VISTA GOLD CORP
Form 10-K
March 16, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2009

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: 001-9025
VISTA GOLD CORP.
(Exact Name of Registrant as Specified in its Charter)

Yukon Territory	98-0542444
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Suite 5, 7961 Shaffer Parkway Littleton, Colorado	80127
(Address of Principal Executive Offices)	(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 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 Nox

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o Nox

Indicate by checkmark whether the registrant (1) 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 such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by checkmark 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 the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part II of this Form 10-K or any amendment to the Form 10-K. o

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 (Check one):
Large Accelerated Filer o Accelerated Filer x Non-Accelerated Filer o Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o Nox

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: $59,000,000

The number of shares of the Registrant's Common Stock outstanding as of March 16, 2010 was 44,679,024.

Documents incorporated by reference: To the extent herein specifically referenced in Part III, portions of the Registrant's Definitive Proxy Statement on Schedule 14A for the 2010 Annual General Meeting of Shareholders. See Part III.

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CAUTIONARY NOTE TO U.S. INVESTORS REGARDING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES AND PROVEN AND PROBABLE RESERVES

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 (the “CIM Definition Standards”). These definitions differ from the definitions in the United States Securities and Exchange Commission (“SEC”) Industry Guide 7 (“SEC Industry Guide 7”) under the United States Securities Act of 1933, as amended (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.

Further, the term “mineralized material” as used in this annual report, although permissible under SEC Industry Guide 7, does not indicate “reserves” by SEC Industry Guide 7 standards. We cannot be certain that any part of the mineralized material will ever be confirmed or converted into SEC Industry Guide 7 compliant "reserves". Investors are cautioned not to assume that all or any part of the mineralized material will ever be confirmed or converted into reserves or that mineralized material can be economically or legally extracted.

CAUTIONARY NOTE TO ALL INVESTORS CONCERNING ECONOMIC ASSESSMENTS THAT INCLUDE INFERRED RESOURCES

Mineral resources that are not mineral reserves have no demonstrated economic viability. The preliminary assessments on the Mt. Todd, Awak Mas, Yellow Pine and Long Valley gold projects are preliminary in nature and include “inferred mineral resources” that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary assessments at the Mt. Todd, Awak Mas, Yellow Pine and Long Valley gold projects will ever be realized.

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 in the CIM Definition Standards 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.

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“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.

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“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 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.

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USE OF NAMES

In this annual report, unless the context otherwise requires, the terms “we”, “our”, “Vista”, “Vista Gold” and the “Corporatio refer to Vista Gold Corp. and its subsidiaries.

CURRENCY

Unless otherwise specified, all dollar amounts in this annual report are expressed in United States dollars.

METRIC CONVERSION TABLE

To Convert Imperial Measurement Units	To Metric Measurement Units	Multiply by
Acres	Hectares	0.4047
Feet	Meters	0.3048
Miles	Kilometers	1.6093
Tons (short)	Tonnes	0.9071
Gallons	Liters	3.7850
Ounces (troy)	Grams	31.103
Ounces (troy) per ton (short)	Grams per tonne	34.286

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report, including exhibits hereto and any documents that are incorporated by reference as set forth on the face page under “Documents incorporated by reference”, contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and forward-looking information under Canadian securities laws, that are intended to be covered by the safe harbor created by such legislation. All statements, other than statements of historical facts, included in this document, our other filings with the SEC and Canadian securities commissions and in press releases and public statements by our officers or representatives, that address activities, events or developments that we expect or anticipate will or may occur in the future are forward-looking statements and forward-looking information, including, but not limited to, such things as those listed below:

- estimates of future operating and financial performance;
- potential funding requirements and sources of capital;
- the timing, performance and results of feasibility studies;
- timing and receipt of required land use, environmental and other permits for the Paredones Amarillos gold project and timing for completion of drilling and testing programs at the Paredones Amarillos gold project;
- results of the drilling program and other test results at the Paredones Amarillos gold project;
- timing and outcome for the amendment to the Change of Forest Land Use Permit (“CUSF”) for the Paredones Amarillos gold project and the anticipated re-filing with the Mexican Secretariat of Environment of Natural Resources (“ SEMARNAT”);

- our belief that SEMARNAT's comments on the CUSF are without legal merit or beyond the scope of SEMARNAT's legal authority;

- our strategy for advancement of the permitting process for the Paredones Amarillos gold project including the possible court challenge to SEMARNAT's notice;

- plans to purchase remaining surface land or obtain rights-of-way required by the Paredones Amarillos gold project;

- capital and operating cost estimates for the Paredones Amarillos gold project, and anticipated timing of commencement of construction at the Paredones Amarillos gold project;

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- plans for evaluation of the Mt. Todd gold project;
- preliminary assessment results and plans for a preliminary feasibility study at the Mt. Todd gold project;
- production estimates and timing for gold production at the Paredones Amarillos gold project and the Mt. Todd gold project;
- potential for gold production at the Amayapampa gold project, timing and receipt of future payments in connection with the disposal of the Amayapampa gold project and status of legal proceedings in Bolivia;
- ongoing debt service requirements for our outstanding $30 million aggregate principal amount of secured convertible notes (the "Notes") and potential redemption or conversion of the Notes;
- future gold prices;
- future business strategy, competitive strengths, goals and expansion and growth of our business;
- our potential status as a producer;
- plans and estimates concerning potential project development, including matters such as schedules, estimated completion dates and estimated capital and operating costs;
- plans and proposed timetables for exploration programs and estimates of exploration expenditures;
- estimates of mineral reserves and mineral resources;
- potential joint venture and partnership strategies in relation to our properties; and
- future share price and valuation for the Corporation and for marketable securities held by us.

