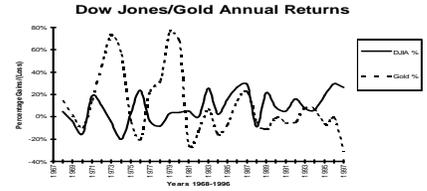




Gold

Energy & Tech Stocks



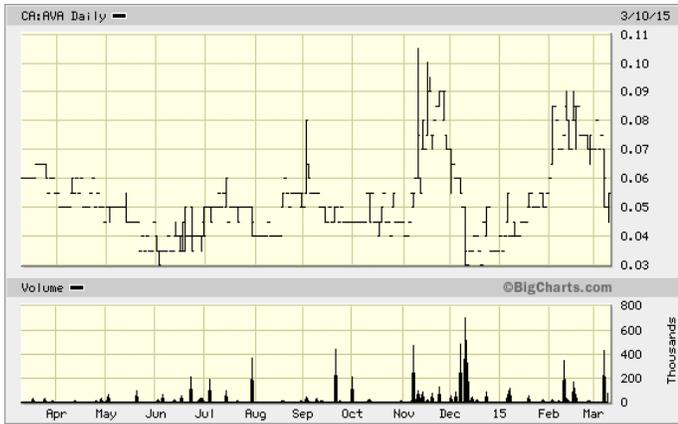
Weekly Hotline Message

(Now in our 34th Year)

March 13, 2015

Jay's Watch List

Aurvista Gold Corp.



Business: Exploration and development of the Douay Gold Project

Traded Toronto:	AVA
US OTC:	ARVSF
Price 3/11/15:	US\$0.047
Shares Outstanding:	69.7 million
Market Cap:	US\$3.25 million
Institutional Holdings ⁽¹⁾ :	62%
Fully Diluted Shares O/S:	75.5 million
Gold Resource ⁽²⁾ :	2,999,987 oz.
Market Value/Gold Ounce:	US\$0.93
Progress Rating:	A3
Web Site:	www.aurvistagold.com
Phone Number:	416.682.2674

⁽¹⁾Institutional holdings: Vior Inc. 30%, Norvista Resources 12%, Management & Directors 7%, CDPQ/Sodemex 7%, Montreal Investment Group 6%. Current mineral resources is broken down as follows: Indicated 238,433 ounces grading 2.76 g/t; Inferred 2,754,554 ounces grading 0.75 g/t.



Just when you think legitimate gold exploration companies can't be any more unloved by the market, another smash in the paper gold markets take them down still further. In the midst of this misery, I sold Aurvista to take advantage of a hefty tax loss, even though I have continued to believe that the company's Douay Gold Project has the potential to become a major Quebec gold mine. When I sold the stock, I told you that I would keep the company on my radar screen because with just 5 of 20 kilometers explored, the Douay already has an underground resource of 3 million ounces. Moreover, I was very

pleased with the hiring of Jean Lafleur as the company's president, with whom I met in Vancouver this past January at the Cambridge House Conference.

Lafleur is a Professional Geologist with 30 years plus of experience in various capacities within the mineral exploration industry. He has been active with major mining companies like Newmont, Falconbridge and Placer Dome. And from 1998 to 2003, Jean worked with McWatters Mining Inc., a Quebec-based junior exploration and mining company, and was instrumental in the discovery of new ore reserves for the company's gold projects in the Val-d'Or and Malartic Mining camps, including developing the bulk gold exploration program at the Canadian Malartic Gold Property which eventually became Osisko's 20 million ounce Canadian-Malartic Deposit.

When I met with Lafleur in Vancouver, he expressed considerable excitement about the Aurvista Douay Property, noting that it exhibits many similarities to Osisko's 20-million-ounce Malartic Gold Property. Lafleur had a very strong grasp of Aurvista's Douay Gold Project geology and he sees it as a spitting image of the Malartic Gold Property. While the Douay has only a 3-million-ounce resource to date, the property encompasses 20 kilometers of strike length along the Casa Berardi South Fault Zone and numerous splays from that main structure that give reason to think that with adequate exploration, it can host a resource several times its current 3 million ounces.

Indeed, Lafleur is not shy about his expectations and goals for the Douay Gold Project. Over the next three to five years, he has laid out a strategy to generate and develop a 5-to-10-million-ounce gold reserve and to develop the next major gold mine in Quebec. Meanwhile, as exploration proceeds, Mr. Lafleur sees the possibility of bringing the Douay West into production via custom milling with a feasibility study scheduled for completion by the middle of this year. From that he hopes to develop cash flow for future exploration and development of the entire Douay Gold Project. Ultimately, however, his plan is to develop an economic orebody that will be worthy of a major company takeover, while leaving the company with a royalty, not unlike the deal Osisko Royalties recently structured with IAMGold and Agnico-Eagle.

