VISTA GOLD CORP
Form 10-K/A
April 16, 2009

# UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

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# FORM 10-K/A

**(Amendment No. 1)**

**x** **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2008**

**OR**

**o** **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission File Number 1-9025**

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# VISTA GOLD CORP.

(Exact Name of Registrant as Specified in its Charter)

| | |
|---|---|
| **Yukon Territory**<br>(State or other Jurisdiction of Incorporation or Organization) | **98-0542444**<br>(IRS Employer<br>Identification Number) |
| **Suite 5, 7961 Shaffer Parkway**<br>**Littleton, Colorado**<br>(Address of Principal Executive Offices) | **80127**<br>(Zip Code) |

**(720) 981-1185**
(Registrant s Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class | | Name of Each Exchange on Which Registered |
|---|---|---|
| | | |
| Common Shares without par value | | NYSE Amex<br>Toronto Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act: **None.**

**Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act:** Yes o No x

**Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act:** Yes o No x

**Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to the filing requirements for the past 90 days:** Yes x No o

**Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of**

**this Form 10-K or any amendment to this Form 10-K:** x

**Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act:**

Large Accelerated Filer o Accelerated Filer x Non-accelerated filer o

**Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):**

Yes o No x

**State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant s most recently completed second fiscal quarter:**

As of June 30, 2008 being the last business day of the Registrant s most recently completed second fiscal quarter, the aggregate market value of outstanding Common Shares of the registrant held by non-affiliates was approximately $126,000,000.

**Outstanding Common Shares:** As of March 11, 2009, 34,475,829 Common Shares of the registrant were outstanding.

**Documents incorporated by reference:** To the extent herein specifically referenced in Part III, portions of the registrant s definitive Proxy Statement for the 2009 Annual General Meeting of Shareholders. See Part III.

**EXPLANATORY NOTE**

This amendment number one on Form 10-K/A (this Amendment ) amends the Company s Annual Report on Form 10-K for the year ended December 31, 2008, as filed with the Securities and Exchange Commission (the SEC ) on March 13, 2009 (the Original Report ) and is being made to clarify certain information and disclosures as follows:

- **Item 2 Description of Property** The Company has:

(a) corrected an inadvertent error related to the disclosed mineralized material and inferred mineral resources for its Long Valley project under the sub-heading Long Valley *Geology and Mineralization* ;

(b) clarified and expanded the Company s disclosure on its Paredones Amarillos project under the sub-headings Paredones Amarillos *History*, Paredones Amarillos *Infrastructure and Access*, Paredones Amarillos *Climate*, Paredones Amarillos *Local Resources and Infrastructure*, Paredones Amarillos *Geology and Mineralization* and Paredones Amarillos *Permitting Status* ;

(c) clarified and expanded the Company s disclosure on its Mt. Todd project under the sub-headings Mt. Todd A*ccess*, Mt. Todd *Climate*, Mt. Todd *Local Resources and Infrastructure*, and Mt. Todd *Geology and Mineralization* ;

(d) clarified and expanded the Company s disclosure on its Awak Mas project under the sub-headings Awak Mas *Location*, Awak Mas *Access*, Awak Mas *Climate and Infrastructure*, and Awak Mas *Geology an Mineralization* ;

(e) clarified and expanded the Company s disclosure on its Yellow Pine project under the sub-headings Yellow Pine *Access*, Yellow Pine *Climate and Infrastructure*, Yellow Pine *History*, and Yellow Pine *Geolog Mineralization* ;

(f) clarified and expanded the Company s disclosure on its Long Valley project under the sub-headings Long Valley *Access*, Long Valley *Climate and Infrastructure*, and Long Valley *Geology and Mineralization* ;

(g) clarified and expanded the Company s disclosure on its Guadalupe de Los Reyes project under the sub-headings Guadalupe de Los Reyes *Access*, Guadalupe de Los Reyes *Climate and Infrastructure*, and Guadalup de Los Reyes *Geology and Mineralization*.

Aside from the foregoing clarifications, this Amendment has not been amended or updated for events or information subsequent to the date of filing of the Original Report. Accordingly, this Amendment should be read in conjunction with the Company s Original Report and other filings made with the SEC.

The Company anticipates that the costs stemming from this Amendment will not have a material effect on the Company. No adjustments are necessary for financial statements for periods subsequent to December 31, 2008. The filing of this Amendment shall not be deemed an admission that the Original Report, when made, included any known, untrue statement of material fact or knowingly omitted to state a material fact necessary to make a statement not misleading.

For financial statements and a discussion of events and developments subsequent to December 31, 2008, see the Company s subsequent filings made with the SEC.

**CAUTIONARY NOTE TO U.S. INVESTORS REGARDING RESERVE AND RESOURCE ESTIMATES**

The terms mineral reserve , proven mineral reserve and probable mineral reserve are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ( NI 43-101 ) and the Canadian Institute of Mining, Metallurgy and Petroleum (the CIM ) *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended. These definitions differ from the definitions in the United States Securities and Exchange Commission ( SEC ) Industry Guide 7 ( SEC Industry Guide 7 ) under the Securities Act. Under SEC Industry Guide 7 standards, a final or bankable feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms mineral resource , measured mineral resource , indicated mineral resource and inferred mineral resource are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. Inferred mineral resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all, or any part, of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of contained ounces in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute reserves by SEC standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this report and the documents incorporated by reference herein contain descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

**GLOSSARY**

*assay* means to test ores or minerals by chemical or other methods for the purpose of determining the amount of valuable metals contained.

*breccia* means rock consisting of fragments, more or less angular, in a matrix of finer-grained material or of cementing material.

*claim* means a mining title giving its holder the right to prospect, explore for and exploit minerals within a defined area.

*cut-off grade* means the grade below which mineralized material or ore will be considered waste.

*deposit* means an informal term for an accumulation of mineral ores.

*diamond drill* means a rotary type of rock drill that cuts a core of rock and is recovered in long cylindrical sections, two centimeters or more in diameter.

*fault* means a fracture in rock along which there has been displacement of the two sides parallel to the fracture.

*heap leach* means a gold extraction method that percolates a cyanide solution through ore heaped on an impermeable pad or base.

*indicated mineral resource* and *indicated resource* means *indicated mineral resource* as defined by the Canadian Institute of Mining, Metallurgy and Petroleum and is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

*inferred mineral resource* and *inferred resource* means *inferred mineral resource* as defined by the Canadian Institute of Mining, Metallurgy and Petroleum in the CIM Definition Standards and is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

*measured mineral resource* and *measured resources* means *measured mineral resource* as defined by the Canadian Institute of Mining, Metallurgy and Petroleum in the CIM Definition Standards and is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

*mineralization* means the concentration of metals within a body of rock.

*mineralized material* under SEC Industry Guide 7 is a mineralized body which has been delineated by appropriately spaced drilling and/or underground sampling to support a sufficient tonnage and average grade of metal(s). Such a deposit does not qualify as a reserve, until a comprehensive evaluation based upon unit cost, grade, recoveries, and other material factors conclude legal and economic feasibility. Mineralized material is equivalent to measured plus indicated mineral resources but does not include inferred mineral resources, which terms are defined by the Canadian Institute of Mining, Metallurgy and Petroleum.

*ore* means material containing minerals that can be economically extracted.

*oxide* means mineralized rock in which some of the original minerals have been oxidized (*i.e.*, combined with oxygen). Oxidation tends to make the ore more porous and permits a more complete permeation of cyanide solutions so that minute particles of gold in the interior of the minerals will be more readily dissolved.

*preliminary feasibility study* as defined by the Canadian Institute of Mining, Metallurgy and Petroleum and by NI 43-101 is a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and where an effective method of mineral processing has been determined. This study must include a financial analysis based on reasonable assumptions of technical, engineering, operating, economic, social and environmental factors and the evaluation of other relevant factors which are sufficient for a Qualified Person acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve.

*probable reserves* under SEC Industry Guide 7 means reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

*probable mineral reserves* as defined by the Canadian Institute of Mining, Metallurgy and Petroleum in the CIM Definition Standards is the economically mineable part of an indicated mineral resource and, in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

*proven reserves* under SEC Industry Guide 7 means reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth, and mineral content of reserves are well-established.

*proven mineral reserves* , as such term is defined by the Canadian Institute of Mining, Metallurgy and Petroleum in the CIM Definition Standards, is the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

*qualified person* as defined under NI 43-101 means an individual who (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; (b) has experience relevant to the subject matter of the mineral project and the technical report; and (c) is in good standing with a professional association. Note: a professional association is a self-regulatory organization of engineers, geoscientists or both that, among other criteria, requires compliance with the professional standards of competence and ethics established by the organization and has disciplinary powers over its members.

*recovery* means that portion of the metal contained in the ore that is successfully extracted by processing, expressed as a percentage.

*sampling* means selecting a fractional, but representative, part of a mineral deposit for analysis.

*sediment* means solid material settled from suspension in a liquid.

*stockwork* means a rock mass interpenetrated by small veins of mineralization.

*strike* , when used as a noun, means the direction, course or bearing of a vein or rock formation measured on a level surface and, when used as a verb, means to take such direction, course or bearing.

*strike length* means the longest horizontal dimension of an orebody or zone of mineralization.

*stripping ratio* means the ratio of waste to ore in an open pit mine.

*sulfide* means a compound of sulfur and some other element.

*tailings* means material rejected from a mill after most of the valuable minerals have been extracted.

*vein* means a fissure, fault or crack in a rock filled by minerals that have traveled upwards from some deep source.

*volcaniclastic* means derived by ejection of volcanic material from a volcanic vent.

*waste* means rock lacking sufficient grade and/or other characteristics of ore.

**PART I**

**ITEM 2. PROPERTIES.**

***NOTE: This Item 2 has been amended to correct an inadvertent error and to clarify and expand disclosure contained in the Company s Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 13, 2009. See Explanatory Note above. No other information in the Annual Report on Form 10-K as filed on March 13, 2009 is being amended, revised or otherwise altered or expanded.***

Detailed information is contained herein with respect to the Paredones Amarillos, Mt. Todd, Awak Mas, Yellow Pine, Long Valley and Guadalupe de los Reyes gold projects. The Corporation holds the Paredones Amarillos and Guadalupe de los Reyes gold projects through its wholly-owned subsidiary, Minera Paredones Amarillos S.A. de C.V.; the Mt. Todd gold project is held through its wholly-owned subsidiary, Vista Gold Australia Pty Ltd., the Awak Mas gold project is held through its indirect wholly-owned subsidiary, PT Masmindo Dwi; the Yellow Pine gold project is held through its indirect wholly-owned subsidiary, Idaho Gold Resources LLC.; and the Long Valley gold project is held through its indirect wholly-owned subsidiary Vista Gold California LLC. The Amayapampa gold project and the Corporation s wholly-owned subsidiary, Minera Nueva Vista S.A., were sold to an Australian company in 2008.

