

---

**NORVISTA CAPITAL CORPORATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2019 AND 2018**  
**(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)**

---

*Audit. Tax. Advisory.*

Independent Auditor's Report

To the Shareholders of Norvista Capital Corporation

## **Opinion**

We have audited the consolidated financial statements of Norvista Capital Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows, and consolidated statements of changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

## **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
April 28, 2020

# NORVISTA CAPITAL CORPORATION

## Consolidated Statements of Financial Position

(Expressed in Canadian Dollars unless otherwise stated)

	December 31, 2019	December 31, 2018
<b>ASSETS</b>		
Cash and cash equivalents (Note 4)	\$ 614,657	\$ 1,858,795
Public investments (Note 3)	8,472,699	2,169,885
Amounts receivable (Notes 6 and 15(a)(v)(vi))	52,614	216,450
Prepaid expenses	51,753	51,846
Restricted cash (Note 5)	25,000	25,000
Non-public investments (Notes 3 and 8)	85,472	11,468,275
Right of use assets (Note 7)	66,420	146,124
<b>Total assets</b>	<b>\$ 9,368,615</b>	<b>\$ 15,936,375</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Notes 6 and 15)	\$ 101,171	\$ 449,066
Lease liabilities (Note 10)	80,625	161,332
Deferred income tax payable (Note 16)	-	596,000
<b>Total liabilities</b>	<b>181,796</b>	<b>1,206,398</b>
<b>Shareholders' equity</b>		
Share capital (Note 11)	13,539,996	13,596,010
Contributed surplus (Note 12)	717,769	712,294
(Deficit)/retained earnings	(5,070,946)	421,673
<b>Total shareholders' equity</b>	<b>9,186,819</b>	<b>14,729,977</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 9,368,615</b>	<b>\$ 15,936,375</b>

Nature of Operations (Note 1)

Commitment and Contingencies (Note 19)

Subsequent Event (Note 20)

Approved by the Board of Directors:

"Stan Spavold" \_\_\_\_\_ Director

"Don Christie" \_\_\_\_\_ Director

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

---

**NORVISTA CAPITAL CORPORATION****Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars unless otherwise stated)**

---

	2019	2018
<b>Revenues</b>		
Realized gain (loss) on investments (Note 3)	\$ 6,335,127	\$ (147,650)
Unrealized (loss) gain on investments (Notes 3 and 13)	(11,235,198)	2,733,646
Management fee income (Note 6)	44,292	48,446
Rental and other income (Note 15(a)(v))	761	68,417
Interest income	10,509	27,119
Loss on settlement of debt (Note 6)	(220,003)	-
<b>Total revenues</b>	<b>(5,064,512)</b>	<b>2,729,978</b>
<b>Operating expenses</b>		
Salaries and benefits (Note 15(b))	216,378	265,609
Travel	19,250	8,978
Professional fees (Note 15(a)(i)(ii)(iii)(vi))	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 (Notes 12 and 15(b))	5,475	17,936
Depreciation (Note 7)	79,704	79,704
Accretion of lease liability (Note 10)	25,134	39,465
Foreign exchange loss (gain)	4,373	(28,905)
<b>Total operating expenses</b>	<b>1,049,891</b>	<b>1,010,687</b>
<b>Loss before tax</b>	<b>(6,114,403)</b>	<b>1,719,291</b>
Income tax (recovery) (Note 16)	(596,000)	492,000
<b>Net (loss) income and comprehensive (loss) income for the year</b>	<b>\$ (5,518,403)</b>	<b>\$ 1,227,291</b>
<b>Basic and diluted net (loss) income per share (Note 14)</b>	<b>\$ (0.08)</b>	<b>\$ 0.02</b>
<b>Weighted average number of shares outstanding</b>		
- basic and diluted (Note 14)	70,496,745	71,361,501

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

# NORVISTA CAPITAL CORPORATION

## Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars unless otherwise stated)

	2019	2018
<b>Operating activities</b>		
Net (loss) income for the year	\$ (5,518,403)	\$ 1,227,291
Adjustments for:		
Net loss (gain) on investments	4,900,071	(2,585,996)
Depreciation	79,704	79,704
Accretion of lease liability	25,134	39,465
Loss on settlement of debt	220,003	-
Unrealized foreign exchange loss (gain)	4,303	(28,796)
Deferred income tax (recovery)	(596,000)	492,000
Stock-based compensation (Note 12)	5,475	17,936
Purchase of investments	(259,764)	(282,013)
	(1,139,477)	(1,040,409)
Changes in non-cash operating capital:		
Amounts receivable	177,251	(114,905)
Prepaid expenses	93	(3,958)
Accounts payable and accrued liabilities	(193,730)	16,076
<b>Net cash outflows from operating activities</b>	<b>(1,155,863)</b>	<b>(1,143,196)</b>
<b>Investing activities</b>		
Cash obtained from Akuna upon consolidation	47,796	-
<b>Net cash inflows from investing activities</b>	<b>47,796</b>	<b>-</b>
<b>Financing activities</b>		
Share repurchase (Note 11)	(30,230)	(99,563)
Lease payments	(105,841)	(103,961)
<b>Net cash outflows from financing activities</b>	<b>(136,071)</b>	<b>(203,524)</b>
<b>Net change in cash and cash equivalents</b>	<b>(1,244,138)</b>	<b>(1,346,720)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,858,795</b>	<b>3,205,515</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 614,657</b>	<b>\$ 1,858,795</b>
<b>Supplemental information</b>		
Non-cash purchase of Rockcliff shares (Note 8)	\$ 10,317,082	\$ -
Shares disposed of for settlement of debt	\$ 1,040,000	\$ -

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

---

**NORVISTA CAPITAL CORPORATION****Consolidated Statements of Changes in Shareholders' Equity**  
**(Expressed in Canadian Dollars unless otherwise stated)**

