

**NORVISTA CAPITAL CORPORATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2019**

## **Introduction**

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Norvista Capital Corporation ("Norvista", or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2019. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the fiscal years ended December 31, 2019 and 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as at April 28, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Norvista common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Description of Business**

The Company and Norvista Capital I Limited Partnership (the "LP") collectively operate as a resource investment company and merchant bank focused on the junior metals and mining sector. The Company's strategy is to hold a limited portfolio of actively managed investee companies, providing ongoing financial and operational support to its investee companies. The Company seeks to monetize its investments through a combination of direct market sales, share disposition transactions with strategic purchasers or investee company share distributions to Norvista shareholders. All or a portion of the proceeds from the sale of investee company shares will be distributed to Norvista shareholders at the discretion of the Company's Board of Directors. Due to the length of time from discovery to production, Norvista may hold its investments anywhere from five to eight years while potentially paring its positions during that time frame. The Company takes a proactive role with its investee companies and in the majority of cases assumes management or advisory roles and/or seats on the board of directors of these companies. The Company is a publicly listed company that amalgamated under the Canada Business Corporations Act on June 4, 2014. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "NVV". The Company's head office is located at 141 Adelaide St. W., Suite 1660, Toronto, Ontario, M5H 3L5.

## **Trends**

Management regularly monitors economic trends and financial market conditions as well as commodity price cycles and assesses their impact on the ongoing development objectives of Norvista's investee companies. Over the last several years and up to the date of this MD&A conditions in the equity markets for the junior resource sector have been challenging. In many instances there appears to be a disconnect between operational achievements and the underlying share prices for many junior resource companies. This trend is occurring as investor interest, both retail and institutional, has been difficult to sustain notwithstanding a relatively strong performance in the underlying prices of both base and precious metals since 2015. The Covid-19 pandemic has only exacerbated this market sentiment not only with regard to materials but across a broad spectrum of sectors. The timing of the return to normalized global economic activity on the heels of the pandemic is the largest question facing the market today. We are seeing a rise in copper prices from March lows and gold prices have been performing very well over the last several months. The continued strength of the US dollar, the currency in which metal sales are denominated, makes Norvista's investee company production projects in Mexico and Canada very attractive from an operating cost perspective. Apart from these factors and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risks and Uncertainties" below.

## **Operational Highlights**

### **Corporate**

#### Operational Performance

The Company's net loss totalled \$5,518,403 for the year ended December 31, 2019, with basic and diluted loss per share of \$0.08. This compares with a net income of \$1,227,291 with basic and diluted income per share of \$0.02 for the year ended December 31, 2018. The increase in loss of \$6,745,694 is primarily the result of the Company's unrealized loss on investments for the year ended December 31, 2019 of \$11,235,198 compared to unrealized gain of \$2,733,646 in the comparative year ended December 31, 2018.

#### The Investment Portfolio

Bruce Durham, P. Geo, is a qualified person, as that term is defined by National Instrument 43-101, and on behalf of the Company has approved the contents contained under the subheading "The Investment Portfolio".

As of the date of this MD&A, there are three core investee companies within Norvista's investment portfolio. Minera Alamos Inc. (TSX-V: MAI) ("Minera Alamos"), Rockcliff Metals Corporation (CSE: RCLF) ("Rockcliff"), and Nevada Zinc Corporation (TSX-V: NZN) ("Nevada Zinc").

### **Minera Alamos**

Minera Alamos continues pre-construction and construction work on its fully funded, 100% owned Santana open-pit, heap leach, gold project in Sonora Mexico. The site area is relatively remote from large population centres and to-date project work has been allowed to continue with appropriate measures implemented to protect the health of the workforce. Minera continues to project that it will join the ranks of North America's gold producers in Q4 of 2020. In addition, the company's 100% owned La Fortuna open-pit gold project, also located in Mexico, is nearing the end of the permitting process and Minera could make a construction decision on La Fortuna this year or early in 2021. As with the Santana

project, La Fortuna exhibits extremely attractive economics. Minera has sufficient liquidity to fund its operations over the course of 2020 with the prospect of generating free cash flow from operations in late 2020 or early 2021 to fund ongoing costs

Darren Koningen is the CEO and a director of Minera Alamos and Bruce Durham sits on the Board of Directors of Minera Alamos as Norvista's representative.

### ***Rockcliff***

Rockcliff continues to move its Manitoba copper projects forward on both the permitting and development fronts with the objective of making a construction decision on one or two of its projects by year-end or in the first quarter of 2021. Rockcliff currently has combined cash and cash equivalents of approximately \$12,000,000. Rockcliff has just completed demobilization of its drilling programs as the company prepares for the spring thaw that will continue through to mid-May. Rockcliff expects it will resume the drill program on its Tower project in mid to late May. The 100% owned Tower project continues to produce very good drill results and we look forward to continued exploration success. In the interim, the company will receive all remaining assay results, continue the permitting process on several of its projects as well as permitting for the Bucko Lake mill. Also, Rockcliff has commenced the preparation of a Preliminary Economic Assessment which will combine the sequential development of Rockcliff's 100% owned Tower project and its 100% owned Rail project. The PEA, which is projected to be released in late May or June, will incorporate usage of the company's leased 1,000+ tonnes per day mill and tailings facility in Wabowden, Manitoba. Both projects are well within trucking distance to the mill. The Board of Rockcliff will determine whether to commence preparation of a Pre-Feasibility Study upon completion of the PEA in the context of the market at that time. Any delay in commencing the PFS will be done to conserve cash until capital markets normalize and the availability of development debt and equity funding returns.

Don Christie is the Chairman of the Board of Directors of Rockcliff and Bruce Durham is a geological consultant to Rockcliff.