**Cautionary Note to U.S. Investors:** Part I Item 2. Properties and other sections of this Annual Report on Form 10-K contain the terms measured mineral resources, indicated mineral resources, inferred mineral resources, proven mineral reserves, and probable mineral reserves as defined in accordance with NI 43-101. Please note the following regarding these terms:

- **Measured mineral resources and indicated mineral resources** we advise U.S. investors that while these terms are recognized and required by Canadian regulations, these terms are not defined in SEC Industry Guide 7 and the SEC does not normally permit such terms to be used in reports and registration statements filed with the SEC. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves.**

- **Inferred mineral resources** we advise U.S. investors that while this term is recognized by Canadian regulations, the SEC does not recognize it. Inferred mineral resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or prefeasibility study, except in rare cases. The SEC normally only permits an issuer to report mineralization that does not constitute reserves only as in-place tonnage and grade without reference to unit measures. **U.S. investors are cautioned not to assume that any part or all of an inferred mineral resource exists or is economically or legally minable.**

- **Proven mineral reserves and probable mineral reserves** The definitions of proven and probable mineral reserves used in NI 43-101 differ from the definitions for proven reserves and probable reserves as found in SEC Industry Guide 7. Accordingly, Vista Gold s disclosure of mineral reserves herein may not be compatible to information from U.S. companies subject to reporting and disclosure requirements of the SEC.

Please see **Cautionary Note to U.S. Investors regarding Reserve and Resource Estimates** for further discussion on the differences between terms under NI 43-101 and SEC Industry Guide 7.

**Paredones Amarillos**

Paredones Amarillos is located 35 miles southeast of the capital city of La Paz, in the Mexican state of Baja California Sur and is accessed by paved and dirt roads. The project area covers about 9,168 acres. A map showing the location of the mining concessions and a table with a list of the mining concessions and the holding requirements follow.

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**Paredones Amarillos Gold Project Mining Concessions Controlled by Vista Gold**

**Project is centered at approximately UTM coordinates 592500E, 2618000N (NAD27)**
**All concessions are located on INEGI official map number F12B23**

| Concession Name | Serial Number | Surface Area (hectares) | Location Date | Expiration Date | Annual Fees (in Mexican Pesos) |
|---|---|---|---|---|---|
| San Antonio | 180064 | 151.3647 | 3/23/1987 | 3/22/2037 | 30,512 |
| El Arbol De Oro | 184973 | 162.0000 | 12/13/1989 | 12/12/2039 | 32,656 |
| El Picachudo | 189602 | 348.0000 | 12/5/1990 | 12/4/2040 | 70,150 |
| La Dificultad | 203910 | 454.0218 | 11/5/1996 | 11/4/2046 | 91,522 |
| Julia | 204485 | 469.4073 | 2/21/1997 | 2/20/2047 | 94,624 |
| Tocopilla | 204511 | 582.4949 | 2/28/1997 | 2/27/2047 | 117,420 |
| La Rica | 206545 | 481.1593 | 1/23/1998 | 1/22/2048 | 96,992 |
| Maile | 207581 | 296.9883 | 6/30/1998 | 6/29/2048 | 59,866 |
| Cerro Pedregoso | 218397 | 46.6493 | 11/5/2002 | 11/4/2052 | 1,328 |
| La Encantada Fracc. 2 | 218398 | 12.9992 | 11/5/2002 | 11/4/2052 | 370 |
| La Encantada Fracc. 1 | 218399 | 166.2248 | 11/5/2002 | 11/4/2052 | 4,734 |
| La Encantada Fracc. II | 218415 | 32.4883 | 11/5/2002 | 11/4/2052 | 926 |
| La Encantada Fracc. I | 218417 | 44.9991 | 11/5/2002 | 11/4/2052 | 1,282 |
| Valle Perdido Fracc. I | 226290 | 9.7752 | 12/6/2005 | 12/5/2055 | 134 |
| Valle Perdido Reduccion 2 | 227346 | 451.5862 | 6/9/2006 | 11/4/2052 | 6,214 |
| Totals | | 3,710.1584 hectares | | | 608,730 |
| 15 Concessions | | 9,168 acres | Total in US$@ an exchange rate on 2/23/09 of = US$1.00 = MP $13.92 | | US$41,229 |

Note: Proof of Labor must be filed on all concessions annually. All concessions are Federal Mining Concessions.

We acquired 100% of the project on August 29, 2002, from Viceroy Resource Corporation ( Viceroy ). To acquire the project, we paid cash of CDN $1.0 million and issued 303,030 equity units comprised of one Common Share and one purchase warrant to purchase one Common Share to Viceroy, and on August 29, 2003, we paid Viceroy the remaining CDN $0.5 million due pursuant to the acquisition contract (see also Consolidated Financial Statements Note 6).

*History*

Mining in the region dates back to the colonial times, when gold was discovered by Jesuits who were colonizing the area. When the gold rush of 1849 began in California, it served to reignite interest in dormant mines. The mining town of El Triunfo is reported to have had a population of 14,000 at its peak. Between 1881 and 1895 the Progresso Mining Company recovered 75,000 ounces of gold and 15,000,000 ounces of silver from processing 400,000 tons of material mined in the mines near El Triunfo. In 1895 about 1000 people were working underground with 350 mules in the mines. In 1895 the mines flooded from the failure of a natural dam at a lake during a hurricane. The mines only worked intermittently after flooding.

The initial recorded work on the Paredones Amarillos gold project commenced around 1970 when Noranda (Cia Minera Gamma) acquired a number of Baja Sur properties in 1970. Noranda joint ventured the property with Minera Las Cuevas. A total of 28 diamond drill holes were completed in the first round of drilling on the property.

An extensive geochemical program and completion of 18 diamond drill holes was carried out by Minera Paredones Amarillos S. A. (Imperial Metals Corporation) who acquired the property.

The Paredones Amarillos gold project has been a significant exploration target since the 1980s. In 1992 Tymar Resources acquired 70% of the shares of Minera Paredones Amarillos S. A. (MPA). Tymar then changed its name to Baja Gold Inc. (Baja). Baja s first program included extending the geochemical survey and 18 reverse circulation drill holes.

In 1997, Echo Bay Mines Ltd. ( EBM ) completed a final feasibility study for an open pit mine on the project. As a result of the subsequent decline in gold prices, start-up was postponed. EBM holds a 2% net profits interest on certain concessions of the project, subject to a cap of $2 million. Additionally, Minera Tepmin, S.A. de C.V., holds a 1% net smelter returns royalty on two concessions.

The project holds environmental authorizations for the purpose of the following: project development including access road, power line, telephone communications, and infrastructure to supply water; construction and operation of a tailings dam; disposal of tailings; construction of a mill; and installation of three pumping stations.

*Infrastructure and Access*

The project site is currently accessible by government-maintained dirt roads from the north and the west. The project site is currently accessible on existing public roads: paved highway to within 11 miles of the project on the north then by government-maintained dirt roads from the north. There is also a government maintained dirt road from the west. The main access will be from the north. We plan to widen and improve approximately six miles of existing roads from the north and to construct approximately five miles of new road immediately north of the project. At the present time, the project area is undeveloped with only several sheds used for drill sample storage and the drill access roads constructed during the exploration phase. We maintain an office in the city of La Paz.

Employees will be transported between the site and the local communities using company supplied buses or vans.

*Climate*

The topography at the project site comprises moderate to steep hills, with elevations ranging from 400 m to 800 m. Overall, the drainage system is characterized by moderately steep v-shaped valleys.

The climate is considered dry and semi-arid, with rain during summer, less than 5% precipitation during winter. Most of the precipitation occurs during the summer months. Winter precipitation contributes between 5% and 10% of the annual average rainfall of 37 cm. In general, evaporation greatly exceeds precipitation, although there are recorded exceptions. Temperatures range from a winter low of 48 degrees Fahrenheit to a summer high of 95 degrees Fahrenheit, with an annual average of 70.5 degrees Fahrenheit.

Year-round operations will be possible in this area.

*Local Resources and Infrastructure*

La Paz, the state capital, had a population of 220,000 in 2005. The small historic mining towns of El Triunfo and San Antonio have populations of several hundred. The city of La Paz has port facilities.

A combined process warehouse and security office will be constructed northeast of the reagent mixing area and administrative office. We plan to construct a tailing storage facility that will have the capacity to contain 40 Mt of paste tailings. Construction of the tailings embankment will be completed primarily with waste rock derived from mine pre-stripping and waste rock removal operations. A zoned rock fill embankment is proposed with an inner core of compacted waste rock placed with controlled lift thickness, and an outer truck-dumped shell of uncompacted waste rock placed in 5 to 10m lifts.

Location alternatives for tailings disposal and waste rock dump facilities at Paredones Amarillos are limited. The position and extent of the tailings impoundment will be constrained by local topography to the south, the process facilities to the east and Arroyo La Junta to the north. There is limited potential to extend the impoundment westward; however, a preliminary review of a westward extension of the impoundment footprint does not indicate a significant improvement in storage capacity relative to embankment construction requirements. The location of the tailings impoundment has previously been evaluated by Mexican authorities. Advancing the project with the proposed tailings location will facilitate ongoing review and permit acquisition. The site is relatively rugged with the surface topography influenced by outcrops of resistant granitic bedrock. Local elevation ranges from approximately 400 to 800m. The tailings impoundment will lie between the elevations of approximately 419 and 522m. Gently sloping areas are rare in the vicinity of the proposed mining operation, and a combination of grading and waste rock fill placement will be required to develop a foundation suitable for installation of an impoundment lining system.

High-voltage electrical power will be available from an existing sub-station located approximately 11 miles north of the project area. We intend to construct a new power line from the sub-station to the project. The power line design has been completed and the right-of-way agreements are in place. We intend to use desalinated sea water from the Pacific Coast which is about 16 miles to the west. The length of the pipeline to transport desalinated sea water to the project is dependent on the ultimate route chosen; however 28 miles was used in the 2008 feasibility study. Annual water consumption is estimated to be 370 million gallons.

*Geology and Mineralization*

The Paredones Amarillos gold project lies on the northwest flank of the Sierra de Laguna within the La Paz crystalline complex, which forms the southern tip of the Baja California peninsula. The crystalline complex comprises intermediate to silicic Cretaceous igneous rocks that intruded and metamorphosed early Mesozoic clastic and calcareous sedimentary rocks. The crystalline complex is bounded on the west by the La Paz fault that transects the peninsula. A thick sequence of Tertiary volcanic and volcaniclastic rocks crops out west of the La Paz fault. Erosion has removed the meta-sediments and Tertiary volcanic rocks from the Paredones Amarillos gold project area.

General geology consists of diorite roof pendants intruded by a granodiorite batholith with local low and high-angle fault zones. A north-east striking, south-east dipping low-angle silicified fault zone ( cataclasite ) is the main host of gold mineralization at Paredones Amarillos. Movement along this structure has been characterized as reverse, resulting from compression. Secondary, high-angle faulting is thought to control the higher-grade mineralization at the project.

Gold grade at Paredones Amarillos generally varies directly with the abundance of sulfides. The important sulfides are pyrite, arsenopyrite, pyrrhotite, and minor marcasite and chalcopyrite. These sulfides may be accompanied by traces of sphalerite, galena, bismuthinite, native bismuth and sulphosalts. The better gold grades occur with a combined 2 to 7 percent pyrite-arsenopyrite-pyrrhotite-chalcopyrite which serves as a megascopic guide to gold mineralization. However, not all high-sulfide rock carries high gold values.