---

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, December 31, 2017</b>	<b>71,361,501</b>	<b>\$ 13,770,695</b>	<b>\$ 694,358</b>	<b>\$ (880,740)</b>	<b>\$13,584,313</b>
Share repurchase (Note 11)	-	(174,685)	-	75,122	(99,563)
Share-based compensation (Note 12)	-	-	17,936	-	17,936
Net income for the year	-	-	-	1,227,291	1,227,291
<b>Balance, December 31, 2018</b>	<b>71,361,501</b>	<b>\$ 13,596,010</b>	<b>\$ 712,294</b>	<b>\$ 421,673</b>	<b>\$14,729,977</b>
Share repurchase and cancellation (Note 11)	(907,000)	(56,014)	-	25,784	(30,230)
Share-based compensation (Note 12)	-	-	5,475	-	5,475
Net (loss) for the year	-	-	-	(5,518,403)	(5,518,403)
<b>Balance, December 31, 2019</b>	<b>70,454,501</b>	<b>\$ 13,539,996</b>	<b>\$ 717,769</b>	<b>\$ (5,070,946)</b>	<b>\$ 9,186,819</b>

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

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 1. Nature of Operations

Norvista Capital Corporation ("Norvista" or the "Company") and its subsidiaries operate as a publicly traded resource investment company and merchant bank focused on the metals and mining sector. The Company's strategy is to capitalize on the significant asset value contraction that has occurred over the last several years in the resource industry, with particular emphasis on base metal projects. Norvista focuses its efforts on the pursuit of highly prospective exploration projects while balancing exploration risk through investment in small to mid-scale, pre-production, opportunities requiring partial or full completion of feasibility studies. 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 under the symbol "NVV". The Company's head office is located at 141 Adelaide St. W., Suite 1660, Toronto, Ontario, M5H 3L5.

### 2. Significant Accounting Policies

#### Statement of compliance

These consolidated financial statements have been prepared in accordance with and using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

These financial statements were approved by the Board of Directors on April 28, 2020.

#### Consolidation

As at May 8, 2019, the Company's ownership in its subsidiary Akuna Minerals Inc. ("Akuna") increased from 80% to 100%. In addition, Akuna sold all of its interests in the Tower Copper Property and ceased its business of exploration and evaluation activities (see Note 8). In accordance with IFRS 10, subsidiaries that do not meet the definition of an investment entity and provide investment-related services on behalf of the Company are consolidated. As of May 8, 2019, Akuna was deemed to provide services that relate to the Company's investment activities and the Company consolidated the financial statement of Akuna. On September 30, 2019, Norvista amalgamated with Akuna.

#### Basis of presentation

These financial statements have been prepared on a historical cost basis except for investments at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the year. It also requires management to exercise judgment in applying the Company's accounting policies.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 2. Significant Accounting Policies (continued)

#### Accounting policies

##### **Significant accounting judgments, estimates and assumptions**

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that have risk of resulting in a material adjustment within the next fiscal year are included in the following notes:

##### (i) Fair value of investment in securities not quoted in an active market or private company investments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Refer to Notes 3 and 18 for further details.

##### (ii) Fair value of financial derivatives

Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants and options are valued at intrinsic value. Refer to Notes 3 (a) & Note 18 for further details.

##### (iii) Recognition of deferred taxes

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 2. Significant Accounting Policies (continued)

#### *Accounting policies (continued)*

#### **Significant accounting judgments, estimates and assumptions (continued)**

##### (iv) Share-based payments

The Company uses the Black-Scholes option pricing model to fair value options in order to calculate share-based compensation expense. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price of the Company's shares at date of issue, expected dividend yield, expected life, and expected volatility. Certain inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share based compensation expense. See Note 12.

##### (v) Investment entity

The Company applies the exception to consolidation of particular subsidiaries, investment in associates and joint ventures available to investment entities. Management has determined that the Company qualifies for the exemption from consolidation given that the Company has the following typical characteristics of an investment entity:

- (a) The Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- (b) The Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation and investment income; and
- (c) The Company measures and values the performance of all its investments on a fair value basis.

##### (vi) Discount rate on initial recognition

All the components of the lease liability are required to be discounted to reflect the present value of the payments. The discount rate to use is the rate implicit in the lease, unless this cannot readily be determined, in which case the lessee's incremental borrowing rate is used instead. The definition of the lessee's incremental borrowing rate states that the rate should represent what the lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Significant judgment is required to estimate an incremental borrowing rate in the context of a right-of-use asset.

#### **Functional and presentation currency**

The functional currency is the currency of the primary economic environment in which the Company operates. The Company's consolidated financial statements are presented in Canadian dollars. The Canadian dollar is the functional currency of the Company and its subsidiaries.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period-end exchange rates are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 2. Significant Accounting Policies (continued)

#### *Accounting policies (continued)*

##### **Financial instruments**

Financial assets and financial liabilities are recognized on the Company's consolidated statement of financial position when the Company has become a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company's financial instruments consist of cash and cash equivalents, amounts receivable, public and non-public investments, restricted cash, accounts payable and accrued liabilities and lease liabilities.

##### (i) Investments

Purchases and sales of investments are recognized on a trade date basis. Public and non-public investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in income (loss). At each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and reflects such valuations in the consolidated financial statements.

Transaction costs are expensed as incurred in the consolidated statements of income (loss) and comprehensive income (loss). The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in the consolidated statements of loss and comprehensive loss. The Company is also required to present its investments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (see Note 18, "Fair Value Measurements"). The three levels are defined as follows:

Level 1 – investment with quoted market price;

Level 2 – investment which valuation technique is based on observable market inputs; and

Level 3 – investment which valuation technique is based on non-observable market inputs.

##### Publicly-traded investments:

1. Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply and for which an active market exists, are recorded at fair values based on quoted closing prices at the consolidated statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 as disclosed in Note 18.

2. Warrants or options of publicly-traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model if sufficient and reliable observable market inputs are available. If no such market inputs are available or reliable, the warrants and options are valued at intrinsic value. These are included in Level 2 as disclosed in Note 18.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 2. Significant Accounting Policies (continued)

#### Accounting policies (continued)

##### Financial instruments (continued)

###### (i) Investments (continued)

Publicly-traded investments (continued):

3. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. These are included in Level 2 in Note 18.