### ***Nevada Zinc***

Nevada Zinc continues to pursue the idea of producing zinc chemicals for the US agricultural industry as an alternative to producing and selling zinc concentrate. Mineralization from the company's strategically located Lone Mountain zinc oxide project in Nevada is very suitable as a potential feedstock for the production of zinc chemicals which are value add products relative to the production and sale of a zinc concentrate to be used for the production of zinc metal. The issue of supply chain security in many sectors of the US economy, including food supply, has taken on renewed importance in light of the recent disruptive effects of the COVID-19 pandemic to long supply chains. Approximately 60% of the zinc sulfate consumed by US growers and farmers is currently imported, mostly from China. Nevada Zinc's recent discussions with market participants validates the company's belief that "made in America" zinc chemicals will be well received by consumers. The Lone Mountain deposit is strategically located proximal a number of potential zinc sulphate consumer markets including proximity to the \$46 billion California agricultural market whose specialty crop growers use significant amounts of zinc sulphate in their operations to combat disease and improve crop yields. When the current COVID-19 restrictions are lifted the company's activities for the duration of 2020 will consist of the continuing evaluation of concentrating and extraction processes, the shipment of mineralized sample material to consultants to confirm the zinc sulphate production process, producing zinc sulphate samples and improving the confidence level of resources at the Lone Mountain deposit. The company is currently reviewing financing options either through the market and or with strategic partners to fund its 2020 work program.

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Don Christie and Bruce Durham are officers and directors of Nevada Zinc.

*Other Investments*

The Company also has investments in Capstone Mining Corp., Copper Mountain Mining CP, ThreeD Capital Inc. and X-Terra Resources Inc. These are smaller investments held for resale and are not core investments of the Company. As at December 31, 2019, the Company's investment portfolio had an estimated fair market value of \$8,558,171 (cost - \$10,512,867). During the year ended December 31, 2019, the fair market value of the Company's total investment portfolio had an unrealized loss of \$11,235,198 (2018 – unrealized gain of \$2,733,646) and realized gain on investments of \$6,335,127 (2018 – realized loss of \$147,650). The holdings at December 31, 2019, are listed below:

Name	Shares and/or Warrants	Cost (\$)	Fair Value (\$)	Projects	Location of Assets
Capstone Mining Corp. <sup>(1)</sup>	20,000	55,583	15,200	Copper, silver and zinc	USA, Mexico, Canada and Chile
Copper Mountain Mining CP <sup>(1)</sup>	10,000	26,700	7,100	Copper and gold	British Columbia
ThreeD Capital Inc. <sup>(1)</sup>	67,667	80,000	3,333	Oil and gas	Israel, USA, Brazil and Quebec
X-Terra Resources Inc. <sup>(1)</sup>	294,614	29,462	33,881	Gold, oil and gas	Quebec
Nevada Zinc <sup>(1)</sup>	10,370,999	2,350,851	362,985	Zinc, lead and gold	USA and Canada
Minera Alamos shares <sup>(1)</sup>	9,625,000	550,570	2,887,500	Copper/Gold	Mexico
Rockcliff shares <sup>(1)</sup>	73,744,286	7,131,950	5,162,100	Copper	Manitoba, Canada
Generic Gold <sup>(1)</sup>	10,000	2,950	600	Gold	Yukon, Canada
Petrowolf units	263 units	284,801	85,472	Oil and gas	Texas
<b>Fair value, per financial statements</b>		<b>10,512,867</b>	<b>8,558,171</b>		

<sup>(1)</sup> Fair values of the investments in public companies are based on the bid price or close price of the companies' shares.

**Investment Activities**

During the year ended December 31, 2019, the Company made investment of \$385,905 in Manitoba Assets.

As at December 31, 2019, the Company has made option payments totalling \$780,000 (December 31, 2018 - \$460,000).

On May 30, 2019, the TSX Venture Exchange approved the sale of Norvista's investment in the Manitoba Assets to Rockcliff. As consideration Rockcliff issued a total of 88,386,667 shares allocated as follows: Norvista – 71,363,334; Akuna minority shareholders in exchange for transferring their shares of Akuna

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to Rockcliff – 9,023,333; and the LP – 8,000,000. The Akuna shares received by Rockcliff were subsequently cancelled. As at December 31, 2019, Norvista amalgamated with Akuna.

The Company recorded a realized gain of \$6,787,057 on the sale of the Manitoba Assets based on the value of \$10,317,512 for the 79,363,334 Rockcliff shares Norvista and Akuna received less the net liabilities in Akuna of \$478,050 and the cost of Manitoba Assets of \$3,051,975. The fair value of Rockcliff shares was determined based on the close price of Rockcliff shares of \$0.13 on May 8, 2019.

Normal Course Issuer Bid

The Company received approval from the TSX Venture Exchange to commence on February 21, 2019, at the Company's discretion, a normal course issuer bid program to purchase up to 3,522,725 of its common shares (the "Bid"). The NCIB will terminate on February 20, 2020, or on an earlier date in the event that the maximum number of common shares sought in the NCIB have been repurchased. The Company reserves the right to terminate the NCIB at any time. All common shares purchased pursuant to the NCIB will be returned to treasury and cancelled. Purchases pursuant to the NCIB are expected to be made through the facilities of the TSXV, or such other permitted means (including through alternative trading systems in Canada), at prevailing market prices or as otherwise permitted by the policies of the TSXV.

During the year ended December 31, 2019, the Company repurchased 294,000 (2018 - 907,000) common shares of the Company for cash consideration of \$30,230 (2018 - \$99,563), in accordance with the Bid. The amount by which the repurchased amount was less than the stated capital of the shares has been credited to deficit. The 294,000 repurchased shares have not been cancelled as of December 31, 2019 and are being held in treasury.

**Selected Annual Financial Information**

The following is selected financial data derived from the audited financial statements of the Company at December 31, 2019, 2018 and 2017.

	<b>Year ended December 31, 2019</b>	<b>Year ended December 31, 2018</b>	<b>Year ended December 31, 2017</b>
Net income (loss)	\$ (5,518,403)	\$ 1,227,291	\$ (561,875)
Net income (loss) per share (basic and diluted)	\$ (0.08)	\$ 0.02	\$ (0.01)
	<b>As at December 31, 2019</b>	<b>As at December 31, 2018</b>	<b>As at December 31, 2017</b>
Total assets	\$ 9,368,615	\$ 15,936,375	\$ 13,755,233

- The net loss for the year ended December 31, 2019 consisted primarily of (i) unrealized loss on investments of \$11,235,198; (ii) realized gain on investments of \$6,335,127; (iii) management fee income of \$44,292; (iv) rental and other income of \$761 and (v) income tax recovery of \$596,000 offset by (vi) salaries and benefits of \$216,378; (vii) professional fees of \$524,142; and (viii) stock-based compensation of \$5,475;