Main stage gold mineralization lies almost entirely within the cataclasite unit. Second stage gold occurs within hanging wall diorite that is not associated with cataclasite. This mineralization occurs in quartz-sulfide microveinlets associated with high angle brittle fracture zones and minor faults up to a few meters in width that cut the ore body and wall rocks. Given the impermeable nature of the cataclasite, these structural intersections are not believed to produce high grade pods of gold mineralization.

The known gold mineralized material occupies an inverted U-shaped block with an approximate strike length of 4,900 feet east-west, a width of approximately 1,600 feet north-south, and a thickness of approximately 100 feet. The apex of the U is near the center of the proposed pit with the legs forming the east and west pit lobes.

*Definitive Feasibility Study*

In August 2007, we announced the start of a definitive feasibility study which was completed in early September 2008 under the direction of our independent consultant, SRK Consulting (US), Inc. ( SRK ) of Lakewood, Colorado. The study is titled Feasibility Study, NI 43-101 Technical Report, Vista Gold Corp., Paredones Amarillos Gold Project, Baja California Sur, Mexico . The final report is dated October 20, 2008, and is available on SEDAR. The technical portions of the study contracted directly by Vista Gold and supervised by SRK were completed by Mine Development Associates (resource/reserve estimates, mine planning and mining capital/operating cost estimates), Resource Development, Inc. (metallurgical testing and review), Golder Associates Inc. (tailings impoundment facility design/construction cost estimates), and SRK (pit slope stability evaluation, closure plan/cost estimates and economic analysis). Dr. Neal Rigby, CENG, MIMMM, PhD, Principal of SRK, an independent Qualified Person as defined by Canadian National Instrument 43-101 ( NI 43-101 ), prepared or supervised the preparation of material on behalf of SRK. Steven Ristorcelli, P. Geo. and Thomas Dyer, P. Eng., both of Mine Development Associates, independent Qualified Persons as defined by NI 43-101, prepared or supervised the preparation of material on behalf of Mine Development Associates.

A new mineral resource estimate (mineralized material estimate under SEC Industry Guide 7) was completed, dated September 5, 2008, by Mine Development Associates under the direction of Mr. Steven Ristorcelli, P. Geo., an independent Qualified Person as defined by NI 43-101, and is part of the feasibility study. The estimate was prepared using industry standard software and estimation methodologies. Of the 438 holes in the data base, 387 holes containing 51,622 samples were used in the resource estimate. Mr. Ristorcelli reviewed available information necessary for the preparation of the resource estimate, including sampling, analytical, drilling and geologic. Following a review of the available documentation pertaining to the sampling programs, the data was deemed sufficiently accurate to use for estimation. However, Mr. Ristorcelli noted that some of the early program s quality assurance and quality control procedures were poorly documented and that an apparent bias may exist between some of the assay values and the check assay values of the same samples. As the original samples were not preserved and cannot be re-assayed, Mr. Ristorcelli has recommended a 12 to 15 hole drill program to confirm the validity of the model that relied on those assays whose check assay bias is unresolved. Mr. Ristorcelli undertook multiple checks to assess the validity of the model and classified the mineral resources into measured, indicated and inferred categories to be in compliance with the NI 43-101 requirement of following CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines, issued in 2000 and modified with adoption of

the CIM Definition Standards For Mineral Resources and Mineral Reserves in 2005. Under SEC Industry Guide 7 guidelines, mineralized material at a cut-off grade of 0.012 gold ounces per ton totals 77,829,000 tons grading 0.027 gold ounces per ton.

Under NI 43-101, using a cutoff grade of 0.012 gold ounces per ton, measured mineral resources are estimated at 10,351,000 tons grading 0.032 gold ounces per ton, indicated mineral resources are estimated at 67,479,000 tons grading 0.026 gold ounces per ton and inferred mineral resources are estimated at 8,481,000 tons grading 0.019 gold ounces per ton. **Cautionary Note to U.S. Investors: Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. U.S. Investors should read the Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates above concerning the difference between resources and reserves .**

Silver occurs in the deposit, but due to the lack of quality assurance and quality control data for the silver assays, a NI 43-101 compliant resource estimate has not been prepared. Metallurgical testing indicates that silver recoveries are variable, but silver production is not included in the study. It cannot be assumed that any silver will be produced from the project.

The metallurgical recovery is estimated to be 91.5% for gold. The mineral reserve estimates prepared and reported by Mine Development Associates, under the supervision of Mr. Dyer, at a gold price of $700 per ounce of gold and cut-off grade of 0.012 gold ounces per ton are summarized in the following table.

**Reserves Estimated at Paredones Amarillos**

| Reserve Classification | Short Tons (x1000) | Average Gold Grade (ounces/ton) |
|---|---|---|
| Proven(1) | 7,878 | 0.034 |
| Probable(1) | 33,952 | 0.031 |
| Proven & Probable(1) | 41,830 | 0.031 |

(1) **Cautionary Note to U.S. Investors** concerning estimates of proven and probable reserves: The estimates of mineral reserves shown in this table have been prepared in accordance with NI 43-101. The definitions of proven and probable reserves used in NI 43-101 differ from the definitions in SEC Industry Guide 7. Accordingly, Vista Gold s disclosure of mineral reserves herein may not be comparable to information from U.S. companies subject to the reporting and disclosure requirements of the SEC. U.S. Investors should read the **Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates** above.

As of January 1, 2009, the rolling three-year average gold price was $723.60, which is slightly higher than the $700 gold price used by Mine Development Associates for the mineral reserves reported in the table above. Therefore, under SEC Industry Guide 7 requirements, we feel the mineral reserves listed above are conservative.

However, should we not be able to obtain the required governmental permits to mine the property, then the project would not have mineral reserves under SEC Industry Guide 7.

The proposed pit is oriented approximately east-west and would have two distinct lobes. We plan to extract ore from the mine using conventional open pit mining equipment and techniques. A 100-ton truck and loader fleet has been selected and we would be the owner and operator of the fleet. The higher-grade west lobe would be mined first and a significant portion of the waste rock from the east lobe would be used to backfill the west lobe of the pit. Concurrent reclamation of two waste dumps would be completed during the latter years of the operation.

Estimated life-of-mine average cash production costs are projected to be $419 per ounce, with lower costs of $388 per ounce projected during the first five years of production. Operating costs used diesel prices effective as of May 2008 and energy prices effective as of the first quarter 2008. Pre-production capital costs, including contingency, owner s costs and working capital, are estimated to be $196.7 million or $165 per ounce of gold produced. Total capital costs including replacement and reclamation over the life of the project are estimated to be $191 per ounce of gold produced.

We intend to process the ore in a conventional crushing and grinding circuit consisting of a primary gyratory crusher followed by a semi-autogenous grinding mill and two ball mills with an expected mill ore throughput rate of approximately 11,000 tons per day. The crushing and grinding equipment was acquired from the Colomac Mine and is presently in Edmonton, Canada, waiting shipment to Arizona for repairs and reconditioning. The cost of this equipment was approximately $16 million, with funds provided from our private placement of the Notes, completed in March 2008, for

aggregate proceeds of approximately $30 million. The proposed flow sheet indicates that following grinding, the slurried ore will be sized by cyclones and then leached in tanks prior to gold recovery using a Kemix carbon-in-pulp circuit. Gold will be stripped from the carbon and precipitated in an electrowinning cell prior to refining into doré bars. The tailings will be detoxified using ferrous sulfate, paste thickened and deposited in a lined tailings impoundment facility on-site.

Due to the scarcity of surface water and political sensitivities regarding the use of groundwater, we have elected to construct and operate a desalination plant on the Pacific Coast. Water would be pumped approximately 28 miles to the site. Annual water consumption is estimated to be approximately 370 million gallons.

We expect that energy for the project will be supplied by the Comisión Federal de Electrícidad from an existing sub-station located approximately 11 miles north of the project.

It is anticipated that diesel fuel for the project will be provided in bulk quantities by Petroleos de Mexico. Fuel prices in Mexico are subsidized and have not experienced the volatility seen in other locations.

The project is remotely located and is not expected to directly affect any local inhabitants. Our planned access road improvements will benefit the villages of Valle Perdido and El Rosario. We are currently working with the local education and health care authorities and have become a social partner with the elementary school in El Rosario. We are unaware of any social issues related to the development of the project.

The base-case economic analysis used a gold price profile with a gold price of $850 per ounce in the first three years of production, decreasing to $725 per ounce for the remainder. Alternative sensitivity analyses were completed at gold prices of $700, $800 and $900 per ounce. The economic analyses were conducted on 100% equity basis with no consideration of debt or leasing. Estimated before and after-tax economic results, showing the internal rate of return (IRR) and net present value at a 5% discount rate ( NPV5 ), cumulative cash flow and sensitivity of the base case to changes in gold prices are presented in the following tables.

**Before Tax Economic Results**

| Gold Price Scenario | Before Tax IRR (%) | Before Tax NPV5 ($ 000 s) | Before Tax Cumulative Cash Flow ($ 000 s) |
|---|---|---|---|
| Base Case Gold Price Profile | 21.0% | $ 128,890 | $ 217,890 |
| Fixed $700 Gold Price | 12.2% | $ 59,888 | $ 132,509 |
| Fixed $800 Gold Price | 21.4% | $ 149,033 | $ 232,745 |
| Fixed $900 Gold Price | 29.7% | $ 238,179 | $ 372,980 |

**After Tax Economic Results**

**Gold Price Scenario**

| | After Tax IRR (%) | After Tax NPV5 ($ 000 s) | After Tax Cumulative Cash Flow ($ 000 s) |
|---|---|---|---|
| Base Case Gold Price Profile | 16.6% | $ 82,902 | $ 152,500 |
| Fixed $700 Gold Price | 9.3% | $ 32,010 | $ 90,862 |
| Fixed $800 Gold Price | 17.1% | $ 97,272 | $ 177,818 |
| Fixed $900 Gold Price | 24.2% | $ 162,030 | $ 264,497 |

*Schedule*

We plan to utilize outside sources to provide the additional project capital and are proceeding to examine various project financing alternatives, including debt and equity components. We expect to complete financing arrangements and begin construction as soon as the remaining permits are in hand. As noted below, we have already purchased the major mill equipment with funds raised in our March 2008 private placement of the Notes.

*Equipment Purchase*

On January 7, 2008, we entered into a formal agreement with A.M. King Industries, Inc. ( A.M. King ) and Del Norte Company Ltd., a wholly owned subsidiary of A.M. King, to purchase gold processing equipment to be used at the Paredones Amarillos gold project. The aggregate purchase price was approximately $16.0 million, of which approximately

$8.0 million was paid on signing of the asset sale agreement (see Exhibit 10.36 hereto). The remaining $8.0 million was paid in February and March 2008. The purchase price included the cost of relocating the equipment to Edmonton, Alberta, Canada. From this point, we will arrange for reconditioning and transportation of the equipment to the project site. The equipment includes a 11,000 ton per day semi-autogenous (SAG) grinding mill, two ball mills, gyratory crusher and a shorthead cone crusher, along with other related components, spare parts and other process plant equipment.