The amounts at which the Company's publicly-traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

Privately-held investments:

1. Securities in privately-held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements. These are included in Level 3 as disclosed in Note 18. Options and warrants of private companies are carried at their intrinsic value.

With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. In addition to the events described below, which may affect a specific investment, the Company will take into account general market conditions when valuing the privately-held investments in its portfolio. The absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

2. An upward adjustment is considered appropriate and supported by pervasive and objective evidence such as a significant subsequent equity financing by an unrelated investor at a transaction price higher than the Company's carrying value; or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- political changes in a country in which the investee company operates which, for example, reduce the corporate tax burden, permit mining where, or to an extent that, it was not previously allowed, or reduce or eliminate the need for permitting or approvals;
- receipt by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed with its project(s);
- filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non-compliant resource;

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 2. Significant Accounting Policies (continued)

#### Accounting policies (continued)

##### Financial instruments (continued)

###### (i) Investments (continued)

Privately-held investments 2. (continued):

- release by the investee company of positive exploration results, which either proves or expands their resource prospects; and
- important positive management changes by the investee company that the Company's management believes will have a very positive impact on the investee company's ability to achieve its objectives and build value for shareholders.

3. Downward adjustments to carrying values are made when there is evidence of a decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition, or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore its fair value. The amount of the change to the fair value of the investment is based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- political changes in a country in which the investee company operates, which increases the tax burden on companies, which prohibit mining where it was previously allowed, which increases the need for permitting or approvals, etc.;
- denial of the investee company's application for environmental, mining, aboriginal or similar approvals which prohibit the investee company from proceeding with its projects;
- the investee company releases negative exploration results;
- changes to the management of the investee company take place which the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders;
- the investee company is placed into receivership or bankruptcy; and
- based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.

The resulting values may differ from values that would be realized had a ready market existed. The amounts at which the Company's privately-held investments could be disposed of may differ from the carrying value assigned. Such differences could be material.

Investment in associates:

Investment in associates are those entities over which the Company has or is deemed to have significant influence, but not control over, the financial and operating policies. Investment in associates are held as part of the Company's investment portfolio and carried in the consolidated statement of financial position at fair value even though the Company may have significant influence over the companies. This treatment is permitted by IAS 28, Investment in Associates ("IAS 28"), which allows investments held by venture capital or similar organizations to be excluded from its scope where those investments are measured at fair value through profit or loss in accordance with IFRS 9, with changes in fair value recognized in the statement of loss within unrealized gains or losses on investments. The Company does not have any investment in associates.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 2. Significant Accounting Policies (continued)

#### Accounting policies (continued)

##### Financial instruments (continued)

###### (i) Investments (continued)

Investments in subsidiaries:

As an investment entity, the Company does not consolidate its subsidiaries unless those subsidiaries provide services that relate to the Company's investment activities. Investment in subsidiaries that do not provide services that relate to the Company's investment activities are measured at fair value through profit or loss.

Subsidiaries over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity and that provide services that relate to the Company's investment activities are consolidated. These subsidiaries are fully consolidated. From the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and these subsidiaries after eliminating inter-entity balances and transactions.

The Company has the following subsidiaries that have been consolidated:

Company	Principal place of business	Ownership interest
Norvista Capital General Partner Ltd.	Ontario, Canada	100%
Norvista Capital Management Corp. ("NCMC")	Ontario, Canada	100%

###### (ii) Amounts receivable

Receivables are classified as amortized cost and are initially recorded at the fair value of the amount expected to be received and subsequently measured at amortized cost less any provision for impairment. Individual significant receivables are considered for recoverability when they are past due or when other objective evidence is received that a specific counterparty will default.

###### (iii) Financial liabilities

All financial liabilities are classified as at amortized cost except for financial derivatives and any financial liabilities from inception classified as at fair value through profit or loss. All financial liabilities are recognized initially at fair value plus directly attributable transaction costs except for those designated at fair value through profit and loss.

Financial liabilities at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of income (loss) and comprehensive income (loss). Financial liabilities at amortized cost are measured at initial cost plus interest calculated using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 2. Significant Accounting Policies (continued)

#### *Accounting policies (continued)*

#### **Financial instruments (continued)**

##### (iv) Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

#### **Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on hand and deposits that generally mature within 90 days from the date of acquisition. Deposits are held in Canadian chartered banks or in a financial institution controlled by a Canadian chartered bank.

#### **Impairment of financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial assets are considered to be impaired if objective evidence indicates that a change in the market, economic or legal environment in which the Company invested has had 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 future cash flows discounted at the original effective interest rate.

Impairment losses are recognized in the consolidated statement of income (loss) and comprehensive income (loss). For financial assets measured at amortized cost, any reversal of impairment is recognized in the statement of loss and comprehensive loss.

#### **Revenue recognition**

Realized gains and losses on the disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of income (loss) and comprehensive income (loss) on a trade date basis. Upon disposal of an investment, previously recognized unrealized gains or losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. All transaction costs are expensed as incurred. Dividend income is recorded on the ex-dividend date. Interest income and other income are recorded on an accrual basis. Finder's fee income is recorded when the underlying transaction is substantially completed under the engagement terms and the related revenue is reasonably determinable and collectible.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 2. Significant Accounting Policies (continued)

#### *Accounting policies (continued)*

##### **Income taxes**

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss.

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 for the following temporary differences: 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, and differences relating to investments in jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. 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, tax credits 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.

##### **Income (loss) per share**

Basic income (loss) per share is calculated by dividing the net loss by the weighted-average number of the Company's common shares outstanding during the period. Diluted income (loss) per share is calculated by dividing the applicable net income (loss) by the sum of the weighted-average number of common shares outstanding if dilutive common shares had been issued during the period. The calculation of diluted income per share assumes that outstanding stock options and warrants with an average exercise price below market price of the underlying shares are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average market price for the period.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 2. Significant Accounting Policies (continued)

#### *Accounting policies (continued)*

##### **Share-based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For options that expire unexercised, the recorded value is transferred to deficit.