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- The net loss for the year ended December 31, 2018 consisted primarily of (i) unrealized gain on investments of \$2,733,646; (ii) management fee income of \$48,446; (iii) rental and other income of \$68,417 offset by (iv) salaries and benefits of \$265,609; (v) professional fees of \$463,477; and (vi) stock-based compensation of \$17,936;
- The net loss for the year ended December 31, 2017 consisted primarily of (i) unrealized gain on investments of \$46,709; (ii) realized gain on investments of \$85,198; (iii) management fee income of \$69,471; (iv) rental and other income of \$77,301 offset by (v) salaries and benefits of \$251,371; (vi) professional fees of \$282,122; and (vii) stock-based compensation of \$184,022; and

**Summary of Quarterly Results**

Three months ended	Revenue (\$)	Income or (loss)		Total assets (\$)
		Total (\$)	Basic and diluted income (loss) per share (\$) <sup>(9)</sup>	
December 31, 2019	nil	(277,769) <sup>(1)</sup>	(0.00)	9,368,615
September 30, 2019	nil	(2,626,368) <sup>(2)</sup>	(0.04)	9,631,061
June 30, 2019	nil	(2,250,006) <sup>(3)</sup>	(0.03)	12,290,684
March 31, 2019	nil	(364,260) <sup>(4)</sup>	(0.01)	15,673,608
December 31, 2018	nil	3,935,574 <sup>(5)</sup>	0.06	15,936,375
September 30, 2018	nil	(611,288) <sup>(6)</sup>	(0.01)	11,015,672
June 30, 2018	nil	(779,713) <sup>(7)</sup>	(0.01)	11,634,695
March 31, 2018	nil	(1,317,282) <sup>(8)</sup>	(0.02)	12,417,976

<sup>(1)</sup> Net loss of \$277,769 consisted primarily of unrealized loss of on investments of \$2,941,700, realized gain on investment of \$2,777,564, management fee income of \$17,017, interest income of \$5,157 offset by salaries and benefits of \$53,079, professional fees of \$153,350, depreciation of \$19,926, accretion of lease liability of \$4,759, travel of \$7,653, shareholder information of \$3,418, investor relations of \$1,190, general and administrative of \$50,505, stock-based compensation of \$249 and foreign exchange loss of \$1,678.

<sup>(2)</sup> Net loss of \$2,626,368 consisted primarily of unrealized loss on investments of \$1,924,585, realized loss of \$24,482, management fee income of \$8,392, interest income of \$64 and loss on settlement of debt of \$467,758 offset by salaries and benefits of \$53,092, professional fees of \$91,558, depreciation of \$19,926, shareholder information of \$2,473, investor relations of \$1,159, stock-based compensation of \$1,761, accretion of lease liability of \$5,809, foreign exchange gain of \$1,027 and general and administrative of \$43,248.

<sup>(3)</sup> Net loss of \$2,250,006 consisted primarily of unrealized loss on investments of \$6,314,760, realized gain on investments of \$3,582,045, management fee income of \$9,144, rental and other income of \$9,782, interest income of \$2,735, loss on settlement of debt of \$87,755 and income tax recovery of \$596,000 offset by salaries and benefits of \$53,894, professional fees of \$72,239, depreciation of \$19,926, shareholder information of \$12,326, investor relations of \$1,887,

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- accretion of lease liability of \$6,808, travel of \$11,499, stock-based compensation of \$1,742, foreign exchange loss of \$2,474 and general and administrative of \$20,348.
- (4) Net loss of \$364,260 consisted primarily of unrealized loss on investments of \$54,153, management fee income of \$9,739, rental and other income of \$10,543 and interest income of \$2,553 offset by salaries and benefits of \$56,313, professional fees of \$206,995, depreciation of \$19,926, shareholder information of \$9,206, investor relations of \$521, accretion of lease liability of \$7,758, travel of \$98, foreign exchange loss of \$1,248 and general and administrative of \$29,154.
- (5) Net income of \$3,935,574 consisted primarily of unrealized income on investments of \$4,915,178, management fee income of \$9,854, rental and other income of \$12,679 and interest income of \$5,420 offset by salaries and benefits of \$103,197, stock-based compensation of \$2,259, professional fees of \$179,824, office rent of (\$92,247), shareholder information of \$4,812, investor relations of \$5,137 and general and administrative of \$56,607.
- (6) Net loss of \$611,288 consisted primarily of unrealized loss on investments of \$398,933, management fee income of \$12,458, rental and other income of \$11,599 and interest income of \$7,577 offset by salaries and benefits of \$52,931, stock-based compensation of \$5,283, professional fees of \$113,438, office rent of \$30,636, shareholder information of \$9,438, investor relations of \$1,464 and general and administrative of \$25,505.
- (7) Net loss of \$779,713 consisted primarily of unrealized loss on investments of \$612,292, management fee income of \$11,601, rental and other income of \$21,377 and interest income of \$7,393 offset by salaries and benefits of \$53,544, stock-based compensation of \$5,226, professional fees of \$91,373, office rent of \$30,805, shareholder information of \$9,292, investor relations of \$1,854 and general and administrative of \$21,325.
- (8) Net loss of \$1,317,282 consisted primarily of unrealized loss on investments of \$1,170,307, management fee income of \$14,533, rental and other income of \$2,762 and interest income of \$6,729 offset by salaries and benefits of \$55,937, stock-based compensation of \$5,168, professional fees of \$78,842, office rent of \$30,806, shareholder information of \$7,779, investor relations of \$2,471 and general and administrative of \$18,739.
- (9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

## **Results of Operations**

### **Year Ended December 31, 2019, Compared to Year Ended December 31, 2018**

For the year ended December 31, 2019, the Company's net loss was \$5,518,403 (loss of \$0.08 per share), compared to an income of \$1,227,291 (income of \$0.02 per share) for the year ended December 31, 2018. The Company has accumulated deficit of \$5,070,946 as at December 31, 2019.

Net loss for the year ended December 31, 2019 principally related to unrealized loss on investments of \$11,235,198, realized gain on investments of \$6,335,127, management fee income of \$44,292, rental and other income of 761, interest income of \$10,509, loss on settlement of debt of \$220,003 and income tax recovery of \$596,000 offset by salaries of \$216,378, professional fees of \$524,142, depreciation of \$79,704, shareholder information of \$27,423, investor relations of \$4,757, stock-based compensation of \$5,475, accretion of lease liability of \$25,134, foreign exchange loss of \$4,373 and general and administrative of \$143,255.