*Land Purchases*

On December 5, 2008, we completed a transaction to purchase the land needed for a desalination plant for the Paredones Amarillos gold project. The land is located on the Pacific Coast, approximately 16 miles southwest of the project. The four-acre parcel of land is zoned for industrial use and the Change of Land Use Permit has been received from the Municipality of La Paz for the installation of the desalination plant. On December 23, 2008, we entered into an agreement to purchase approximately 1,236 acres of land at Paredones Amarillos for the mill site and other infrastructure.

*Permitting Status*

The Paredones Amarillos gold project is located in a special use area within the buffer zone of the Sierra Laguna Biosphere Reserve. The special use area is located adjacent to the northern limit of the buffer zone and has unimpeded access from the north. As previously reported, earlier in 2008 we announced that we received correspondence from the local La Paz office of the SEMARNAT which indicated that staff in that office are of the opinion that the CUSF approved by SEMARNAT in 1997 in relation to the Paredones Amarillos gold project is no longer valid. This permit is necessary for the development of the project to proceed. Our Mexican advisors and counsel in Mexico have advised us that they believe that the permit remains valid. However, our legal counsel advised us that a new Change of Land Use Permit application would be the most expeditious way to obtain the necessary approvals.

Throughout 2008, we have been involved in a steady dialogue with government officials in Baja California Sur and in Mexico City. On August 6, 2008, we filed a request for a TOP for the use of the federal ground in the project area for the life of the project. As announced in press releases dated September 8 and July 2, 2008, we indicated that we had decided to apply for a CUSF. In a November 10, 2008, press release, we indicated we were in final negotiations to purchase the land required for the process plant and tailings impoundment facility and had presented an application for a TOP for the use of the Federal land which overlies the deposit. The land purchase and TOP are necessary pre-requisites for the CUSF application. On December 23, 2008, we reached agreement to purchase approximately 1,236 acres of land for the mill site and other infrastructure. By the end of 2008, we had not received the TOP. Communications that our advisors have had with the office of the General Director of Mines in the Ministry of Economy (the department responsible for awarding the TOP) indicate that the approval process is proceeding normally, but at a slower pace than expected. We have the necessary environmental permit and completed the other prerequisite studies for the submittal of the CUSF permit application and plan to file that permit application as soon as the TOP is received. Additional information is contained in our press releases dated April 30, May 8, May 21, July 2, September 8 and November 10, 2008 and January 12, 2009.

There are no known existing environmental liabilities to which the Paredones Amarillos gold project is subject.

**Mt. Todd**

Effective March 1, 2006, we and our subsidiary Vista Gold Australia Pty Ltd. ( Vista Australia ) entered into agreements with Ferrier Hodgson, the Deed Administrators for Pegasus Gold Australia Pty Ltd. ( Pegasus ), the government of the Northern Territory of Australia and the Jawoyn Association Aboriginal Corporation ( JAAC ) and other parties named therein, subject to regulatory approvals, to purchase a 100% interest in the Mt. Todd gold mine (also known as the Yimuyn Manjerr gold mine) in the Northern Territory, Australia. Under these agreements, we are guarantor of the obligations of our subsidiary Vista Australia.

As part of the agreements, we agreed to pay Pegasus, AU$1.0 million ($739,600) and receive a transfer of the mineral leases and certain mine assets; and pay the Northern Territory s costs of management and operation of the Mt. Todd site up to a maximum of approximately AU$375,000 (approximately $277,500) during the first year of the term (initial term is five years, subject to extensions), and assume site management and pay management and operation costs in following years. Additionally, we agreed to issue Common Shares with a value of CDN$1.0 million (amounting to 177,053 Common Shares) to the JAAC as consideration for the JAAC entering into the agreement and for rent for the use of the surface overlying the mineral leases until a decision is reached to begin production. Other agreement terms provide that we will undertake a technical and economic review of the mine and possibly form one or more joint ventures with the JAAC. In June 2006, the transactions contemplated under the agreements were completed and effective, with funds held in escrow

released to the ultimate vendors and the Common Shares issued to the JAAC.

In August and September 2007, we obtained several new exploration licenses, located generally to the north of and contiguous to the Mt. Todd mining licenses. Total land holdings controlled by Vista Australia are approximately 397,538 acres. A map showing the location of the mining and exploration licenses and a table with a list of the mining and exploration licenses and the holding requirements follow.

**Mt. Todd Land Holdings of Vista Gold**

| License Name | Serial Number | Federal Claim Type | Surface Area (hectares) | Location Description (UTM) | Location Date | Expiration Date | Estimated Holding Requirements Annual Rent including GST (Australian Dollars) | Annual Work Requirement (Australian Dollars) | Annual Reports Due |
|---|---|---|---|---|---|---|---|---|---|

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Mining Licenses: | | | | | | | | | |
| MLN 1070 | MLN 1070 | Mining License | 3,982 | Mining License Block | March 5, 1993 | March 4, 2018 | $43,802 (due March 4) | N/A | June 4 |
| MLN 1071 | MLN 1071 | Mining License | 1,327 | centered at approximately | March 5, 1993 | March 4, 2018 | $14,597 (due March 4) | N/A | June 4 |
| MLN 1127 | MLN 1127 | Mining License | 80 | 188555E, 435665N | March 5, 1993 | March 4, 2018 | $880 (due March 4) | N/A | June 4 |
| Subtotals | | | 5,389 | | | | A$59,279 | A$0 | |
| Exploration Licenses: | | | | | | | | | |
| EL 25576 | EL 25576 | Exploration License | 58,194 | Centered at approximately 192557E, 8446405N | March 15, 2007 | March 14, 2013 | $3,366 (due March 14) | $100,000 | April 14 |
| EL 25668 | EL 25668 | Exploration License | 7,288 | Centered at approximately 199000E, 8463964N | March 17, 2007 | March 16, 2013 | $561 (due August 16) | 20,000 | September 16 |
| EL 25669 | EL 25669 | Exploration License | 3,177 | Centered at approximately 178272E, 8457220N | March 15, 2007 | March 14, 2013 | $198 (due March 14) | 10,000 | April 14 |
| EL 25670 | EL 25670 | Exploration License | 6,391 | Centered at approximately 185445E, 8424349N | March 15, 2007 | March 15, 2013 | $374 (due March 14) | 15,000 | April 14 |
| Subtotals | | | 75,050 | | | | A$4,499 | A$145,000 | |
| Totals A$ | | | | | | | Total = A$63,778 | Total = A$145,000 | |
| Totals US$ | | | | | | | Total in US$@ an exchange rate on 2/23/09 of US$1.00 = A$1.55 = US$41,167 | Total in US$@ an exchange rate on 2/23/09 of US$1.00 = A$1.55 = US$93,593 | |
| Grand Totals | | 3 Mining Licenses, 4 Exploration Licenses | 160,878 hectares = 397,538.2 acres | | | | | US$134,760 | |

The Mt. Todd mine site is subject to several environmental liabilities resulting from previous operations, including acid rock drainage from the waste dump and general mine closure liabilities. Under the terms of our agreement with the Northern Territory Government, Vista has no environmental liability for the site until such time as we decide to develop a new mining operation at Mt. Todd and are awarded the permits which will include a comprehensive closure plan for the site.

*Access*

The Mt Todd project is located approximately 30 miles northwest of Katherine, and approximately 155 miles southeast of Darwin in the Northern Territory of Australia. The project is accessible from Katherine by existing paved public roads and approximately two and a half miles of paved private road. We control and maintain the private paved road.

*Climate*

The Mt Todd area has a sub-tropical climate with a distinct wet season and dry season. The area receives most of its rainfall between the months of January and early March. The temperature usually ranges from 77 degrees to 95 degrees Fahrenheit. Between November and December, temperatures can reach 104 degrees Fahrenheit. Winter temperatures in the dry season are warm in the daytime, but can drop to 50 degrees Fahrenheit at night.

Year-round operations will be possible in the area.

*Local Resources and Infrastructure*

Access to local resources and infrastructure is excellent. The Mt Todd Project is located sufficiently close to the city of Katherine to allow for an easy commute for workers. Because the area has both historic and current mining activity, the area contains a skilled mining workforce. In addition, Katherine offers all of the necessary support functions that are found in a medium-sized city with regard to supplies, hotels and communications.

Mt. Todd was an operating mine in the late 1990s. Although most of the processing equipment and facilities were removed from the site, basic infrastructure items are still in place, including: access control point, small shop and office, mill building, and various concrete slabs and floors. The Batman Pit is partially filled with water that has been pumped from the containment pond downstream of the waste dumps. We will have to dewater the pit and treat the water for discharge prior to the start of operations. The Mt. Todd site was not reclaimed when the mine closed and as a result, the dumps and heap leach pad require ongoing care and maintenance. Vista Australia provides that care and maintenance, but is not responsible for the environmental liability resulting from previous operations until we take the decision to re-open the mine and have received the appropriate permits. We began installing a water treatment plant in late 2008 and plan to complete the installation late in the first quarter of 2009. The treated water will initially be stored in the existing tailings impoundment facility, but we expect to receive the authorization to allow continual discharge as necessary. The cost of this treatment system is estimated at approximately $430,000, of which approximately $270,000 was spent in 2008, leaving approximately $160,000 that Vista Gold plans on expending in 2009.

A medium voltage power line supplies the site with electrical power. The Mt. Todd gold project generated its own power using natural gas. The natural gas pipeline is still in place. The project has its own fresh water reservoir which is expected to supply all of the project s water needs.

*Geology and Mineralization*

The Mt. Todd gold project is located approximately 30 miles northwest of Katherine, Northern Territory, Australia. The Mt. Todd gold project is situated within the southeastern portion of the Early Proterozoic Pine Creek Geosyncline. The Batman deposit geology consists of a sequence of hornfelsed interbedded greywackes and shales with minor thin beds of felsic tuff. Bedding consistently strikes at 325o, dipping 40o to 60o to the southwest. Northerly trending sheeted quartz sulfide veins and joints striking at 0o to 20o and dipping 60o to the east are the major controls for mineralization in the Batman deposit. The veins are 0.04 to 4 inches in thickness with an average thickness of around 0.4 inches and occur in sheets with up to six veins per horizontal foot. These sheeted veins are the main source of gold mineralization in the Batman deposit. In general,

the Batman deposit is 4,800 to 5,100 feet in length by 1,200 to 1,500 feet in true width and 1,500 to 1,800 feet in known down-dip extension (the deposit is open along strike and at depth).

Based on a review of project files, our management believes that approximately 27.1 million short tons grading 0.031 gold ounces per ton and containing 826,000 ounces of gold were extracted between 1996 and the termination of mining in 2000. Processing was by a combination of heap-leach production from oxide ore and cyanidation of sulfide ore. The remaining mineralization consists of sulfide mineralization lying below and along strike of the existing open pit.

