	\$ 70,951
Salaries and benefits	145,628	139,720
Management and consulting	154,278	117,757
Office and general	106,593	112,662
Travel and promotion	28,831	60,996
Share-based payments	39,350	42,553
Business development	4,603	4,592
Amortization	1,819	1,442
	\$ 540,003	\$ 550,673

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16. Related party balances and transactions

The Company has no ultimate parent.

Key management personnel compensation comprised:

	Year ended December 31, 2015	Year ended December 31, 2014
Short-term benefits	\$ 90,000	\$ 100,000
Share-based payments	34,527	33,316
	\$ 124,527	\$ 133,316

Under an agreement between the Company and Global Mineral Advisory Services ("GMAS"), (which is owned by the former President and CEO, who was also Chairman and a director), during the year ended December 31, 2015, GMAS invoiced the Company \$0 (year ended December 31, 2014 - \$100,000) for exploration and CEO services provided to the Company.

Under an agreement between the Company and 9134-4382 Quebec Inc. ("9134-4382"), (which is owned by the President and CEO), during the year ended December 31, 2015, 9134-4382 invoiced or the Company accrued a total of \$90,000 (year ended December 31, 2014 - \$0) for exploration and CEO services provided to the Company. At December 31, 2015, there is an amount of \$40,324 (December 31, 2014 - \$8,623) due to 9134-4382 by the Company.

During the year ended December 31, 2015, the Company paid or accrued rent of \$9,000 (year ended December 31, 2014 - \$0) to a director of the Company. At December 31, 2015, there is an amount of \$8,280 (December 31, 2014 - \$0) due to this director. At December 31, 2015, there is a deposit of \$1,500 (December 31, 2014 - \$0) included in prepaid expenses.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

As of December 31, 2015, Vior controls 20,685,800 common shares of the Company or approximately 30% of the total common shares outstanding.

To the knowledge of the directors and executive officers of the Company, the remaining common shares of the Company are widely held. As of December 31, 2015, directors and officers collectively control 5,350,462 common shares of the company or approximately 8% of the total common shares outstanding.

17. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

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18. Net loss per common share

The calculation of basic and diluted loss per share for the year ended December 31, 2015 was based on the loss attributable to common shareholders of \$28,874,846 (year ended December 31, 2014 - loss of \$253,947) and the weighted average number of common shares outstanding of 69,511,617 (year ended December 31, 2014 - 69,511,617). Diluted loss per share did not include the effect of the stock options and warrants as they are anti-dilutive.

19. Contingency

The Company has a tax issue with respect to flow-through spending in 2010 and 2011 which is now the subject of an agreement with Canadian Taxation Authorities. The agreement quantifies underspent flow-through obligations and gives the Company the right but not the obligation, not to exceed \$400,000, to pay taxes on behalf of the flow-through investors which can otherwise be reassessed to flow-through investors on or before November 19, 2016. The Company's payment on behalf of investors is not CRA's normal policy and reflects mitigating circumstances. The Company has continued to accrue \$442,000 as a current liability and as a potential settlement amount with the flow-through investors directly. At this time it is unknown as to the amount of the final result.

20. Subsequent event

On February 3, 2016, 310,000 options with an exercise price of \$0.12 and an original expiry date of December 19, 2018, expired unexercised.