Net income for the year ended December 31, 2018 principally related to unrealized gain on investments of \$2,733,646 which resulted from an increase of the value of the Manitoba assets offset by salaries and benefits of \$265,609, professional fees of \$463,477, stock-based compensation of \$17,936, shareholder information of \$31,321, general and administrative of \$122,176, investor relations of \$10,926, travel of \$8,978 and foreign exchange gain of \$28,905.

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The increase in loss of \$6,745,694 related primarily to: (i) unrealized loss on investments of \$11,235,198 for the year ended December 31, 2019 compared to unrealized gain on investment of \$2,733,646 for the year ended December 31, 2018, and (ii) realized gain on investments of \$6,335,127 for the year ended December 31, 2019 compared to realized loss of \$147,650 for the year ended December 31, 2018 (iii) income tax recovery of \$596,000 for the year ended December 31, 2019 compared to income tax expense of \$492,000 for the year ended December 31, 2018 (iv) loss on settlement of debt of \$220,003 for the year ended December 31, 2019 compared to \$nil for the year ended December 31, 2018, (v) professional fees of \$524,142 for the year ended December 31, 2019 as compared to \$463,437 for the year ended December 31, 2018.

**Three Months Ended December 31, 2019, Compared to Three Months Ended December 31, 2018**

For the three months ended December 31, 2019, the Company's loss was \$277,769 (loss of \$0.00 per share), compared to income of \$3,935,574 (income of \$0.06 per share) for the three months ended December 31, 2018. The Company has accumulated equity of \$9,186,819 as at December 31, 2019.

Net loss for the three months ended December 31, 2019 principally related to unrealized loss on investment of \$2,941,700, realized gain on investment of \$2,777,564, management fee income of \$17,017 and interest income of \$5,157 offset by professional fees of \$153,350, salaries and benefits of \$53,079, depreciation of \$19,926, accretion of lease liability of \$4,759, shareholder information of \$3,418, investor relation of \$1,190, travel of \$7,653 stock-based compensation of \$249, general and administrative of \$50,505, and foreign exchange loss of \$1,678.

Net income for the three months ended December 31, 2018 principally related to unrealized income on investment of \$4,915,178 due to the increase of the value of the Manitoba assets offset by professional fees of \$179,824, salaries and benefits of \$103,197, stock-based compensation of \$2,259, office rent of (\$92,247), shareholder information of \$4,812, general and administrative of \$56,607, and investor relations of \$5,137, offset by management fee income of \$9,854, rental and other income \$12,679 and interest income of \$5,420.

The increase in loss of \$4,213,343 related primarily to: (i) unrealized loss on the investments of \$2,941,700 for the three months ended December 31, 2019 compared to unrealized gain on the investments of \$4,915,178, salaries and benefits of \$53,079 for the three months ended December 31, 2019 compared to \$103,197 for the three months ended December 31, 2018, professional fees of \$153,350 for the three months ended December 31, 2019 compared to \$179,824 for the three months ended December 31, 2018.

**Total assets**

Assets were \$9,368,615 at December 31, 2019 (December 31, 2018 - \$15,936,375), a decrease of \$6,567,760, with cash and cash equivalents making up 7% (December 31, 2018 – 10%) and public and private investments making up 91% (December 31, 2018 – 75%) of total assets. At December 31, 2019, the Company had cash and cash equivalents of \$614,657 (December 31, 2018 - \$1,858,795), a decrease of \$1,244,138 mainly due to payments of professional fees, salaries and benefits, lease payments and general and administrative expenses.

**Total liabilities**

At December 31, 2019, liabilities were \$181,796 (December 31, 2018 - \$1,206,398). The variation is primarily the result of fluctuations in accounts payable and accrued liabilities, which are usually paid as and when they become due and accrual of income tax payable during the year ended December 31, 2019, as well as lease liabilities.

The Company's cash and cash equivalents balance at December 31, 2019, is insufficient to fund its investments and operating expenses at current levels. At the date hereof, the Company's cash balance has decreased as a result of normal business operations.

See "Liquidity and Financial Position" below.

### **Shareholders' equity**

At December 31, 2019, shareholders' equity decreased by \$5,543,158 to \$9,186,819 (December 31, 2018 – \$14,729,977). As at December 31, 2019, the Company had 70,454,501 common shares and 6,300,000 stock options issued and outstanding. (See "Share Capital" below).

### **Liquidity and Financial Position**

Cash used in operating activities was \$1,155,863 for the year ended December 31, 2019. Operating activities were affected by net loss on investments of \$4,900,071, depreciation of \$79,704, accretion of lease liability of \$25,134, deferred income tax recovery of \$596,000, loss on settlement of debt of \$220,003, unrealized foreign exchange loss of \$4,303, stock-based compensation of \$5,475, purchase of investments of \$259,764, and net change in non-cash working capital balances of \$16,386 because of (i) a decrease in amounts receivable of \$177,251, (iii) a decrease in prepaid expenses of \$93; and (iv) a decrease in accounts payable and accrued liabilities of \$193,730.

The Company had \$136,071 cash used in financing activities for share repurchases for the year ended December 31, 2019 in the amount of \$30,230 and lease payments of \$105,841.

The Company had \$47,796 cash from investing activities upon acquisition of Akuna for the year ended December 31, 2019.

At December 31, 2019, the Company had \$614,657 in cash and cash equivalents. Accounts payable and accrued liabilities were \$101,171 and lease liabilities of \$80,625 at December 31, 2019. The Company's cash and cash equivalents balance as at December 31, 2019, is sufficient to pay these liabilities.

The Company has no operating revenues and therefore must utilize its income from financing transactions and net gains from the disposal of its investments to maintain its capacity to meet ongoing operating activities. As of December 31, 2019, and to the date of this MD&A, the cash resources of Norvista are held with one Canadian chartered bank.

The Company has no debt and its credit and interest rate risk is minimal.

As of December 31, 2019, Norvista's working capital of \$9,186,819 is expected to meet its expenses for the twelve months ending December 31, 2020 at current levels. The Company estimates its administrative overhead for fiscal 2020 to be approximately \$750,000. In addition, the Company has not budgeted for any future investments at the date of this MD&A. Management considers it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are to be invested, or for other purposes, as the need arises.