A third-party NI 43-101 technical study was completed for Vista Gold on the Batman deposit on June 26, 2006, by Gustavson Associates, LLC ( Gustavson ) of Boulder, Colorado, under the direction of Mr. John Rozelle, an independent Qualified Person, utilizing standard industry software and resource estimation methodology. The study is titled Report NI 43-101 Technical Report On The Mt. Todd Gold Project, Northern Teritory (*sic*), Australia and is dated June 26, 2006. It is available on SEDAR. The report includes the results of 91,225 assay intervals from 730 drill holes (225 core, 435 reserve circulation and 70 rotary drill holes) done by BHP Resources Pty Ltd., Zapopan NL and Pegasus with assaying by Australia Assay Laboratories in Pine Creek and Alice Springs, Classic Comlabs in Darwin and Pegasus onsite lab. Pegasus mined part of the Batman deposit from 1993 to 1997, and a joint venture comprising Multiplex Resources Pty Ltd. and General Gold Resources Ltd. mined the deposit from 1999 to 2000.

The deposit has a drill hole spacing that varies from 80 feet by 80 feet to 260-330 feet by 260-330 feet and generally averages 160 feet by 160 feet. All assaying was fire assay on 50-gram charges. It is the opinion of Gustavson that quality control and quality assurance methods employed by the various companies working at Mt. Todd were standard at the time of the work, and the work including quality control and quality assurance methods has been audited several times by independent consultants.

Based on the report, under SEC Industry Guide 7 guidelines, mineralized material for the Batman deposit, above a cut-off grade of 0.015 gold ounces per ton, was estimated to be 62,146,000 tons at a grade of 0.028 gold ounces per ton.

At the same cut-off grade, under the Canadian Institute of Mining, Metallurgy and Petroleum in the CIM Definition Standards, measured resources are 20,306,000 tons grading 0.028 gold ounces per ton, indicated resources are 41,840,000 tons grading 0.028 gold ounces per ton and inferred resources are 55,174,000 tons grading 0.027 gold ounces per ton. **Cautionary Note to U.S. Investors: Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. U.S. Investors should read the Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates above concerning the difference between resources and reserves .**

An NI 43-101 preliminary assessment was prepared for Vista Gold, by Gustavson under the direction of John W. Rozelle, P.G., an independent Qualified Person. The study is titled Preliminary Economic Assessment, Mt. Todd Gold Project, Northern Territory, Australia and is dated December 29, 2006. It was posted on SEDAR on January 4, 2007. In undertaking the preliminary assessment, Gustavson considered the economic and technical parameters associated with development of the mineralized material by open-pit mining. The study included a conceptual process flowsheet developed by Resource Development Inc. of Wheat Ridge, Colorado, which is based on preliminary testwork and includes a flotation circuit to recover a bulk sulfide concentrate, and further flotation to separate a copper sulfide concentrate that would contain about one-half of the gold and which would be shipped to a smelter. A pyrite concentrate containing about one-half of the gold would also be produced and this concentrate would be cyanide leached to recover the gold. The cyanide in the sulfide residue would be neutralized, following which the residue would be filtered to dry it, and then placed on a lined pad. MWH Australia Pty Ltd ( MWH ) designed conceptual tailing disposal facilities, including utilizing the existing tailing facility, and estimated capital costs for these facilities. MWH also completed a closure study and cost estimate for closing the mine and facilities following resumption of production.

In the preliminary assessment, Gustavson assumed a 33,000 ton-per-day (11.7 million tons-per-year) ore production rate, resulting in a ten-year operating life. Overall gold recovery was estimated at 87% and copper recovery at 70%.

The cost estimates used in the preparation of a preliminary assessment are generally accepted as being within plus or minus 35-40% of what might be incurred in actual construction and operations. The costs in the Mt. Todd preliminary assessment are within this level of confidence. Startup capital is estimated by Gustavson at $264 million. Mining costs are estimated at $1.21 per tonne ($1.10 per ton) of material mined, processing costs are estimated at $6.48 per tonne ($5.88 per ton) of ore processed and general and administrative costs are estimated at $0.14 per tonne ($0.13 per ton) processed. Based on these preliminary numbers, a review of the project economics indicates that the project continues to look favorable. However, the study is based on mineralized material (mineral resources under Canadian guidelines) and not mineral reserves. Mineralized material (mineral resources under Canadian guidelines) that are not mineral reserves do not have demonstrated economic viability. A determination of mineral reserves is necessary to demonstrate economic viability of the Batman Deposit.

Additionally, in 2006, we applied for exploration rights to tenements totaling about 273,380 acres adjoining the mining tenements, which were granted in 2007, at which time we began to compile data from previous exploration companies in order to assess the exploration potential.

An infill core drilling program consisting of 25 holes totaling 32,425 feet of drilling was completed in June 2007 to attempt to increase the mineralized material (mineral resources under Canadian guidelines) in areas where the drill spacing is too wide to have confidence in the presence and grade of mineralized material within the planned pit, to expand the amount of mineralized material if possible, and to provide fresh samples for metallurgical testing. By the end of 2007, all gold assays had been received, with some check assays and base metals assays pending. In early 2008, we commissioned a new study to update estimates of mineralized material that would also include base metal content.

In late February 2008, we announced an NI 43-101 updated estimate for Vista Gold of mineralized material (mineral resources under Canadian guidelines) by Tetra Tech of Golden, Colorado. This updated estimate was completed under the direction of Mr. John Rozelle, P.G., an independent Qualified Person, utilizing standard industry software and estimation methodology. The study is titled Mt Todd Gold Project Gold Resource Update, Northern Territory, Australia and is dated March 14, 2008. It is available on SEDAR. Results of prior drilling plus the additional drilling we completed in 2007 were included in the estimate. Based on the report, under SEC Industry Guide 7 guidelines, mineralized material for the Batman deposit, above a cut-off grade of 0.015 gold ounces per ton, is estimated at 98,413,000 tons grading 0.029 gold ounces per ton, and represents an increase of 65% in mineralized material over the prior estimate.

At the same cut-off grade, under Canadian Institute of Mining, Metallurgy and Petroleum in the CIM Definition Standards, measured mineral resources are estimated at 47,987,000 tons grading 0.028 gold ounces per ton, indicated mineral resources are estimated at 50,425,000 tons grading 0.031 gold ounces per ton and inferred mineral resources are estimated at 64,832,000 tons grading 0.024 gold ounces per ton. **Cautionary Note to U.S. Investors: Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. U.S. Investors should read the Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates above concerning the difference between resources and reserves .**

In April 2008, we announced an NI 43-101 estimate completed for Vista Gold of silver and copper mineralization in the Batman Deposit by Tetra Tech of Golden, Colorado. This estimate was completed under the direction of Mr. John Rozelle, P.G., an independent Qualified Person, utilizing standard industry software and estimation methodology. The study is titled Mt Todd Gold Project Resource Update, Northern, Territory, Australia and is dated May 15, 2008. It is available on SEDAR. These resource estimates complement the updated estimate of gold mineralized material (gold mineral resources under Canadian guidelines) for the Batman deposit we announced in February, 2008. The estimates incorporate the results of 9,460 assay intervals from 25 drill holes (all core holes) drilled by Vista Gold in 2007 with assaying completed by Northern Australia Labs in Pine Creek and ALS-Chemex in Perth. These results are in addition to the results of 87 copper assays completed on random intervals from 730 drill holes (225 core, 435 reverse circulation and 70 rotary drill holes) done by BHP Resources Pty Ltd., Zapopan NL and Pegasus Gold Australia Pty Ltd. From the un-mined portion of the 730 drill holes previously completed (by BHP, Zapopan, & Pegasus), we submitted 2,979 intervals of core for re-assay and multi-element analysis. The re-assay and multi-element analysis was completed by ALS-Chemex in Perth and has been incorporated into the estimates. At a cut-off grade of 0.015 gold ounces per ton, under SEC Industry Guide 7 guidelines, silver measured material was estimated at 98,413,000 tons grading 0.043 silver ounces per ton.

At the same cut-off grade, under the Canadian Institute of Mining, Metallurgy and Petroleum in the CIM Definition Standards, measured mineral resources are estimated at 47,987,000 tons grading 0.042 silver ounces per ton, indicated mineral resources are estimated at 50,425,000 tons grading 0.045 silver ounces per ton and inferred mineral resources are estimated at 64,832,000 tons grading 0.050 silver ounces per ton. **Cautionary Note to U.S. Investors: Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. U.S. Investors should read the Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates above concerning the difference between resources and reserves .**

At a cut-off grade of 0.015 gold ounces per ton, under SEC Industry Guide 7 guidelines, copper measured material was estimated at 98,413,000 tons grading 0.05% copper per ton.

At the same cut-off grade, under the Canadian Institute of Mining, Metallurgy and Petroleum in the CIM Definition Standards, measured mineral resources are estimated at 47,987,000 tons grading 0.05% copper per ton, indicated mineral resources are estimated at 50,425,000 tons grading 0.05% copper per ton and inferred mineral resources are estimated at 64,832,000 tons grading 0.05% copper per ton. **Cautionary Note to U.S. Investors: Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. U.S. Investors should read the Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates above concerning**

**the difference between resources and reserves .**

Also in 2008, we completed a 14-hole, 29,547-foot diamond drill program designed to test the down-dip extension of mineralization within the pit-shape drilled and evaluated in 2007, the continuity of mineralization below that pit shape and to obtain a sample for ongoing metallurgical testing.

In late January 2009, we announced the results of an updated NI 43-101 gold resource estimate on the Batman

Deposit completed for us by Tetra Tech of Golden, Colorado. This estimate was completed under the direction of Mr. John Rozelle, P.G., an independent Qualified Person, utilizing standard industry software and estimation methodology. The report is titled Mt Todd Gold Project Gold Resource Update, Northern Territory, Australia and is dated February 27, 2009. It is available on SEDAR. The updated estimate of mineralized material (mineral resource estimate under Canadian guidelines) incorporates the results of 7,367 assay intervals from 14 drill holes (all core holes) drilled by Vista Gold in 2008 with sample preparation and assaying completed by ALS Chemex. These results are in addition to the results of 100,685 assay intervals from 755 drill holes (250 core, 435 reverse circulation and 70 rotary drill holes) completed previously by BHP Resources Pty Ltd., Zapopan NL, Pegasus Gold Australia Pty Ltd. and Vista Gold, which were used in the previous updates of the Mt. Todd resource estimate. Based on the report, under SEC Industry Guide 7 guidelines, mineralized material for the Batman deposit, above a cut-off grade of 0.015 gold ounces per ton, is estimated at 165,985,000 tons grading 0.027 gold ounces per ton, and represents an increase of 57% in mineralized material over the prior estimate.

At the same cut-off grade, under the Canadian Institute of Mining, Metallurgy and Petroleum in the CIM Definition Standards, measured mineral resources are estimated at 49,212,000 tons grading 0.029 gold ounces per ton, indicated mineral resources are estimated at 116,773,000 tons grading 0.027 gold ounces per ton and inferred mineral resources are estimated at 73,551,000 tons grading 0.025 gold ounces per ton. **Cautionary Note to U.S. Investors: Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. U.S. Investors should read the Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates above concerning the difference between resources and reserves .**

ALS Chemex was selected as the primary laboratory for preparation and analysis. Genalysis Labs was selected as the secondary laboratory to do the QA/QC checks. Samples were sent to each laboratory and testing facility in sealed padlocked crates. Each laboratory and testing facility was instructed to notify the Company immediately if a crate of samples arrived without the padlocks or if the globe seals were missing or showed evidence of tampering.