##### **Lease and right-of-use assets**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate which is 20%. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

---

# NORVISTA CAPITAL CORPORATION

Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

## 2. Significant Accounting Policies (continued)

### Accounting policies (continued)

#### 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, 2020. 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.

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

### 3. Investments

#### (a) Public investments

	As at December 31, 2018			Transactions during the Year ended December 31, 2019			As at December 31, 2019		
	Cost	Cumulative Unrealized Gain (Loss)	Fair Value	Purchased	Proceeds on disposition	Realized loss on Investments	Unrealized Gain (loss)	Fair Value	Securities Held
Capstone Mining Corp.	\$ 55,583	\$ (43,783)	\$ 11,800	\$ -	\$ -	\$ -	\$ 3,400	\$ 15,200	20,000
Copper Mountain Mining CP	26,700	(19,600)	7,100	-	-	-	-	7,100	10,000
ThreeD Capital Inc.	80,000	(64,000)	16,000	-	-	-	(12,667)	3,333	66,667
X-Terra Resources Inc.	29,462	(2,947)	26,515	-	-	-	7,366	33,881	294,614
Nevada Zinc Corporation ("Nevada Zinc") *	2,350,421	(1,417,931)	932,490	430	-	-	(569,935)	362,985	10,370,999
Minera Alamos Inc. ("Minera Alamos") shares **	550,570	315,680	866,250	-	-	-	2,021,250	2,887,500	9,625,000
Minera Alamos warrants <sup>(1)(2)(3)</sup> **	411,930	(292,926)	119,004	-	-	(411,930)	292,926	-	-
Rockcliff Metals Corporation ("Rockcliff") shares ***	352,350	(161,874)	190,476	10,317,082	(1,040,000)	(40,000)	(4,265,458)	5,162,100	73,744,286
Generic Gold Corp. ("Generic") ****	2,950	(2,700)	250	-	-	-	350	600	10,000
	\$ 3,859,966	\$ (1,690,081)	\$ 2,169,885	\$ 10,317,512	\$ (1,040,000)	\$ (451,930)	\$ (2,522,768)	\$ 8,472,699	

\* The Company shares common directors and management with Nevada Zinc.

\*\* The Company has one director in common with Minera Alamos.

\*\*\* The Company has common directors and management with Rockcliff.

\*\*\*\* The Company had common directors and management with Generic.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 3. Investments (continued)

#### (a) Public investments (continued)

(1) 6,750,000 Minera Alamos warrants with each warrant exercisable into one common share of Minera Alamos at a strike price of \$0.10 per share for four years expiring June 8, 2019. On June 8, 2015, the fair value of the warrants was estimated to be \$324,000 using the Black-Scholes option pricing model with the following assumptions: exercise price of \$0.10, risk free interest rate of 0.87%, expected life of 4 years and an expected volatility of 180%.

As at December 31, 2019, the warrants have expired and the fair value of the warrants was estimated to be \$nil.

(2) 1,250,000 Minera Alamos warrants with each warrant exercisable into one common share of Minera Alamos at a strike price of \$0.15 per share for three years expiring May 4, 2019. On May 4, 2016, the fair value of the warrants was estimated to be \$76,575 using the Black-Scholes option pricing model with the following assumptions: exercise price of \$0.15, risk free interest rate of 0.57%, expected life of 3 years and an expected volatility of 181%.

As at December 31, 2019, the warrants have expired and the fair value of the warrants was estimated to be \$nil.

(3) 187,500 Minera Alamos warrants with each warrant exercisable into one common share of Minera Alamos at a strike price of \$0.15 per share for three years expiring June 3, 2019. On June 3, 2016, the fair value of the warrants was estimated to be \$11,355 using the Black-Scholes option pricing model with the following assumptions: exercise price of \$0.15, risk free interest rate of 0.51%, expected life of 3 years and an expected volatility of 182%.

As at December 31, 2019, the warrants have expired and the fair value of the warrants was estimated to be \$nil.

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

### 3. Investments (continued)

#### (a) Public investments (continued)

	As at December 31, 2017		Transactions during the year ended December 31, 2018			As at December 31, 2018		
	Cost	Cumulative Unrealized Gain (Loss)	Fair Value	Purchased	Realized (loss) on Investments	Unrealized Gain (loss)	Fair Value	Securities Held
Capstone Mining Corp.	\$ 55,583	\$ (26,983)	\$ 28,600	\$ -	\$ -	\$ (16,800)	\$ 11,800	20,000
Copper Mountain Mining CP	26,700	(11,500)	15,200	-	-	(8,100)	7,100	10,000
ThreeD Capital Inc.	80,000	(49,000)	31,000	-	-	(15,000)	16,000	200,000
X-Terra Resources Inc.	29,462	36,826	66,288	-	-	(39,773)	26,515	294,614
Nevada Zinc shares *	2,331,358	(281,658)	2,049,700	19,063	-	(1,136,273)	932,490	10,360,999
Minera Alamos shares **	550,570	1,133,805	1,684,375	-	-	(818,125)	866,250	9,625,000
Minera Alamos warrants <sup>(1)(2)(3)</sup> **	411,930	345,911	757,841	-	-	(638,837)	119,004	8,187,500
Rockcliff shares ***	352,350	111,936	464,286	-	-	(273,810)	190,476	2,380,952
Rockcliff warrants <sup>(4)</sup> ***	147,650	(99,961)	47,689	-	(147,650)	99,961	-	-
Generic ****	-	-	-	2,950	-	(2,700)	250	10,000
	\$ 3,985,603	\$ 1,159,376	\$ 5,144,979	\$ 22,013	\$ (147,650)	\$(2,849,457)	\$ 2,169,885	

\* The Company shares common directors and management with Nevada Zinc.

\*\* The Company has one director in common with Minera Alamos.

\*\*\* The Company has common directors and management with Rockcliff. During the year ended December 31, 2018, Rockcliff completed a share consolidation on the basis of one post-consolidation share for every three pre-consolidation shares.

\*\*\*\* The Company had common directors and management with Generic.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 3. Investments (continued)

#### (a) Public investments (continued)

<sup>(1)</sup> 6,750,000 Minera Alamos warrants with each warrant exercisable into one common share of Minera Alamos at a strike price of \$0.10 per share for four years expiring June 8, 2019. On June 8, 2015, the fair value of the warrants was estimated to be \$324,000 using the Black-Scholes option pricing model with the following assumptions: exercise price of \$0.10, risk free interest rate of 0.87%, expected life of 4 years and an expected volatility of 180%.