**Related Party Balances and Transactions and Major Shareholders**

**(a) Related party balances and transactions**

Related parties include the Board, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Marrelli Support Services Inc. ("MSSI") <sup>(1)</sup>	70,361	62,258
DSA Corporate Services Inc. ("DSA") <sup>(2)</sup>	10,493	11,858
Durham Exploration Services Inc. ("Durham") <sup>(3)</sup>	135,600	120,000
<b>Total</b>	<b>216,454</b>	<b>194,116</b>

<sup>(1)</sup> Fees are related to services of Carmelo Marrelli to act as the Chief Financial Officer ("CFO") of the Company. Carmelo Marrelli is the President of MSSI. Services were incurred for bookkeeping, accounting and CFO services. As at December 31, 2019, MSSI was owed \$2,363 (December 31, 2018 - \$2,000) and this amount was included in accounts payable and accrued liabilities. This amount is unsecured and non-interest bearing.

<sup>(2)</sup> The CFO of the Company is an officer of DSA. Fees are related to corporate secretarial and filing services provided by DSA. As at December 31, 2019, DSA was owed \$815 (December 31, 2018 - \$8,429) and this amount was included in accounts payable and accrued liabilities. This amount is unsecured and non-interest bearing.

<sup>(3)</sup> Consulting fees are paid to Durham, a company controlled by Bruce Durham, a director of the Company. The amounts charged by Durham were recorded at their exchange value. As at December 31, 2019, Durham was owed \$11,300 (December 31, 2018 - \$30,000) and this amount was included in accounts payable and accrued liabilities. This amount is unsecured and non-interest bearing.

Items not in table above:

<sup>(4)</sup> Norvista, an insider of Nevada Zinc by virtue of its beneficial ownership of securities of Nevada Zinc carrying more than 10% of the voting rights attached to all Nevada Zinc's outstanding voting securities, owned an aggregate of 13,553,593 (being Norvista – 10,370,999; and the LP – 3,182,594) common shares of Nevada Zinc as at December 31, 2019 or approximately 18% of the total common shares issued and outstanding.

<sup>(5)</sup> During the year ended December 31, 2019, Norvista charged rent and office expenses of \$761 (2018 - \$21,896) to Rockcliff and rent and office expenses of \$nil (2018 - \$46,521) to Nevada Zinc and Generic, for an aggregate total income of \$761 (2018 - \$68,417). In addition, Norvista recovered out of pocket expenses from the companies. The companies share common directors and management with Norvista. The amounts charged by Norvista were conducted on normal market terms and were recorded at their exchange value. As at December 31, 2019, \$nil was owed to Norvista by Rockcliff (December 31, 2018

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- \$1,241) and \$nil was owed to Norvista by Nevada Zinc and Generic (December 31, 2018 - \$6,087) and these amounts were included in amounts receivable. This amount is unsecured and non-interest bearing.

<sup>(6)</sup> During the year ended December 31, 2019, professional fees included marketing services in the amount of \$127,464 (2018 - \$96,780) charged by a family member of the Chief Executive Officer ("CEO"). The Company owed \$nil as at December 31, 2019 (December 31, 2018 - \$9,400) to this individual and this amount was included in accounts payable and accrued liabilities. The amount owing is unsecured and non-interest bearing.

**(b) Remuneration of directors and key management**

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors, the CEO and the CFO of the Company was as follows:

	<b>Year ended December 31, 2019 \$</b>	<b>Year ended December 31, 2018 \$</b>
<b>Cash</b>		
Donald H. Christie <sup>(1)</sup>	180,000	230,000
Director fees	32,425	31,813
Stock-based compensation	5,475	17,936
<b>Total</b>	<b>217,900</b>	<b>279,749</b>

<sup>(1)</sup> President and CEO of the Company.

**(c) Major shareholders**

To the knowledge of the directors and senior officers of the Company, as at December 31, 2019, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than Mr. Donald Sobey who controls 17.51% and Mr. Stan Spavoid who controls 12.99% of the common shares of the Company. The holding can change at any time at the discretion of the owners.

None of the Company's major shareholders have different voting rights compared to holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

### **Off-Balance-Sheet Arrangements**

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources, that are material to investors.

### **Proposed Transactions**

As is typical of the investment industry, the Company is continually reviewing potential investment transactions and financing opportunities that could enhance shareholder value. However, as of the date of this MD&A, there are no proposed transactions to disclose.

### **Recent Accounting Pronouncements**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2019. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

### **Capital Disclosure**

The Company considers its capital to consist of share capital, contributed surplus, and deficit. The Company's objectives when managing capital are: (a) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments; (b) to give shareholders sustained growth in value by increasing shareholders' equity; while (c) taking a conservative approach towards management of financial risks.

The Company's management reviews its capital structure on an on-going basis and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying investments. The Company's current capital is composed of its shareholders' equity and, to-date, has adjusted or maintained its level of capital by: (a) raising capital through equity financings; and (b) realizing proceeds from the disposition of its investments.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange 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, 2019, management believes it is compliant with known requirements. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

**Disclosure Controls**

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of 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 is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date at and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”), the Company uses the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s generally accepted accounting principles (IFRS). The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**Financial Instruments**

Financial assets and financial liabilities at December 31, 2019 and December 31, 2018 are as follows:

December 31, 2019	Assets and liabilities at amortized cost \$	Asset and liabilities at fair value through profit and loss \$	Total \$
Cash and cash equivalents	160,683	453,974	614,657
Amounts receivable	52,614	Nil	52,614
Restricted cash	25,000	Nil	25,000
Public investments	nil	8,472,699	8,472,699
Private investments	nil	85,472	85,472

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Accounts payable and accrued liabilities	(101,171)	Nil	(101,171)
Lease liabilities	(80,625)	Nil	(80,625)

<b>December 31, 2018</b>	<b>Assets and liabilities at amortized cost</b> <b>\$</b>	<b>Asset and liabilities at fair value through profit and loss</b> <b>\$</b>	<b>Total</b> <b>\$</b>
Cash and cash equivalents	493,005	1,365,790	1,858,795
Amounts receivable	216,450	Nil	216,450
Public investment	nil	2,169,885	2,169,885
Private investments	nil	11,468,275	11,468,275
Restricted cash	25,000	Nil	25,000
Accounts payable and accrued liabilities	(449,066)	Nil	(449,066)
Lease liabilities	(161,332)	Nil	(161,332)

Norvista's operations involve the purchase and sale of securities. Accordingly, the majority of the Company's assets are currently comprised of financial instruments which can expose it to several risks, including market, liquidity, credit and currency risks. A discussion of the Company's use of financial instruments and their associated risks is provided below:

**Market risk**

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favorable prices. In addition, most of the Company's investments are in the resource sector. The Company mitigates this risk by attempting to have a portfolio which is not singularly exposed to any one issuer.