A metallurgical testing program using the core obtained in the 2007 and 2008 drilling programs is in progress. The goals of the program are to define the process flowsheet for the processing the Mt. Todd ore and to determine other key processing parameters, including energy requirements. As we announced in November 2008, preliminary tests using High Pressure Grinding Rolls have been very successful, indicating a reduction in crushing and grinding energy requirements compared to conventional technologies of approximately 30%. We plan to conduct additional studies in 2009 which will be used in the completion of a preliminary feasibility study for a project similar in scope to that considered in the previously published preliminary assessment (January 4, 2007).

**Awak Mas**

On May 27, 2005, we completed our acquisition of the Awak Mas gold deposit in Sulawesi, Indonesia, for a purchase price of $1.5 million. The acquisition of the Awak Mas gold project involved the purchase, through the Corporation s wholly-owned subsidiary Vista Gold (Barbados) Corp. ( Vista Barbados ), of all of the outstanding shares of Salu Siwa Pty Ltd, an Australian company ( Salu Siwa ) from the two owners of Salu Siwa: Weston Investments Pty Ltd., an Australian company ( Weston ), and Organic Resource Technology Limited, an Australian company ( ORT ). Weston and ORT respectively owned 66% and 34% of the outstanding Salu Siwa shares. Salu Siwa in turn owns 99% of the outstanding shares of PT Masmindo Dwi, an Indonesian company ( PT Masmindo ), which is the direct holder of the Awak Mas gold project. The remaining 1% of the outstanding PT Masmindo shares is held by Vista Barbados. This project is held by Vista Gold through a contract of work ( CoW ) with the Indonesian government.

A map showing the location of the CoW and a table describing the land holding and holding requirements follow.

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**Awak Mas Land Holdings of Vista Gold**

| License Name | Serial Number | Federal Claim Type | Surface Area (hectares) | Location Description | Location Date | Expiration Date | Estimated Annual Holding Costs (US$ ) | Work Requirements | Other |
|---|---|---|---|---|---|---|---|---|---|
| 7th Generation Contract of Work | Notarial Deed No. 10 dated February 16, 1998, Decree of Minister of Justice No.C2-919, HT.01.01.TH.98 dated February 16, 1998 | Contract of Work | 89,650 | Project centered at 12005 E. Longitude, 3020 S Latitude | 1/19/1998 | See description of COW following table. | Dead Rent US $0.50/Ha and Land Tax US $0.50/Ha | None | Gradual reduction of area to 25% of original. |
| Totals | | | 89,650 hectares = 221,530 acres | | | | $89,650 | | |

We completed the exploration phase of the CoW in January 2008 and entered the feasibility phase in February. The feasibility phase usually lasts one year, but may be negotiated for up to 2 one-year extensions. Following the feasibility phase, with government approvals, there would be a construction phase lasting usually three years. The operating period follows the construction phase, lasting usually 10 to 30 years. In late 2008, we applied for a suspension of the feasibility period for one year. We also applied for a reduction in area, as required, to eliminate the areas where we believe there is low potential to discover economic mineralization.

There are no known existing environmental liabilities to which the Awak Mas gold project is subject.

*Location*

The Awak Mas gold project is located in the Luwu District of southern Sulawesi, Indonesia, centered at 120°5 E and 3°20 S, near the coast at the head of the Gulf of Bone. The nearest major town is the coastal port of Palopo, which is approximately 40 miles northeast of the project site.

*Access*

The project is accessible by existing secondary paved and gravel public roads. The access roads will require improvements in order to support the loads associated with the construction of the project. At the present time, the project area is undeveloped with only a small office/camp complex and several sheds used for drill sample storage and the drill access roads constructed during the exploration phase.

*Climate and Infrastructure*

The Awak Mas gold project lies approximately 120 miles south of the equator and is characterized by a typical tropical maritime monsoonal climate, with hot wet summers (rainy season) and marginally milder and dryer winters. The annual average rainfall is 3,200 mm, with the dryer period extending from July through October. Temperatures during the rainy season generally range between 64 degrees Fahrenheit and 81 degrees Fahrenheit.

Year-round operations will be possible in this area.

The Awak Mas project area is mountainous, with steep razorback ridges and slope gradients generally ranging from 18° to 27°. The project is moderately to extremely rugged in the western portion, becoming more subdued in the east, with elevations ranging from near sea level to approximately 11,285 feet above mean sea level.

Small villages are located in this region of Sulawesi, with the closest major town Belopa some 24 miles west of the project area. The nearest major town with port facilities is Palopo, which is located approximately 41 miles northeast of the project.

Electrical power is presently supplied by diesel generator. Project power requirements may be supplied by diesel generated power or with commercial power from Palopa. If the latter is chosen, approximately 25 miles of new power line construction will be required. The project is located at the headwaters of a significant river system. We believe that a small water reservoir can be constructed to provide water for the project.

*Geology and Mineralization*

The Awak Mas property is situated on the southern side of the Central Sulawesi Metamorphic Belt within a 30-mile long, north-northeast trending fault-bounded block of basement metamorphic rocks and younger sediments. The property covers approximately 221,530 acres. The western margin of this block is represented by an easterly dipping thrust, whereas the eastern margin is defined by a major basement structure. Imbricate faulting has complicated the internal morphology of

the block. The property is dominated by the late Cretaceous Latimojong Formation, consisting of phyllites, slates, basic to intermediate volcanics, limestone and schist representing a platform and/or fore arc trough flysch sequence. The Latimojong Formation overlies basement metamorphic rocks dominated by phyllites and slates. Both sequences have been intruded by late-stage plugs and stocks of diorite, monzonite and syenite. To the east of the metamorphic block, basic intermediate intrusives, pyroclastics and volcanogenic sediments comprising the Mesozoic Lamasi Ophiolite Complex appear to have been obducted into a position effectively overlying the younger flyschoid sequence and basement metamorphics during continental accretion.

Gold mineralization is distinctly mesothermal in character, atypical of the more ubiquitous low temperature or epithermal precious metal mineralization within many island arc environments in Indonesia. Gold is associated with sulphur-poor, sodic-rich fluids introduced at a relatively late stage in the tectonic history. Albite-pyrite-silica-carbonate alteration, which accompanies gold deposition, clearly overprints the ductile fabric associated with deformation and metamorphism in the older basement lithologies.

The majority of gold mineralization on the property, including the Awak Mas deposit, is predominantly hosted within the flysch sequence, which typically dips at between 15o and 50o, generally towards the north. The majority of gold mineralization is associated with abundant quartz veining and silica albite-pyrite alteration; however, the association of gold and quartz is not ubiquitous, with some vein zones appearing to be locally barren of mineralization.

Two main styles of mineralization are present. The first represents broad shallow dipping zones of sheeted and stockwork quartz veining and associated alteration that conform to the shear fabric, especially within the dark, graphitic mudstones. The other style consists of steeper dipping zones of quartz veining and breccias associated with high angle faults cutting both the flyschoid cover sequence and basement metamorphics.

Late-stage, north-northeast trending normal faults locally disrupt or offset mineralization. A surface layer of consolidated scree and colluvium averaging 1.8 to 2.4 feet (maximum 9 feet) in thickness veneers the deposit. The base of weak oxidation within the mineralized sequence typically is within 12 feet of surface.

A final feasibility study was completed by independent consultants in 1997 for Lone Star Exploration NL supporting a mining scenario of 3 million metric tons per year of ore. Independent valuations of the project were completed in 2000 and 2003 as well. Over $43 million has been spent on the project by previous operators.

During 2005, we initiated an exploration program designed to identify drill targets in outlying surface indications of gold mineralization. The program involved soil and rock geochemistry, drilling shallow test holes to obtain bedrock samples, geologic mapping and interpretation of results. In 2006, we completed a 13-hole diamond drill program totaling 8,440 feet that was designed to upgrade shows of mineralization into reportable amounts.

Gustavson of Boulder, Colorado, completed a third-party NI 43-101 technical study for us in June 2007. This estimate was completed under the direction of Mr. John Rozelle, P.G., an independent Qualified Person, utilizing standard industry software and estimation methodology. The report is titled Report NI 43-101, Technical Report on the Awak Mas Gold Project, Sulawesi, Indonesia and is dated June 6, 2007. It is available on SEDAR. An assay database for 803 drill holes (654 core and 158 reverse circulation holes) totaling 319,639 feet of drilling was used to estimate mineralized material (mineral resources under Canadian guidelines). Based on the report, under SEC Industry Guide 7 guidelines, mineralized material for the deposit, above a cut-off grade of 0.015 gold ounces per ton, is estimated at 45,862,000 tons grading 0.036 gold ounces per ton.

At the same cut-off grade, under Canadian Institute of Mining, Metallurgy and Petroleum in the CIM Definition Standards, measured mineral resources are estimated at 7,084,000 tons grading 0.038 gold ounces per ton, indicated mineral resources are estimated at 38,150,000 tons grading 0.036 gold ounces per ton and inferred mineral resources are estimated at 22,468,000 tons grading 0.024 gold ounces per ton.
**Cautionary Note to U.S. Investors: Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. U.S. Investors should read the Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates above concerning the difference between resources and reserves .**

Gustavson was commissioned in June 2007 to complete a preliminary assessment for Vista Gold of the project under NI 43-101 standards. The study was completed on January 16, 2008, under the direction of John Rozelle, an independent Qualified Person. The report is titled Preliminary Assessment, Awak Mas Gold Project, Sulawesi, Indonesia and is dated January 16, 2008. It is available on SEDAR. In undertaking the preliminary assessment, Gustavson considered the economic

and technical parameters associated with development of the mineralized material (mineral resources under Canadian guidelines) by open-pit mining. The study included a process flowsheet based on three stages of laboratory and pilot plant test programs from 1994 to 1997. The flowsheet was developed by Minproc Engineers Ltd. in 1997, and reviewed and approved by Resource Development Inc. of Wheat Ridge, Colorado, for this study. The flowsheet includes a flotation circuit to recover gold associated with sulfide minerals following which the concentrate would be treated in a carbon-in-leach circuit to recover the gold. The benign tailings from the flotation circuit would flow by gravity into a tailings impoundment and the sulfide tailings would be detoxified, filtered and conveyed to a small dry-stack sulfide tailings storage facility. MWH Americas Inc. of Denver and Steamboat Springs, Colorado, prepared the tailings disposal sites layout and closure plans, and assessed permitting requirements. The potential development included four different scenarios that would produce an estimated 0.6 to 1.0 million ounces of gold over a project life of 7 to 15 years. Gustavson estimated the preproduction capital to be $124 million to $178 million, depending on the scenario, and the total capital cost over the project life to be $148 million to $218 million. The cost estimates used in the preparation of a preliminary assessment are generally accepted as being within plus or minus 35 to 40% of what might be incurred in actual construction and operations. The costs in the Awak Mas preliminary assessment are within this level of confidence. However, this preliminary assessment uses mineral resources (mineralized material under SEC Industry Guide 7) and not mineral reserves. Mineral resources (mineralized material under SEC Industry Guide 7) that are not mineral reserves do not have demonstrated economic viability. A determination of mineral reserves would be necessary to demonstrate economic viability of the Awak Mas gold project.