On December 31, 2018, the fair value of the warrants was estimated to be \$102,811 using the Black-Scholes option pricing model with the following assumptions: exercise price of \$0.10, risk free interest rate of 1.78%, expected life of 0.44 years and an expected volatility of 80%.

<sup>(2)</sup> 1,250,000 Minera Alamos warrants with each warrant exercisable into one common share of Minera Alamos at a strike price of \$0.15 per share for three years expiring May 4, 2019. On May 4, 2016, the fair value of the warrants was estimated to be \$76,575 using the Black-Scholes option pricing model with the following assumptions: exercise price of \$0.15, risk free interest rate of 0.57%, expected life of 3 years and an expected volatility of 181%.

On December 31, 2018, the fair value of the warrants was estimated to be \$13,641 using the Black-Scholes option pricing model with the following assumptions: exercise price of \$0.15, risk free interest rate of 1.64%, expected life of 0.34 years and an expected volatility of 93%.

<sup>(3)</sup> 187,500 Minera Alamos warrants with each warrant exercisable into one common share of Minera Alamos at a strike price of \$0.15 per share for three years expiring June 3, 2019. On June 3, 2016, the fair value of the warrants was estimated to be \$11,355 using the Black-Scholes option pricing model with the following assumptions: exercise price of \$0.15, risk free interest rate of 0.51%, expected life of 3 years and an expected volatility of 182%.

On December 31, 2018, the fair value of the warrants was estimated to be \$2,551 using the Black-Scholes option pricing model with the following assumptions: exercise price of \$0.15, risk free interest rate of 1.78%, expected life of 0.42 years and an expected volatility of 94%.

<sup>(4)</sup> 3,571,429 Rockcliff warrants with each warrant exercisable into one common share of Rockcliff at a strike price of \$0.10 per share for two years expiring August 16, 2018. On August 16, 2016, the fair value of the warrants was estimated to be \$147,650 using the Black-Scholes option pricing model with the following assumptions: exercise price of \$0.10, risk free interest rate of 0.55%, expected life of 2 years and an expected volatility of 201%.

On December 31, 2018, the fair value of the warrants was estimated to be \$nil as the warrants had expired unexercised.

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

### 3. Investments (continued)

#### (b) Non-public investments

	As at December 31, 2018			Transactions during the year ended December 31, 2019				As at December 31, 2019		
	Cost	Cumulative Unrealized Gain	Fair Value	Foreign Exchange Loss	Purchases	Proceeds on disposition	Realized gain	Unrealized (loss)	Fair Value	Securities Held
Petrowolf Resources LLC	\$ 284,801	\$ (195,026)	\$ 89,775	\$ (4,303)	\$ -	\$ -	\$ -	\$ -	\$ 85,472	263
Investment in Manitoba assets (note 8)	2,666,070	8,712,430	11,378,500	-	385,905	(9,839,032)	6,787,057	(8,712,430)	-	-
	\$2,950,871	\$8,517,404	\$11,468,275	\$ (4,303)	\$ 385,905	\$ (9,839,032)	\$ 6,787,057	\$ (8,712,430)	\$ 85,472	

	As at December 31, 2017			Transactions during the year ended December 31, 2018				As at December 31, 2018		
	Cost	Cumulative Unrealized Gain	Fair Value	Foreign Exchange Loss	Purchases	Unrealized gain (loss)	Fair Value	Securities Held		
Petrowolf Resources LLC	\$ 284,801	\$ 44,505	\$ 329,306	\$ 28,796	\$ -	\$ (268,327)	\$ 89,775	263		
Investment in Manitoba assets (note 8)	2,000,000	2,861,000	4,861,000	-	666,070	5,851,430	11,378,500	16,000 <sup>(1)</sup>		
	\$ 2,284,801	\$ 2,905,505	\$ 5,190,306	\$ 28,796	\$ 666,070	\$ 5,583,103	\$ 11,468,275			

<sup>(1)</sup> The number of securities held represent the shares of Akuna Minerals held as at December 31, 2018. The Company holds 100% interest in the other assets in this group. See note 8.

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

### 3. Investments (continued)

#### (c) Total investments

	As at December 31, 2018			Transactions during the year ended December 31, 2019			As at December 31, 2019		
	Cost	Cumulative Unrealized Gain	Fair Value	Purchased	Proceeds on Disposition	Realized Gain(loss)	Exchange Loss	Net Unrealized Gain (loss)	Fair Value
<b>Public investments</b>	\$ 3,859,966	\$ (1,690,081)	\$ 2,169,885	\$ 10,317,512	\$ (1,040,000)	\$ (451,930)	\$ -	\$ (2,522,768)	\$ 8,472,699
<b>Non-public investments</b>	2,950,871	8,517,404	11,468,275	385,905	(9,839,032)	6,787,057	(4,303)	(8,712,430)	85,472
	<b>\$ 6,810,837</b>	<b>\$ 6,827,323</b>	<b>\$ 13,638,160</b>	<b>\$ 10,703,417</b>	<b>\$ (10,879,032)</b>	<b>\$ 6,335,127</b>	<b>\$ (4,303)</b>	<b>\$ (11,235,198)</b>	<b>\$ 8,558,171</b>

	As at December 31, 2017			Transactions during the year ended December 31, 2018			As at December 31, 2018		
	Cost	Cumulative Unrealized Gain	Fair Value	Purchased	Realized loss	Exchange Loss	Net Unrealized Gain (loss)	Fair Value	
<b>Public investments</b>	\$ 3,985,603	\$ 1,159,376	\$ 5,144,979	\$ 22,013	\$ (147,650)	\$ -	\$ (2,849,457)	\$ 2,169,885	
<b>Non-public investments</b>	2,284,801	2,905,505	5,190,306	666,070	-	28,796	5,583,103	11,468,275	
	<b>\$ 6,270,404</b>	<b>\$ 4,064,881</b>	<b>\$ 10,335,285</b>	<b>\$ 688,083</b>	<b>\$ (147,650)</b>	<b>\$ 28,796</b>	<b>\$ 2,733,646</b>	<b>\$ 13,638,160</b>	

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 4. Cash and Cash Equivalents

As at	December 31, 2019	December 31, 2018
Cash <sup>(1)</sup>	\$ 160,683	\$ 493,005
Cash equivalents	453,974	1,365,790
	<b>\$ 614,657</b>	<b>\$ 1,858,795</b>

---

<sup>(1)</sup> Cash includes deposits with the Company's financial brokers in the amount of \$7,494 (December 31, 2018 - \$300,515).