For the year ended December 31, 2019, a 10% decrease (increase) in the closing prices of its portfolio investments would result in an estimated decrease (increase) in after-tax net income (loss) of \$847,000, or \$0.01 per share (2018 - \$217,000, or \$0.00 per share).

**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 the Company's access to the capital markets is hindered, whether as a result of a downturn in stock

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market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. In addition, some of the investments the Company holds are lightly traded public corporations or not publicly traded and may not be easily liquidated. The Company generates cash flow from proceeds from the disposition of its investments. Norvista believes that it has sufficient cash and cash equivalents and investments which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions. All of the Company's liabilities and obligations other than lease liabilities are due within one year.

The following table shows the Company's source of liquidity by assets as at December 31, 2019.

	Total \$	Less than 1 year \$	1 - 3 years \$	Non-liquid assets \$
Cash and cash equivalents	614,657	614,657	nil	nil
Amounts receivable	52,614	52,614	nil	nil
Restricted cash	25,000	nil	25,000	nil
Public investments	8,472,699	8,472,699	nil	nil
Private investment	85,472	nil	85,472	nil

The following table shows the Company's source of liquidity by assets as at December 31, 2018.

	Total \$	Less than 1 year \$	1 - 3 years \$	Non-liquid assets \$
Cash and cash equivalents	1,858,795	1,858,795	nil	nil
Amounts receivable	216,450	216,450	nil	nil
Restricted cash	25,000	nil	25,000	nil
Public investments	2,169,885	2,169,885	nil	nil
Private investment	11,468,275	nil	11,468,275	nil

**Credit risk**

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company has no significant concentration of credit risk arising from its operations. Cash and cash equivalents and due from broker are held at select Canadian financial institutions, from which management believes the risk of loss to be remote. Amounts receivable as at December 31, 2019 which total \$52,614 (December 31, 2018 - \$216,450) are in good standing. Management believes that the credit risk concentration with respect to amounts receivable is low.

### **Currency risk and sensitivity analysis**

The Company's functional and reporting currency is the Canadian dollar and all expenditures are transacted in Canadian dollars other than the investment in Petrowolf which is denominated in the United States dollar. A 10% appreciation (depreciation) of the United States dollar against the Canadian dollar, with all other variables held constant, would result in approximately a \$9,000 increase (decrease) in the Company's net income for the year.

### **Commodity price risk**

The Corporation 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, 2019, the Corporation was not a precious mineral, 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.

### **Fair value of financial instruments**

The Company has determined the carrying values of its financial instruments as follows:

- i. The carrying values of cash and cash equivalents, due from broker, amounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.
- ii. Public investments and non-public investments are carried at amounts in accordance with the Company's accounting policy as set out in Note 2.

There were no transfers to or from any level of the fair value hierarchy during the years ended December 31, 2019 or 2018.

The following tables illustrate the classification and hierarchy of the Company's financial instruments, measured at fair value in the statements of financial position as at December 31, 2019 and 2018:

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**As at December 31, 2019 - (Investments, at fair value)**

	<b>Quoted Prices in Active Markets for identical Assets (Level 1) \$</b>	<b>Significant Other Observable Inputs (Level 2) \$</b>	<b>Significant Other Unobservable Inputs (Level 3) \$</b>	<b>Aggregate Fair Value \$</b>
Cash equivalents	nil	453,974	nil	453,974
Public investments – shares	4,428,341	4,044,358	nil	8,472,699
Non-public investments and non-trading warrants <sup>(1)</sup>	nil	nil	85,472	85,472

**As at December 31, 2018 - (Investments, at fair value)**

	<b>Quoted Prices in Active Markets for identical Assets (Level 1) \$</b>	<b>Significant Other Observable Inputs (Level 2) \$</b>	<b>Significant Other Unobservable Inputs (Level 3) \$</b>	<b>Aggregate Fair Value \$</b>
Cash equivalents	nil	1,365,790	nil	1,365,790
Public investments – shares <sup>(1)</sup>	2,050,881	119,004	nil	2,169,885
Non-public investments and non-trading warrants <sup>(1)</sup>	nil		11,468,275	11,468,275

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**Level 3 hierarchy**

The following table presents the changes in fair value measurements of financial instruments classified as Level 3. These financial instruments are measured at fair value utilizing non-observable market inputs. The net change in unrealized gains is recognized in the statements of comprehensive loss.

<b>Investment at fair value</b>	<b>Opening balance at January 1</b> \$	<b>Purchases</b> \$	<b>Proceeds on disposition</b> \$	<b>Realized gain</b> \$	<b>Net unrealized gains (loss)</b> \$	<b>Ending balance</b> \$
December 31, 2019	11,468,275	385,905	(9,839,032)	\$6,787,057	(8,716,733)	85,472
December 31, 2018	5,190,306	666,070	\$nil	\$nil	5,611,899	11,468,275

Within Level 3, the Company includes non-public company investments. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions, the marketability of the shares and subsequent transactions.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

<b>December 31, 2019</b>			
<b>Investment Name</b>	<b>Valuation technique</b>	<b>Fair value</b> \$	<b>Unobservable inputs</b>
Petrowolf	Recent financing approach	85,472	Transaction price

<b>December 31, 2018</b>			
<b>Investment Name</b>	<b>Valuation technique</b>	<b>Fair value</b> \$	<b>Unobservable inputs</b>
Petrowolf	Recent financing approach	89,775	Transaction price
Investment in Manitoba assets	Market approach	11,378,500	Fair value of Rockcliff shares

As the valuation of investments for which market quotations are not readily available and are inherently uncertain, the values may fluctuate materially within short periods of time and are based on estimates,

and determinations of fair value may differ materially from values that would have resulted if a ready market existed for the investments.