Douay West Zone Economics

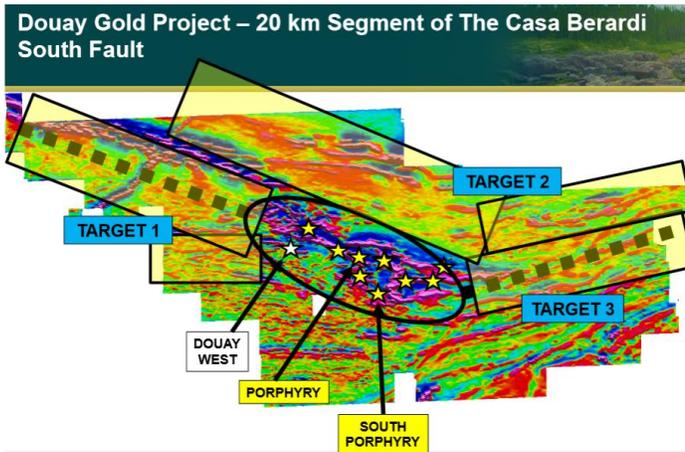
Plans for early production using toll milling to fund larger-scale multimillion-ounce exploration programs are based on the higher-grade Douay West Zone, which would involve both an open pit and underground mine. The company published results of a Preliminary Economic Assessment (PEA) study this past January. For a 900-tonne-per-day operation, pre-production open-pit expenses of \$12.2 million were estimated. For a 3.7-year mine life, a life-of-mine cash operating cost of C\$800 per ounce and an all-in cost of C\$1,195 per ounce were estimated. Based on the current (March 11, 2015) US/Can exchange rate of \$0.7845, those cost figures in U.S. money work out to a cash operating cost of \$628/ oz. and an all-in cost of \$938/oz., compared to closing U.S. dollar price of \$1,155/oz. That leaves a cash margin of \$527/oz. and an all-in margin of \$217/oz. The average head grade is estimated to be 4.87 g/t, which explains these relatively low costs.

Further details of the PEA include a 92% recovery rate, over burden stripping cost of \$4.35/tonne, open-pit mining costs of \$4.25/tonne, underground stope mining costs of \$65/tonne, crushing of \$3.50/tonne, and toll milling of \$30/tonne.

Of course, given its location in a well established mining district, the Douay's economics are boosted by excellent infrastructure, including low-cost hydroelectricity. Also, shaft collar, head frame, hoist and hoist house, office/dry area building, and some shaft sinking materials were left on site by a previous operator in the 1990s. All of these factors along with mining of this higher-grade zone help boost the economic prospects for a small Douay West operation.

Naturally, subscribers are cautioned to realize this is only a PEA, so as the project comes more into focus both in terms of detail and time, the numbers could and likely will change, perhaps considerably. But at least from what we know now, the PEA with the mining of this higher-grade West Zone looks like it could provide considerable financial resources to develop this extensive, largely still-unexplored project into a major gold deposit. Management is planning to carry out a pre-feasibility study in 2015 that will include a 4,000-meter drill program to enhance the economics of this higher-grade section of the overall large-scale Douay.

Exploration Potential



As noted above, Lafleur, who was involved in developing the Malartic world-class gold deposit, sees the Douay as very similar to the Malartic, which lies 150 kilometers south of the Douay. It has similar regional and local settings. It is hosted in the same Abitibi Gold Belt and the structural patterns are very similar over a wide area. A strategic advantage that the Douay holds is that there are still high-grade gold veins yet to be explored. The Douay is at an earlier stage than the Malartic. The potential to outline upward to 10 million ounces and perhaps more appears a reasonable possibility, given continued growth of

ounces in the areas explored to date within the oval area displayed on the illustration on your left as well as the three yet-to-be explored Targets 1, 2, and 3 shown on the illustration. In my view, assuming the company is able to move the Douay West into small-scale production and generate cash flows along the lines suggested by the PEA, I believe a resource expansion of 2 or 3 times the current NI 43-101 resource of 3 million ounces is highly likely.

Management

JEAN LAFLEUR - PRESIDENT AND CEO - Mr. Lafleur is a Professional Geologist with 30 years plus of experience in various capacities within the mineral exploration industry including company project and property evaluations and audits, project planning and execution, supervision and management, and resource estimations. He received his B. Sc. and M. Sc. degrees in Geology from the University of Ottawa, and has been active in mineral exploration, both in Canada and internationally (Africa, Mexico and Ecuador), with a wide range of industry-leading companies, such as Newmont, Falconbridge and Placer Dome. From 1998 to 2003, Mr. Lafleur worked with McWatters Mining Inc., a Quebec-based junior exploration and mining company, and was instrumental in the discovery of new ore reserves for the company's gold projects in the Val-d'Or and Malartic Mining camps, including developing the bulk gold exploration program at the Canadian Malartic Gold Property which eventually became Osisko's 10 million ounce Canadian-Malartic Deposit, which exhibits many similarities to the "porphyry" zone at Aurvista's Douay property.