### 5. Restricted Cash

The Company has a corporate credit card with a major financial institution with an aggregate credit limit of \$25,000. As at December 31, 2019, the financial institution holds \$25,000 in a Guaranteed Investment Certificate (December 31, 2018 - \$25,000) as collateral on the credit card amount as long as the credit card is active. The restricted cash amount would change if there was any change in the credit limit on the card.

### 6. Norvista Capital I Limited Partnership

On March 14, 2016, a partnership was formed under the name of Norvista Capital I Limited Partnership (the "LP"). A wholly owned subsidiary of Norvista, Norvista Capital General Partner I Ltd., serves as the "General Partner" of the LP and the Company serves as the manager of the LP and provides investment management services to the LP and is responsible for the day-to-day business of the LP. The LP has been created by the Company to avoid concentrated equity ownership in Norvista while accommodating institutional investors who want to make private equity investments in the junior resource space and have such investments sourced, structured and managed by Norvista. As at December 31, 2019 and December 31, 2018, the General Partner had no partnership units in the LP.

The General Partner is entitled to 0.01% of the net income or net loss of the LP and the LP pays the General Partner an annual management fee equal to 2% of their net asset value, calculated and paid monthly in arrears. During the year ended December 31, 2019, the General Partner recorded a management fee of \$44,292 (2018 - \$48,446). As at December 31, 2019, the Company had a \$39,045 (December 31, 2018 - \$11,135) management fee receivable from the LP which was included in the amounts receivable in the consolidated statements of financial position as at December 31, 2019.

On or before the dissolution of the LP or implementation of one of the liquidity alternatives, an incentive bonus will be payable by the LP to the General Partner calculated as 15% of the amount by which the increase in the Net Asset Value from formation until dissolution of the LP exceeds a threshold increase of 10% per annum compounded annually, excluding the effect of distributions to the LP, if any. The one-time performance fee, if any, will be paid within 10 calendar days of the dissolution date of the LP.

The Company accounts for its investment in the LP using a nominal value of \$nil as it does not own any partnership units and is only able to recover up to 0.01% of the net income of the LP.

During the year ended December 31, 2019, the Company received advances from LP in the amount of \$155,663 (December 31, 2018 - 360,000).

On June 26, 2019, the Company transferred 8,000,000 shares of Rockcliff to LP valued at \$1,040,000 based on the estimated fair value of \$0.13 for each Rockcliff share on the date of transfer in settlement of advances from LP to Norvista and its subsidiary Akuna of \$819,997, resulting in a loss of \$220,003.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 6. Norvista Capital I Limited Partnership (continued)

As at December 31, 2019, \$29,521 (December 31, 2018 - \$360,000) is included in accounts payable and accrued liabilities. The balance is unsecured, non-interest bearing and due on demand.

### 7. Right-of-use Assets

Office lease	December 31, 2019	December 31, 2018
Beginning balance	\$ 146,124	\$ 225,828
Depreciation	(79,704)	(79,704)
Ending balance	\$ 66,420	\$ 146,124

### 8. Investment in Manitoba Assets

#### Akuna Minerals Inc.

Before the sale to Rockcliff, Akuna held a 44% interest on the Tower Copper Property, which was the main asset in Akuna. The Tower Copper Property is located in central Manitoba. Akuna acquired 30% of its interest from Pure Nickel Inc. dated June 2, 2015 and the 14% interest was earned by Akuna under a purchase and sale agreement between Rockcliff and Akuna dated April 10, 2015. Akuna entered in an agreement with Rockcliff and during the year ended December 31, 2019, Akuna sold its interest to Rockcliff. Rockcliff has common directors and management with Norvista.

#### Talbot Option Agreement

On May 3, 2018, the Company signed an agreement ("Agreement") to earn into Rockcliff's 51% interest in the Talbot Option Agreement. Rockcliff assigned its interest to Norvista for total cash consideration of \$3.0 million, exploration expenditures to be incurred, and an additional 1/2 % Net Smelter Royalty ("NSR") on the nearby Tower Copper Property owned by Akuna as set out below. The Talbot Option Agreement was initially entered into by Rockcliff on April 14, 2014 with Hudbay Minerals Inc. ("Hudbay") and includes certain mineral properties located in the Flin Flon Snow lake area of western Manitoba. Rockcliff has common directors and management with Norvista.

#### **The following are highlights of the Agreement between Rockcliff and Norvista:**

- \$50,000 cash on signing (paid by Norvista);
- \$150,000 in 3 months from signing payable at the discretion of Norvista (paid by Norvista);
- Norvista is obligated to spend \$206,000 to satisfy the remainder of the fifth-year expenditure requirement under the Talbot Option Agreement between Rockcliff and Hudbay. These expenditures are to be incurred prior to April 14, 2019 (incurred by April 14, 2019);
- \$1,000,000 cash on commencement of the Tower mine construction;
- \$900,000 cash 3 months after commencement of commercial production;
- \$900,000 cash 6 months after commencement of commercial production;
- Additional 1/2% NSR on Tower Copper Property (Rockcliff will then own a total of 2% NSR on the Tower Copper Property) Norvista can purchase 1% NSR for \$2.0 million and has right of first refusal on the remaining 1% NSR;
- On or before July 1, 2019, Norvista must elect to either spend \$2,270,000 to earn a 51% interest under the Talbot Option Agreement, or return the property and the agreement back to Rockcliff and the additional 1/2% NSR on the Tower Copper Property is forfeited; and
- 2% NSR on the Talbot Property if Norvista acquires at least a 90% interest in the Talbot Property. Norvista can purchase 1% NSR for \$2.0 million and has the right of first refusal on the remaining 1% NSR.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 8. Investment in Manitoba Assets (continued)

#### Bucko Mill Lease

The Bucko Mill Lease interest is a lease option (the "Bucko Mill Lease") on a portion of the surface rights to CaNickel Mining Limited ("CaNickel")'s Bucko Lake mine, the ore milling building and equipment comprising the mill facility and tailings ponds near Wabowden, Manitoba in the Province of Manitoba.