During year ended December 31, 2018, the Company changed the valuation technique for the Manitoba Assets from the modified market approach to market approach due to the sale of the Manitoba assets to Rockcliff for shares during the year ended December 31, 2019. As a result of this transaction, a modified market approach was no longer expected to provide the best estimate of fair value and a new valuation method was needed. The fair value of the Manitoba Assets as at December 31, 2018 was estimated by using the fair value of the Rockcliff shares receivable by Norvista as consideration for the sale. As the Rockcliff shares were not freely trading on the date the sale was closed, the fair value of the Rockcliff shares were estimated based on a recent private placement. Management believes this new market approach was the most appropriate valuation approach for the investment in the Manitoba Assets.

For those investments valued based on a recent financing, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at December 31, 2019. A 10% decrease (increase) on the fair value of these investments will result in a corresponding decrease (increase) of approximately \$9,000 in the total fair value of the investments. The Company has applied a marketability discount of 0% to its non-public investments valued based on recent financing. Had the Company applied a marketability discount of 5% it would have resulted in a corresponding decrease of approximately \$4,500 in the total fair value of the investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

### **Share Capital**

As of the date of this MD&A, the Company had 70,454,501 issued and outstanding common shares. At the date of this MD&A, the Company had 6,300,000 stock options outstanding, each entitling the holder to acquire one common share. Therefore, the Company had 76,754,501 common shares on a fully diluted basis.

### **Special Note Regarding Forward-Looking Information**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as at the date of this MD&A or as

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at the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking information	Assumptions	Risk factors
<p>The Company's anticipated plans to acquire: (i) a resource portfolio of equity investments; and (ii) mineral property assets, could create significant value for shareholders</p>	<p>Financing will be available for future acquisitions by the Company; investee companies of Norvista will be able to fund their operations; the Company will be able to retain and attract skilled staff; the Company's management team has the ability to identify and execute investments; the Company's investment philosophy will create shareholder value; investee companies' projects contain economic mineralization; all requisite regulatory and governmental approvals for development projects will be received on a timely basis upon terms acceptable to the Company; continuing recovery of the Canadian and US economies and financial markets; economic levels of pricing for precious and base metals; acceptable jurisdictional risk in the countries in which the Company's investments are located</p>	<p>Important factors that could cause actual results to differ materially from Norvista's expectations include, but are not limited to, in particular, past success or achievement does not guarantee future success; negative investment performance; downward market fluctuations; downward fluctuations in commodity prices; uncertainties relating to the availability and costs of financing needed in the future</p>
<p>The Company's ability to meet its working capital needs at the current level for the twelve month period ending December 31, 2020</p> <p>The Company's cash balance at December 31, 2019, is sufficient to fund its investments and operating expenses at current levels. At the date hereof, the Company's cash balance has diminished as a result of normal business operations</p>	<p>The Company currently has adequate cash resources to fund its operating and investment activities for the twelve month period ending December 31, 2020 as the Company can control the pace at which it invests its capital</p>	<p>Adverse changes in debt and equity markets could limit the ability of the Company to raise additional capital to fund all of its targeted investments during the twelve month period ending December 31, 2020 if the total investment amount exceeds the Company's current cash reserves</p>
<p>Management's outlook regarding future trends</p>	<p>Financing will be available for Norvista's investing and operating activities; and the price of applicable commodities will be favourable to the Company</p>	<p>Metal price volatility; changes in debt and equity markets; changes in economic and political conditions</p>
<p>Prices and price volatility for commodities</p>	<p>The price of certain commodities will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the</p>	<p>Changes in the prices of commodities; interest rate and exchange rate fluctuations, changes in economic and political</p>

	price of certain commodities will be favourable	conditions that could negatively affect certain commodity prices
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Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Please also make reference to those risk factors referenced in the “Risks and Uncertainties” section in this MD&A. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Norvista’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**Risks and Uncertainties**

The investment in early stage public resource companies involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Certain risk factors listed below are related to investing in the resource industry in general while others are specific to Norvista.

Given the nature of Norvista’s activities, the results of operations and financial condition of the Company are dependent upon the market value of the securities that comprise the Company’s investment portfolio. Market value can be reflective of the actual or anticipated operating results of companies in the portfolio and/or the general market conditions that affect the resource sector. Various factors affecting the resource sector could have a negative impact on Norvista’s portfolio of investments and thereby have an adverse effect on its business. Additionally, the Company’s investments are mostly in small-cap businesses that may never mature or generate adequate returns or may require a number of years to do so. Junior exploration companies may never achieve commercial discoveries and production. This may create an irregular pattern in Norvista’s investment gains and revenues (if any) and an investment in the Company’s securities may only be suitable for investors who are prepared to hold their investment for a long period of time. Macro factors such as fluctuations in commodity prices and global political and economic conditions could have an adverse effect on the resource industry, thereby negatively affecting the Company’s portfolio of investments. Company-specific risks, such as the risks associated with mining operations generally, could have an adverse effect on one or more of the investments in the portfolio at any point in time. Company-specific and industry-specific risks that materially adversely affect the Company’s investment portfolio may have a materially adverse impact on operating results.

**Dependence on Management and Directors**

Norvista is dependent upon the efforts, skill and business contacts of key members of management, for among other things, the information and deal flow they generate during the normal course of their activities and the synergies that exist amongst their various fields of expertise and knowledge. Accordingly, the Company’s success may depend upon the continued service of these individuals who are not obligated to remain consultants to Norvista. The loss of the services of any of these individuals

could have a material adverse effect on the Company's revenues, net income and cash flows and could harm its ability to maintain or grow existing assets and raise additional funds in the future.

### **Sensitivity to Macro-Economic Conditions**

Due to the Company's focus on the resource industry, the success of Norvista's investments is interconnected to the strength of the mining industry. The Company may be adversely affected by the falling share prices of the securities of investee companies as Norvista's share prices have directly and negatively affected the estimated value of Norvista's portfolio of investments. The Company may also be adversely affected by fluctuations in commodity prices which may dictate the prices at which resource companies can sell their product. The participation and involvement of Norvista representatives with investee companies, the related demand on their time and the capital resources required of Norvista may be expected to increase in the event of any weaknesses in the macro-economic conditions affecting these companies, as it would be expected that the Company would be required to expend increased time and efforts reviewing strategic alternatives and attracting any funding required for such investee companies. The factors affecting current macro-economic conditions are beyond the control of the Company.