BRYAN KEELER - CHIEF FINANCIAL OFFICER - Bryan Keeler is a Chartered Accountant with over 30 years of operations and corporate office experience with Canadian Cellulose, Noranda Forest and Denison Mines. Bryan has participated with creative financial engineering work in the building of three successful royalty finance companies and most recently hands on building of VERCOR Canada small to middle market Investment Bank with over a Billion dollars in transactions closed and 19 offices worldwide. Since he first teamed up with Gerry McCarvill in 1993, he has acted as CFO in support of

Gerry's various ventures, Repadre Capital Corporation, now IAMGOLD Corporation, Reserve Royalty and McCarvill Corporation.

BOARD OF DIRECTORS

Both Lafleur and Keeler are members of the Board of Directors.

GERRY MCCARVILL – CHAIRMAN - Gerry McCarvill has extensive experience in the origination and execution of global mining and energy, private equity and finance transactions. His career includes more than 30 years in the financial sector holding senior positions with major investment firms including the executive committee of CIBC Wood Gundy. Most recently, Gerry was CEO of McCarvill Corporation, a diversified financial services company, which financed mining and energy companies. He helped establish Repadre Capital Corporation, a mining royalty company, now IAMGOLD (TSX), Desert Sun Mining, acquired by Yamana Gold (NYSE), Consolidated Thompson Iron Mines (TSX) and Metals Royalty Corporation. The combined market capitalizations of these companies is several billion dollars.

MARC L'HEUREUX – DIRECTOR - Mr. L'Heureux has more than 20 years of experience as a professional geologist in exploration for gold, nickel, base metals and diamond in North and Latin America. M. L'Heureux is currently the Vice-President, Exploration of Vior (2010 to present) and was the Vice-President of Everton Resources Inc. (2003 to 2010). He is also currently a director of Adventure Gold Inc., Mazorro Resources Inc., and Pan Caribbean Minerals Inc. Mr. L'Heureux holds a degree in geology and a Master Degree in Earth Sciences (Applied Geochemistry).

ROBERT MITCHELL – DIRECTOR - Mr. Mitchell is an experienced corporate director and a member of the Institute of Corporate Directors and has been a member of three Audit Committees, two of which he currently chairs. Mr. Mitchell is a retired partner of Ernst and Young LLP., and has over forty years of financial experience. Mr. Mitchell is well versed in International Financial Reporting Standards and CEO/CFO certification of the effectiveness of disclosure controls and procedures. Mr. Mitchell is currently a Director, acting Chairman of the Board and Chairman of the Audit Committee of Orvana Minerals Corp. as well as Director and Chairman of the Audit Committee of Home Capital Group Inc. Mr. Mitchell brings a tremendous amount of experience to both the Board of Directors and the Audit Committee.

CLAUDE ST-JACQUES – DIRECTOR - Mr. St-Jacques is the founder and past president of Vior as well as being the founder of Mazarin and Virginia Gold Mines. Mr. St-Jacques graduated from Laval University (1982) in management and public relations and has been associated with the mining industry since 1982, namely as Managing Director of the Quebec Prospector's Association from 1982 to 1984. Mr. St-Jacques is also a director of Virginia Mines Inc.

G. EDMUND KING – DIRECTOR - Mr. King has been chairman and CEO of MTHRTY Communications, a social media company, since May 2004. He served as Chairman and Chief Executive Officer of Wood Gundy Ltd. and CIBC Wood Gundy Ltd. from 1988 to 1995. He is a past chairman of the Investment Dealers Association of Canada. He served as chairman of Western International Communications (WIC) from Jun 1994 to January 1998. Mr King also served as Deputy Chairman of Rockwater Capital Corporation from January 1996 to March 31, 2003.

The Bottom Line

The capital costs to commence open-pit production with custom milling are estimated to be C\$12.2 million. Assuming the market wakes up to this company's potential and begins to price the ounces in the ground at a more reasonable level so that capital can be raised efficiently, even in these dire times, a

\$12.2-million capital nut to crack does not seem out of the question. Potentially, work being carried out this year will upgrade and increase the Douay ounces and further enhance the economics. Once production begins, an additional \$50 million will be required to fund underground development and initial stopping. A higher level of confidence in the economics should be forthcoming with additional drilling and feasibility work to be concluded this year.

It's hard to get optimistic about anything these days in this market. The gloom is as heavy as any time I have covered the junior resource markets going back to 1981. That's why the market is pricing this company's 3 million ounces at less than US\$1.00. But I have been through enough of these downturns to know that the sun will shine again and when it does, it shines very, very brightly on this most unloved sector. And if I'm right about this being near a bottom for this sector, Aurvista could become one of my most spectacular picks. In a way it reminds me very much of my recommendation of Pelangio when it was in the early days of outlining the Detour Project. Pelangio at one point gained over 5,000%, except that when I picked up that company's story, it only had a historic resource of about 1 million low-grade ounces previously delineated by Placer Dome. There are never any guarantees in this business. But if you want to take a wager on a 5-cent stock, given all this company has going for it—especially since Mr. Lafleur has taken charge—I like the odds.

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