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

On May 8, 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 – 79,363,334; and Akuna minority shareholders in exchange for transferring their shares of Akuna to Rockcliff – 9,023,333. The Akuna shares received by Rockcliff were subsequently cancelled. As at September 30, 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 trading price of Rockcliff shares of \$0.13 on May 8, 2019.

### 9. Accounts Payable and Accrued Liabilities

<b>As at</b>	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Accounts payable	\$ 70,712	\$ 418,107
Accrued liabilities	30,459	30,959
	<b>\$ 101,171</b>	<b>\$ 449,066</b>

The following is an aged analysis of the accounts payable and accrued liabilities:

<b>As at</b>	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Less than 1 month	\$ 41,153	\$ 444,312
1 to 3 months	21,439	2,109
Greater than 3 months	38,579	2,645
	<b>\$ 101,171</b>	<b>\$ 449,066</b>

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

### 10. Lease Liabilities

	December 31, 2019	December 31, 2018
<b>Beginning balance</b>	\$ 161,332	\$ 225,828
Interest expense	25,134	39,465
Lease payments	(105,841)	(103,961)
<b>Ending balance</b>	\$ 80,625	\$ 161,332
<b>Allocated as:</b>		
Current	\$ 80,625	\$ 88,182
Long-term	-	73,150
	\$ 80,625	\$ 161,332

### 11. Share Capital

#### a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares without par value.

#### b) Common shares issued

	Number of Common Shares	Amount
<b>Balance - December 31, 2017</b>	<b>71,361,501</b>	<b>\$ 13,770,695</b>
Share repurchase	-	(174,685)
<b>Balance - December 31, 2018</b>	<b>71,361,501</b>	<b>\$ 13,596,010</b>
Share repurchase and cancellation	(907,000)	(56,014)
<b>Balance - December 31, 2019</b>	<b>70,454,501</b>	<b>\$ 13,539,996</b>

On January 12, 2018, the Company received approval to undertake, at the Company's discretion, a normal course issuer bid program to purchase up to 3,568,075 of its common shares. The Company received acceptance from the TSX Venture Exchange to commence the bid on January 17, 2018. The bid terminated on January 17, 2019.

On April 15, 2019, the Company received approval to undertake, at the Company's discretion, a normal course issuer bid program to purchase up to 3,522,725 of its common shares (the "Bid").

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.

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

### 11. Share Capital (continued)

#### b) Common shares issued (continued)

During the year ended December 31, 2019, 907,000 repurchased shares were cancelled.

### 12. Stock Options

The following table reflects the continuity of stock options for the years ended December 31, 2019 and 2018:

	Number of Stock Options	Weighted Average Exercise Price
<b>Balance - December 31, 2017, December 31, 2018 December 31, 2019</b>	6,300,000	\$ 0.17

The following table reflects the actual stock options issued and outstanding as of December 31, 2019:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested	Grant Date Fair Value (\$)
July 29, 2020	0.15	0.29	3,125,000	3,125,000	238,811
April 6, 2021	0.20	0.36	1,775,000	1,775,000	294,534
January 26, 2022	0.17	0.33	1,000,000	1,000,000	142,503
October 13, 2022	0.13	0.18	400,000	400,000	41,921
	0.17	1.16	6,300,000	6,300,000	717,769

(i) On October 13, 2017, Norvista granted a total 400,000 stock options to a consultant pursuant to the Company's incentive stock option plan. The options are exercisable at a price of \$0.13 per common share and expire on October 13, 2022. These stock options vest one-third (1/3) on October 13, 2017, one-third (1/3) on October 13, 2018 and one-third (1/3) on October 13, 2019. The grant date fair value of the stock options was estimated to be \$41,921 using Black-Scholes option pricing model on the following assumptions: exercise price of \$0.13, risk free interest rate of 1.66%, an expected life of 5 years and an expected volatility of 114.09%. During the year ended December 31, 2019, stock-based compensation of \$5,475 was recorded in the consolidated statements of loss and comprehensive loss (2018 - \$17,936).

### 13. Unrealized gain on investments

	2019	2018
Reversal of previously recorded unrecognized gain on investments upon sale	\$ (8,419,504)	\$ 147,650
Changes in unrealized gain (loss) on investments held at period end	(2,815,694)	2,585,996
	<b>\$ (11,235,198)</b>	<b>\$ 2,733,646</b>

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 14. Basic and Diluted (Loss)/Income per Share

	2019	2018
Weighted average number of common shares outstanding - basic and dilutive	<b>70,496,745</b>	71,361,501

---

The calculation of basic and diluted income per share for the year ended December 31, 2019 was based on the net loss attributable to common shareholders of \$5,518,403 (2018 – net income of \$1,227,291) and the weighted average number of common shares outstanding of 70,496,745 (2018 – 71,361,501). Diluted (loss)/income per share for the year ended December 31, 2019 did not include the effect of 6,300,000 options (2018 – 6,300,000) as they were anti-dilutive.

### 15. Related Party Balances and Transactions and Major Shareholders

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

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

	2019	2018
Marrelli Support Services Inc. ("MSSI") (i)	\$ 70,361	\$ 62,258
DSA Corporate Services Inc. ("DSA") (ii)	10,493	11,858
Durham Exploration Services Inc. ("Durham") (iii)	135,600	120,000

---

(i) 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.

(ii) 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.

(iii) 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.

(iv) See Notes 3, 6 and 8.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 15. Related Party Balances and Transactions and Major Shareholders (continued)

#### (a) Related party balances and transactions (continued)

(v) 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 - \$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.