It is Gustavson s opinion that the reports by the various companies and consultants who verified the sampling and assaying procedures throughout the history of the property fairly represent the sampling and assaying history at the site, and that the procedures implemented by the operators have resulted in an assay database that fairly represents the tenor of the mineralization at the Awak Mas gold project.

It is also Gustavson s opinion that we have a well-documented and implemented sampling program that meets current industry practices for acceptability and accuracy.

Compliance with environmental laws and standards and the environmental permitting process (Indonesian acronym AMDAL) to conduct mining activities will require an AMDAL study. The details of the permitting process are summarized in the Technical Report. We will initiate permitting at the appropriate time.

**Yellow Pine**

The Yellow Pine gold project is located in the Salmon River Mountains of central Idaho in an area of historical gold, antimony and tungsten mining known as the Stibnite or Yellow Pine Mining District. The district is located in Valley County about 60 miles east of McCall, Idaho, and 10 miles southeast of the small settlement of Yellow Pine, Idaho. The project consists of 17 patented mining claims covering about 304 acres. A map showing the location of the mining claims and a table with a list of the mining claims and the holding requirements follow.

**Patented Mining Claims at Yellow Pine Controlled by Vista Gold**

| Claim Name | Mineral Survey Number | Patent Number | Federal Claim Type | Surface Area (acres) | Location Description (Section, Township and Range) | Date Patent Recorded | Annual Holding Requirements |
|---|---|---|---|---|---|---|---|
| Fair Deal No. 1 | 3246 | 1064103 | Patented Lode Mining Claim | | Section 34, T19N, R9E, BM | 6/7/1933 | None to Vista Gold, Bradley (as defined below) pays County Property Taxes |
| Fair Deal No. 2 | 3246 | 1064103 | Patented Lode Mining Claim | | Section 34, T19N, R9E, BM | 6/7/1933 | |
| Fair Deal No. 3 | 3246 | 1064103 | Patented Lode Mining Claim | 81.174 | Section 3, T18N, R9E, BM | 6/7/1933 | |
| Fair Deal No. 4 | 3246 | 1064103 | Patented Lode Mining Claim | | Section 34, T19N, R9E, BM | 6/7/1933 | |
| Camp Bird No. 2 | 3246 | 1064103 | Patented Lode Mining Claim | | Section 34, T19N, R9E, BM | 6/7/1933 | |
| A No. 1 | 3246 | 1064103 | Patented Lode Mining Claim | | Section 3, T18N, R9E, BM | 6/7/1933 | |
| Hennessy No. 1 | 3357 | 1111588 | Patented Lode Mining Claim | 218.897 | Sections 2 & 3, T18N, R9E, BM | 7/9/1941 | |
| Hennessy No. 2 | 3357 | 1111588 | Patented Lode Mining Claim | | Section 3, T18N, R9E, BM | 7/9/1941 | |
| Hennessy No. 3 | 3357 | 1111588 | Patented Lode Mining Claim | | Section 3, T18N, R9E, BM | 7/9/1941 | |
| Hennessy No. 4 | 3357 | 1111588 | Patented Lode Mining Claim | | Section 3, T18N, R9E, BM | 7/9/1941 | |
| Hennessy No. 5 | 3357 | 1111588 | Patented Lode Mining Claim | | Section 3, T18N, R9E, BM | 7/9/1941 | |
| Hennessy No. 6 | 3357 | 1111588 | Patented Lode Mining Claim | | Sections 2 & 3, T18N, R9E, BM | 7/9/1941 | |
| Hennessy Lode Mine No. 7 | 3357 | 1111588 | Patented Lode Mining Claim | | Section 3, T18N, R9E, BM | 7/9/1941 | |

| Claim Name | Mineral Survey Number | Patent Number | Federal Claim Type | Surface Area (acres) | Location Description (Section, Township and Range) | Date Patent Recorded | Annual Holding Requirements |
|---|---|---|---|---|---|---|---|
| Homestake | 3357 | 1111588 | Patented Lode Mining Claim | | Section 35, T19N, R9E, BM | 7/9/1941 | |
| Homestake No. 1 | 3357 | 1111588 | Patented Lode Mining Claim | | Sections 2 & 3, T18N, R9E, BM | 7/9/1941 | |
| Homestake No. 2 | 3357 | 1111588 | Patented Lode Mining Claim | | Section 35, T19N, R9E, BM | 7/9/1941 | |
| Homestake No. 5 | 3357 | 1111588 | Patented Lode Mining Claim | | Sections 2 & 3, T18N, R9E, BM | 7/9/1941 | |
| Totals | | | 17 Patented Lode Mining Claims | | | | $ 0 |

**Unpatented Mining Claims at Yellow Pine Controlled by Vista Gold**

| Claim Name | Serial Number | Federal Claim Type | Surface Area (acres) | Location Description (Section, Township and Range) | Location Date | Annual Holding Fee |
|---|---|---|---|---|---|---|
| YP 1 | 186740 | Unpatented Lode Mining Claim | 20.66 | Sections 34 & 35, T19N, R9E, BM | 10/15/2003 | $ 125.00 |
| YP 2 | 186741 | Unpatented Lode Mining Claim | 20.66 | Section 2, T18N, R9E, BM | 10/15/2003 | $ 125.00 |
| YP 3 | 186742 | Unpatented Lode Mining Claim | 20.66 | Section 2, T18N, R9E, BM | 10/15/2003 | $ 125.00 |
| YP 4 | 186743 | Unpatented Lode Mining Claim | 20.66 | Section 2, T18N, R9E, BM | 10/15/2003 | $ 125.00 |
| YP 5 | 186744 | Unpatented Lode Mining Claim | 20.66 | Sections 2 & 3, T18N, R9E, BM | 10/15/2003 | $ 125.00 |
| YP 6 | 186745 | Unpatented Lode Mining Claim | 20.66 | Section 2, T18N, R9E, BM | 10/15/2003 | $ 125.00 |
| YP 7 | 186746 | Unpatented Lode Mining Claim | 20.66 | Section 2 & 3, T18N, R9E, BM | 10/15/2003 | $ 125.00 |
| YP 8 | 186747 | Unpatented Lode Mining Claim | 20.66 | Section 3, T18N, R9E, BM | 10/15/2003 | $ 125.00 |
| Totals | | 8 Unpatented Lode Mining | 165.28 | | | $ 1,000.00 |

| | Claims |
|---|---|

Note: all claims are Unpatented Federal Lode Mining Claims and do not expire provided annual fees are paid by August 31 of each year.

On November 7, 2003, Vista Gold, through Idaho Gold Resources LLC ( Idaho Gold ), an indirect, wholly-owned subsidiary of Vista Gold, entered into an Option to Purchase Agreement with Bradley Mining Company ( Bradley ) for a nine year option to purchase 100% of Yellow Pine for $1,000,000. Idaho Gold made an option payment of $100,000 upon execution of the agreement. The agreement calls for Idaho Gold to make nine more yearly payments of $100,000 on or before each anniversary date of the agreement, for a total option payment price of $1,000,000, and annual payments of $100,000 each were made in 2004, 2005, 2006, 2007 and 2008 (see Consolidated Financial Statements Note 5). If Idaho Gold exercises its option to purchase the project, all option payments shall be applied as a credit against the purchase price of $1,000,000. Idaho Gold has the right to terminate the agreement at any time without penalty. Eleven of the claims are subject to an underlying 5% net smelter returns royalty.

There are no known existing environmental liabilities to which the Yellow Pine gold project is subject.

*Access*

The project is accessible by existing public gravel roads. The town of Yellow Pine, Idaho, has year-round access. From Yellow Pine, the remaining 11 miles of access to the project is by means of a gravel road that is presently not passable in the winter months.

*Climate and Infrastructure*

The climate is characterized by robust winters and mild summers. Most precipitation comes as snowfall, with low to moderate rainfall generally occurring as afternoon thunderstorms in the warmer months. Winter temperatures may fall to -40 degrees Fahrenheit. Summer temperatures may reach 80 degrees Fahrenheit but daily temperature ranges can be substantial. The average daily maximum is 54.6 degrees Fahrenheit, minimum is 23.6 degrees Fahrenheit, and mean average is 39.1 degrees Fahrenheit. Frost can occur any day of the year at elevations greater than 7,000 feet. Mean annual precipitation is 27.6 inches, falling mostly as snow.

The area is comprised of rugged forested mountainous terrain that is drained to the west by the East Fork of the South Fork of the Salmon River (EFSF). Elevations range from about 6,000 feet to more than 9,000 feet above sea level. The Yellow Pine pit is partially filled with water and the EFSF of the Salmon River runs through the pit.

The main characteristics of the ecosystem in the EFSF Salmon River drainage consists of several conifer cover types, shrubs typically alder, huckleberry, spiera, willows, and grasses. The conifers in the area are dominated by Douglas-fir and grand-fir. Subalpine fir and lodgepole pine dominate the higher elevations. Whitebark pine grows along the ridge tops above 7,000 feet.

The Yellow Pine Mine operated on an irregular basis from 1938 to 1952. There is a small open pit and some old buildings in various states of disrepair. At the present time, Vista Gold has no installations at or near the Yellow Pine gold project.

There is no present source of power at the Yellow Pine gold project, nor has planning advanced to the point of determining the source of power for the project. At the present, it is assumed that water for the project will be available from wells, pit de-watering, and/or the East Fork of the South Fork of the Salmon River, but our planning has not advanced to the point of a definitive determination.

The nearest town, Yellow Pine, has a population of only about 60 people and limited services such as gasoline, a general store and a few lodging facilities. The tourist towns of McCall and Cascade, however, have a population of several thousand people and are located about 90 and 60 miles respectively, north of Boise along a major paved state highway with most services available, including air service for small planes. A dirt road air landing strip still exists near the Meadow Creek old processing facilities located about two miles south of the Yellow Pine pit and is in fair condition.

*History*

The mining history of the region began in 1893 when gold was discovered by the Caswell brothers in what is now known as the Thunder Mountain mining district, located about 10 miles east of Stibnite. Around 1900, during the gold rush to the Thunder Mountain district mercury, antimony and gold were found in the Yellow Pine district. Since the time of the gold rush, the Yellow Pine area has been actively explored. Further historical details relating to the Yellow Pine project can be found in the report entitled CNI 43-101 Technical Report, Preliminary Assessment of the Yellow Pine Project, Yellow Pine,

Idaho and is dated December 13, 2006 and available on SEDAR.