### **Cash Flow and Revenue**

Norvista's revenue and cash flow is generated primarily from financing activities and proceeds from the disposition of investments. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of the Company's direct control. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered, whether as a result of a downturn in the market conditions generally or to matters specific to the Company, or if the value of its investments decline, resulting in losses upon disposition.

### **Private Issuers and Illiquid Securities**

Norvista invests in securities of private issuers. Securities of private issuers may be subject to trading restrictions, including hold periods, and there may not be any market for such securities. These limitations may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers are subject to a relatively high degree of risk. There can be no assurance that a public market will develop for any of Norvista's private company investments, or that the Company will otherwise be able to realize a return on such investments.

The value attributed to securities of private issuers will be the cost thereof, subject to adjustment in limited circumstances, and therefore may not reflect the amount for which they can actually be sold. Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed for the investments.

Norvista also invests in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time the Company is able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that the Company will be unable to realize its investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Company may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

The Company may also make direct investments in publicly-traded securities that have low trading volumes. Accordingly, it may be difficult to make trades in these securities without adversely affecting the price of such securities.

#### **Possible Volatility of Stock Price**

The market prices of the Company's common shares have been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of the common shares. The purchase of common shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Company should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company should not constitute a major portion of an investor's portfolio.

#### **Trading Price of Common shares Relative to Net Asset Value**

Norvista is neither a mutual fund nor an investment fund and due to the nature of its business and investment strategy and the composition of its investment portfolio, the market price of its common shares, at any time, may vary significantly from the Company's net asset value per common share. This risk is separate and distinct from the risk that the market price of the Company's common shares may decrease.

#### **Available Opportunities and Competition for Investments**

The success of the Company's operations will depend upon: (i) the availability of appropriate investment opportunities; (ii) the Company's ability to identify, select, acquire, grow and exit those investments; and (iii) the Company's ability to generate funds for future investments. Norvista can expect to encounter competition from other entities having similar investment objectives, including institutional investors and strategic investors. These groups may compete for the same investments as Norvista, may be better capitalized, have more personnel, have a longer operating history and have different return targets. As a result, the Company may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing that may further limit the Company's ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to invest in or that such investments can be made within a reasonable period of time. There can be no assurance that the Company will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that the Company is unable to find and make a sufficient number of investments.

#### **Share Prices of Investments**

Investments in securities of public companies are subject to volatility in the share prices of the companies. There can be no assurance that an active trading market for any of the subject shares is sustainable. The trading prices of the subject shares could be subject to wide fluctuations in response to various factors beyond Norvista's control, including, quarterly variations in the subject companies' results of operations, changes in earnings, results of exploration and development activities, estimates by analysts, conditions in the resource industry and general market or economic conditions. In recent

years equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of the Company's investments.

### **Concentration of Investments**

Other than as described herein, there are no restrictions on the proportion of the Company's funds and no limit on the amount of funds that may be allocated to any particular investment. The Company may participate in a limited number of investments and, as a consequence, its financial results may be substantially adversely affected by the unfavourable performance of a single investment. Completion of one or more investments may result in a highly concentrated investment in a particular company, commodity or geographic area, resulting in the performance of the Company depending significantly on the performance of such company, commodity or geographic area.

### **Additional Financing Requirements**

The Company anticipates ongoing requirements for funds to support its growth and may seek to obtain additional funds for these purposes through public or private equity, or debt financing. There are no assurances that additional funding will be available at all, on acceptable terms or at an acceptable level. Any additional equity financing may cause shareholders to experience dilution, and any debt financing would result in interest expense and possible restrictions on the Company's operations or ability to incur additional debt. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on its ability to grow its investment portfolio.

### **No Guaranteed Return**

There is no guarantee that an investment in the Company's securities will earn any positive return in the short term or long term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. In addition, past performance provides no assurance of future success.

### **Management of Norvista's Growth**

Significant growth in the business, as a result of acquisitions or otherwise, could place a strain on the Company's managerial, operational and financial resources and information systems. Future operating results will depend on the ability of senior management to manage rapidly changing business conditions, and to implement and improve the Company's technical, administrative and financial controls and reporting systems. No assurance can be given that the Company will succeed in these efforts. The failure to effectively manage and improve these systems could increase costs, which could have a materially adverse effect the Company's operating results and overall performance.

### **Due Diligence**

The due diligence process undertaken by the Company in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company relies on

resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that is carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

### **Public Health Crises**

The Company faces risks related to pandemics and epidemics, such as the outbreak of the coronavirus that surfaced in December 2019 in Wuhan, Hubei Province, China and has spread to other countries around the world, including Canada and the United States, which could significantly disrupt the Company's operations and may materially and adversely affect its business and financial condition. The extent to which the coronavirus impacts the Company's business, including its operations and the market for its securities, will depend on future developments which are highly uncertain and cannot be predicted at this time, including the duration, severity and scope of the coronavirus outbreak and the actions taken by various government authorities to contain or treat the outbreak. In particular, the continued spread of the coronavirus could materially and adversely impact the Company's business, including without limitation, employee health, workforce productivity, increased insurance premiums and medical costs, restrictions on travel by the Company's personnel and by the personnel of the Company's various optionees, the availability of industry experts and personnel, restrictions on drilling programs by the Company's optionees and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control, all or some of which may have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, a significant outbreak of coronavirus could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and the Company's business, financial condition and results of operations.

The management of the Company rests on some key personnel and mostly on its President and Chief Executive Officer ("CEO"). The loss of the President and CEO could have a negative impact on the development and the success of its operations.

### **Commitments**

#### **Tax positions**

In assessing the probability of realizing income tax assets and the valuation of income tax liabilities, 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 relevant tax planning opportunities that are within the Company's control, are feasible and 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 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.

**Additional Disclosure for Venture Issuers Without Significant Revenue**

	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Salaries and benefits	216,378	265,609
Travel	19,250	8,978
Professional fees	524,142	463,477
Shareholder information	27,423	31,321
General and administrative	143,255	122,176
Investor relations	4,757	10,926
Stock-based compensation	5,475	17,936
Depreciation	79,704	79,704
Accretion of lease liability	25,134	39,465
Foreign exchange (gain)	4,373	(28,905)
<b>Totals</b>	<b>1,049,891</b>	<b>1,010,687</b>

**Subsequent event**

(i) The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.