(vi) 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:

	2019	2018
Salaries	\$ 180,000	\$ 230,000
Director fees	32,425	31,813
Stock-based compensation (Note 12)	5,475	17,936

#### (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.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 16. Income Taxes

#### (a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined statutory rate of 26.5% (2018 - 26.5%) were as follows:

	<b>2019</b>	<b>2018</b>
(Loss) income before income taxes	\$ (6,114,403)	\$ 1,719,291
Expected income tax (recovery) based on the statutory rate:	(1,620,000)	456,000
Adjustments to expected income tax benefit:		
Permanent differences	1,000	36,000
Other	20,000	-
Change in benefit of tax assets not recognized	1,003,000	-
Deferred income tax (recovery) expense	\$ (596,000)	\$ 492,000

#### (b) Deferred Income Tax

Recognized deferred tax assets and liabilities:

	<b>2019</b>	<b>2018</b>
Investments	\$ -	\$ 1,810,000
Non-capital losses carry-forwards	-	(1,115,000)
Other deferred tax assets recognized	-	(99,000)
Deferred income tax liability	\$ -	\$ 596,000

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences as it is not probable that future taxable profit will be available against which the Company can use the benefits.

	<b>2019</b>	<b>2018</b>
Non-capital loss carry-forwards	\$ 2,921,000	\$ 3,263,000
Investments	5,134,000	-
Share issue costs	46,000	-
Cumulative eligible capital	282,000	-
	\$ 8,383,000	\$ 3,263,000

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 16. Income Taxes (continued)

#### (b) Deferred Income Tax (continued)

The Company has approximately \$2,921,000 of non-capital losses (December 31, 2018 - \$7,471,000) in Canada which under certain circumstances can be used to reduce taxable income of future years. The Canadian losses expire in the following periods:

2035	\$	804,000
2036		534,000
2037		628,000
2038		955,000
		<hr/>
	\$	2,921,000

---

### 17. 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.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 18. Fair Value Measurements

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

---

	Assets and liabilities amortized cost	Assets and liabilities at fair value at through profit and loss	Total
<b>December 31, 2019</b>			
Cash and cash equivalents	\$ 160,683	\$ 453,974	\$ 614,657
Amounts receivable	\$ 52,614	\$ -	\$ 52,614
Public investments	\$ -	\$ 8,472,699	\$ 8,472,699
Non-public investments	\$ -	\$ 85,472	\$ 85,472
Restricted cash	\$ 25,000	\$ -	\$ 25,000
Accounts payable and accrued liabilities	\$ (101,171)	\$ -	\$ (101,171)
Lease liabilities	\$ (80,625)	\$ -	\$ (80,625)
<b>December 31, 2018</b>			
Cash and cash equivalents	\$ 493,005	\$ 1,365,790	\$ 1,858,795
Amounts receivable	\$ 216,450	\$ -	\$ 216,450
Public investments	\$ -	\$ 2,169,885	\$ 2,169,885
Non-public investments	\$ -	\$ 11,468,275	\$ 11,468,275
Restricted cash	\$ 25,000	\$ -	\$ 25,000
Due to related party	\$ (449,066)	\$ -	\$ (449,066)
Accounts payable and accrued liabilities	\$ (161,332)	\$ -	\$ (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).

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 18. Fair Value Measurements (Continued)

#### 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 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.

#### Liquidity by period

---

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

---

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

#### Liquidity by period

---

	Total	Less than 1 year	1 -3 years	Non-liquid assets
Cash and cash equivalents	\$ 1,858,795	\$ 1,858,795	\$ -	\$ -
Amounts receivable	\$ 216,450	\$ 216,450	\$ -	\$ -
Restricted cash	\$ 25,000	\$ -	\$ 25,000	\$ -
Public investments	\$ 2,169,885	\$ 2,169,885	\$ -	\$ -
Non-public investment	\$ 11,468,275	\$ 11,378,500	\$ 89,775	\$ -

---

#### 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 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.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 18. Fair Value Measurements (Continued)

#### 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, 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 December 31, 2018:

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

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Cash equivalents	\$ -	\$ 453,974	\$ -	\$ 453,974
Publicly traded investments	4,428,341	4,044,358	-	8,472,699
Non-public investments and non-trading warrants	-	-	85,472	85,472

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

### 18. Fair Value Measurements (Continued)

#### Fair value of financial instruments (continued)

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

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Cash equivalents	\$ -	\$ 1,365,790	\$ -	\$ 1,365,790
Publicly traded investments	2,050,881	119,004	-	2,169,885
Non-public investments and non-trading warrants	-	-	11,468,275	11,468,275

Level 2 hierarchy:

During the year ended December 31, 2019, the Company received 79,363,334 common shares of Rockcliff that were held in escrow, of which 8,000,000 were transferred to LP (see Note 6). In addition, the shares of Rockcliff previously held of 2,380,952 were also placed into escrow. As at December 31, 2019, 15,967,737 shares have been released from escrow. The value of the remaining 57,776,549 shares held under escrow are recorded at Level 2 of the fair value hierarchy.

#### 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 loss.

Investment at fair value	Opening balance at January 1	Proceeds on Purchases	Disposition	Realized gain	Net unrealized gain (loss)	Ending balance
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	-	-	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:

#### December 31, 2019

Investment name	Valuation technique	Fair value	Unobservable inputs
Petrowolf	Recent financing approach	\$ 85,472	Transaction price

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 18. Fair Value Measurements (Continued)

#### Level 3 hierarchy (continued):

December 31, 2018

---

Investment name	Valuation technique	Fair value	Unobservable inputs
Petrowolf	Recent financing approach	\$ 89,775	Transaction price
Investment in Manitoba Assets	Market approach	11,378,500	Fair value of Rockcliff shares
		<b>\$ 11,468,275</b>	

---

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.

---

# NORVISTA CAPITAL CORPORATION

## Notes to Consolidated Financial Statements

December 31, 2019

(Expressed in Canadian Dollars unless otherwise stated)

---

### 19. Commitments and contingencies

#### 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.

### 20. Subsequent event

#### (i) Novel Coronavirus ("COVID-19")

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.