*Geology and Mineralization*

The Yellow Pine Mining District is located within the Cretaceous age Idaho Batholith, near its eastern border and adjacent to the Meadow Creek fault zone. The gold deposits of the Yellow Pine district are hosted primarily in the quartz monzonites of the Idaho batholith and within the major shear and fault zones that transect the district. Ore deposits also occur in the metasediments of a large roof pendant within the granitic rocks. Historic mining of the Yellow Pine and the Homestake open pits on the Yellow Pine property has depleted the oxide gold mineralization, but significant sulfide gold mineralization remains unmined. Historically, the mine has produced about 700,000 ounces of gold from a combination of byproduct gold from tungsten and antimony mining and more recent heap-leach production from oxide ore.

Gold and antimony occur principally in veinlets, stockworks, fissure-fillings, and massive lenses. Gold appears to be associated with pyrite and arsenopyrite whereas silver is associated with antimony. The primary gold mineralization occurs within a zone of stockwork sulfide veinlets also containing stibnite, pyrite and arsenopyrite. The principal antimony mineral is stibnite. Tungsten occurs in the mineral scheelite. Deposits are characterized by argillic and sericitic alteration with some silicification.

The Meadow Creek fault and its subsidiary structures trend north and northeast across the district and are a major controlling factor on the regional mineralization. The Yellow Pine mine, the largest mineralized area, is located in the Meadow Creek fault hanging wall, where the fault strike changes from northerly to northeasterly and a zone of stockwork sulfide veining occurs. The mineralized zone is about 2,000 feet long by 700 feet wide with a vertical extent of up to about 1,000 feet. It is cone shaped with the narrower, bottom area of the cone indicating possible continuity of the mineralization at depth both down dip along the hanging wall of the Meadow Creek fault and to the northwest.

The Homestake area appears as a continuation to the northeast of the Yellow Pine zone. The two zones have some similarities as well as differences. The Homestake sulfide zone is also directly associated with the Meadow Creek fault. It appears however to have a somewhat different structural style from the Yellow Pine area. The mineralized zone is about 1,500 feet long by 600 feet wide and up to 350 feet vertically. It has an overall tabular shape with a true width of about 100 to 200 feet. Drill hole information indicates that the mineralization at Homestake is encountered in both the hanging wall of the Meadow Creek fault zone as well as the footwall. Gold grades tend to be quite a bit lower than at the Yellow Pine area. The Yellow Pine and Homestake sulfide zones may be interconnected.

Pincock, Allen & Holt ( PAH ), of Denver, Colorado, completed an NI 43-101 third-party technical study for us in November 2003, under the direction of Mark G. Stevens, C.P.G., an independent Qualified Person, utilizing standard industry software and estimation methodology. The report is titled Yellow Pine Project, Idaho, USA, Technical Report and is dated November 17, 2003. It is available on SEDAR. An assay database for 538 drill holes totaling 120,922 feet of drilling was used to estimate mineral resources (mineralized material under SEC Industry Guide 7) in the Yellow Pine and Homestake sulfide zones. The overall drill hole spacing at Yellow Pine is about 50 to 100 feet and about 100 to 150 feet at the Homestake area. Based on the report, under SEC Industry Guide 7 guidelines, mineralized material for the Yellow Pine gold project, above a cut-off grade of 0.025 gold ounces per ton, is estimated at 33,835,000 tons grading 0.066 gold ounces per ton.

At the same cut-off grade, under Canadian Institute of Mining, Metallurgy and Petroleum in the CIM Definition Standards, measured mineral resources are estimated at 16,332,000 tons grading 0.070 gold ounces per ton, indicated mineral resources are estimated at 17,503,000 tons grading 0.061 gold ounces per ton and inferred mineral resources are estimated at 16,047,000 tons grading 0.051 gold ounces per ton.
**Cautionary Note to U.S. Investors: Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated**

**economic viability. U.S. Investors should read the Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates above concerning the difference between resources and reserves .**

In November 2006, PAH completed a NI 43-101 preliminary assessment under the direction of Richard Lambert, P.E. and Barton Stone, P.G., both independent Qualified Persons. The study is titled CNI 43-101 Technical Report, Preliminary Assessment of the Yellow Pine Project, Yellow Pine, Idaho and is dated December 13, 2006. It is available on SEDAR. In undertaking the preliminary assessment, PAH considered the economic and technical parameters associated with development of the mineralization by open-pit mining. The study, based on PAH s review of previous technical studies and their own work, determined the best treatment approach would be an on-site plant to produce a flotation concentrate that would be refined off-site. The potential development would produce an estimated 1.9 million

ounces of gold over a 10-year life. PAH estimated the total capital cost over the project life to be $170 million and preproduction capital to be $150 million. The cost estimates used in the preparation of a preliminary assessment are generally accepted as being within plus or minus 35 to 40% of what might be incurred in actual construction and operations. The costs in the Yellow Pine preliminary assessment are within this level of confidence. However, this preliminary assessment uses mineral resources (mineralized material under SEC Industry Guide 7) and not mineral reserves. Mineral resources (mineralized material under SEC Industry Guide 7) that are not mineral reserves do not have demonstrated economic viability. A determination of mineral reserves would be necessary to demonstrate economic viability of the Yellow Pine gold project.

PAH conducted a data validation of the existing Yellow Pine drill hole database provided by us. Very few errors were identified.

PAH believes that the companies that explored and developed the Yellow Pine deposit generally conducted sampling and analysis programs using standard practices, providing generally reasonable results. PAH believes that the resulting data can effectively be used in the subsequent estimation of resources.

**Long Valley**

The Long Valley gold project is located in the Inyo National Forest, about 7 miles east of the town of Mammoth Lakes, in Mono County, California. The property consists of 95 contiguous, unpatented mining claims that cover an area of approximately 1,963 acres. A location map and table describing the claims held by Vista Gold follow.

**Unpatented Mining Claims at Long Valley Controlled by Vista Gold**

| Claim Name | Serial Number | Federal Claim Type | Surface Area (acres) | Location Description (Section, Township and Range) | Location Date | Annual Holding Fee |
|---|---|---|---|---|---|---|
| Long Valley 1 | 231947 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 9/25/1989 | $ 125 |
| Long Valley 2 | 231948 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 9/25/1989 | $ 125 |
| Long Valley 3 | 231949 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 9/25/1989 | $ 125 |
| Long Valley 4 | 231950 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 9/25/1989 | $ 125 |
| Long Valley 5 | 231951 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 9/25/1989 | $ 125 |
| Long Valley 6 | 231952 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 9/25/1989 | $ 125 |

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|---|---|---|---|---|---|---|---|
| Long Valley 7 | 231953 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 9/25/1989 | $ | 125 |
| Long Valley 8 | 231954 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 9/25/1989 | $ | 125 |
| Long Valley 9 | 231955 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 11/13/1989 | $ | 125 |
| Long Valley 10 | 231956 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 11/13/1989 | $ | 125 |
| Long Valley 11 | 231957 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 11/13/1989 | $ | 125 |
| Long Valley 12 | 237721 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 7/6/1990 | $ | 125 |
| Long Valley 13 | 237722 | Unpatented Lode Mining Claim | 20.66 | Section 24, T3S, R28E, MDM | 7/7/1990 | $ | 125 |
| Long Valley 14 | 237723 | Unpatented Lode Mining Claim | 20.66 | Sections 23 & 26, T3S, R28E, MDM | 7/6/1990 | $ | 125 |
| Long Valley 15 | 237724 | Unpatented Lode Mining Claim | 20.66 | Sections 23 & 26, T3S, R28E, MDM | 7/6/1990 | $ | 125 |
| Long Valley 16 | 237725 | Unpatented Lode Mining Claim | 20.66 | Sections 23 & 26, T3S, R28E, MDM | 7/6/1990 | $ | 125 |

| Claim Name | Serial Number | Federal Claim Type | Surface Area (acres) | Location Description (Section, Township and Range) | Location Date | Annual Holding Fee |
|---|---|---|---|---|---|---|
| Long Valley 17 | 237726 | Unpatented Lode Mining Claim | 20.66 | Sections 23 & 26, T3S, R28E, MDM | 7/6/1990 | $ 125 |
| Long Valley 18 | 237727 | Unpatented Lode Mining Claim | 20.66 | Section 24, T3S, R28E, MDM | 7/7/1990 | $ 125 |
| Long Valley 19 | 237728 | Unpatented Lode Mining Claim | 20.66 | Section 24, T3S, R28E, MDM | 7/7/1990 | $ 125 |
| Long Valley 20 | 237729 | Unpatented Lode Mining Claim | 20.66 | Section 23, T3S, R28E, MDM | 7/7/1990 | $ 125 |
| Long Valley 21 | 237730 | Unpatented Lode Mining Claim | 20.66 | Sections 14 & 23, T3S, R28E, MDM | 7/8/1990 | $ 125 |
| Long Valley 22 | 237731 | Unpatented Lode Mining Claim | 20.66 | Sections 14 & 23, T3S, R28E, MDM | 7/8/1990 | $ 125 |
| Long Valley 23 | 237732 | Unpatented Lode Mining Claim | 20.66 | Sections 14 & 23, T3S, R28E, MDM | 7/8/1990 | $ 125 |
| Long Valley 24 | 237733 | Unpatented Lode Mining Claim | 20.66 | Sections 14 & 23, T3S, R28E, MDM | 7/8/1990 | $ 125 |
| Long Valley 25 | 237734 | Unpatented Lode Mining Claim | 20.66 | Sections 14 & 23, T3S, R28E, MDM | 7/8/1990 | $ 125 |
| Long Valley 26 | 237735 | Unpatented Lode Mining Claim | 20.66 | Sections 14 & 23, T3S, R28E, MDM | 7/7/1990 | $ 125 |
| Long Valley 27 | 237736 | Unpatented Lode Mining Claim | 20.66 | Sections 14, 15, 22 & 23, T3S, R28E, MDM | 7/7/1990 | $ 125 |
| Long Valley 28 | 237737 | Unpatented Lode Mining Claim | 20.66 | Sections 15 and 22, T3S, R28E, MDM | 7/7/1990 | $ 125 |
| Long Valley 29 | 237738 | Unpatented Lode Mining Claim | 20.66 | Sections 15 and 22, T3S, R28E, MDM | 7/7/1990 | $ 125 |
| Long Valley 30 | 237739 | Unpatented Lode Mining Claim | 20.66 | Sections 15 and 22, T3S, R28E, MDM | 7/7/1990 | $ 125 |
| Long Valley 31 | 237740 | Unpatented Lode Mining Claim | 20.66 | Section 15, T3S, R28E, MDM | 7/7/1990 | $ 125 |
| Long Valley 32 | 237741 | Unpatented Lode Mining Claim | 20.66 | Section 15, T3S, R28E, MDM | 7/7/1990 | $ 125 |
| Long Valley 33 | 237742 | Unpatented Lode Mining Claim | 20.66 | Section 15, T3S, R28E, MDM | 7/7/1990 | $ 125 |

| Claim Name | Serial Number | Federal Claim Type | Surface Area (acres) | Location Description (Section, Township and Range) | Location Date | Annual Holding Fee |
|---|---|---|---|---|---|---|
| Long Valley 34 | 237743 | Unpatented Lode Mining Claim | | | | |