The words "estimate", "plan", "anticipate", "expect", "intend", "believe", "will", "may" and similar expressions are intended to forward-looking statements and forward-looking information. These statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause our actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements and information. These factors include risks such as:

- our likely status as a "passive foreign investment company" for U.S. federal tax purposes;
- feasibility study results and preliminary assessment results and the estimates on which they are based;
- economic viability of a deposit;
- delays in commencement of construction on the Paredones Amarillos gold project;
- status of the governmental permits required for the Paredones Amarillos gold project;
- the amendment and re-filing of the CUSF and uncertainty regarding the SEMARNAT's review of the amended CUSF application;

- uncertainty regarding potential court action against SEMARNAT in relation to the dismissal of the CUSF application and risks related to the outcome of such court action, including failure to receive approval of the CUSF application, uncertainty regarding our legal challenges to SEMARNAT's issues with the CUSF and SEMARNAT's authority in reviewing the CUSF application;

- political factors influencing the approval of the CUSF;

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- possible impairment or write-down of the carrying value of the Paredones Amarillos gold project if the CUSF is not granted;
- increased costs that affect our financial condition;
- a shortage of equipment and supplies;
- whether our acquisition, exploration and development activities will be commercially successful;
- fluctuations in the price of gold;
- inherent hazards of mining exploration, development and operating activities;
- calculation of mineral reserves, mineral resources and mineralized material and the fluctuations thereto based on metal prices, inherent vulnerability of the ore and recoverability of metal in the mining process;
- environmental regulations to which our exploration and development operations are subject;
- our receipt of future payments in connection with our disposal of the Amayapampa gold project;
- leverage as a result of our outstanding Notes;
- intense competition in the mining industry;
- our potential inability to raise additional capital on favorable terms, if at all;
- conflicts of interest of some of our directors as a result of their involvement with other natural resource companies;
- potential challenges to our title to our mineral properties;
- political and economic instability in Mexico, Bolivia and Indonesia;
- fluctuation in foreign currency values;
- trading price of Common Shares in the capital of Vista Gold Corp. (“Common Shares”) and our ability to raise funds in new shares offerings due to future sales of our Common Shares in the public or private market;
- difficulty in bringing actions or enforcing judgments against us and certain of our directors or officers outside of the United States;
- acquisitions and integration issues;
- potential negative impact of the issuance of additional Common Shares on the trading price of our Common Shares;
- fluctuation in the price of our Common Shares;
- the lack of dividend payments by us;
- future joint venture and partnerships relating to our properties;

- our lack of recent production and limited experience in producing;
- reclamation liabilities, including reclamation requirements at the Mt. Todd gold project;
- our historical losses from operations

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- historical production not being indicative of potential future production;
- water supply issues;
- governmental authorizations and permits;
- environmental lawsuits;
- lack of adequate insurance to cover potential liabilities;
- our ability to retain and hire key personnel;
- recent market events and conditions; and
- general economic conditions.

For a more detailed discussion of such risks and other important factors that could cause actual results to differ materially from those in such forward-looking statements and forward-looking information please see “Item IA. Risk Factors” below in this annual report on Form 10-K. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements and forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that these statements will prove to be accurate as actual results and future events could differ materially from those anticipated in the statements. Except as required by law, we assume no obligation to publicly update any forward-looking statements and forward-looking information, whether as a result of new information, future events or otherwise.

PART I

ITEM 1. BUSINESS.

Overview

Vista Gold is currently engaged in the evaluation, acquisition, exploration and advancement of gold exploration and potential development projects. Historically, our approach to acquisitions of gold projects has generally been to seek projects within political jurisdictions with well established mining, land ownership and tax laws, which have adequate drilling and geological data to support the completion of a third-party review of the geological data and to complete an estimate of the mineralized material (mineral resources under Canadian guidelines) and/or mineral reserves. In addition, we look for opportunities to improve the value of our gold projects including through exploration drilling and re-engineering the operating assumptions underlying previous engineering work.

Beginning in 2007, our board of directors and management decided to take on a new direction regarding our more advanced gold projects. We plan to move our more advanced projects forward through advanced and pre-feasibility studies, so production decisions can be made on those projects.

Currently, our holdings include the Paredones Amarillos gold project in Mexico; the Mt. Todd gold project in Australia; the Guadalupe de los Reyes gold project in Mexico; the Yellow Pine gold project in Idaho; the Awak Mas gold project in Indonesia; the Long Valley gold project in California; and mining claims in Utah. We also own approximately 25% of the shares of Zamora Gold Corp., a company exploring for gold in Ecuador. Additional information about these projects is available under the section heading “Item 2. Properties,” below.

We do not produce gold and do not currently generate operating earnings. Through fiscal 2009 and fiscal 2010 to date, funding to acquire and explore gold properties and to operate the Corporation has been acquired through equity and debt financings consisting of private placements of equity units consisting of Common Shares and warrants to purchase Common Shares, public offerings of our Common Shares and, in March 2008, a brokered private placement of convertible notes. We expect to continue to raise capital through additional equity and/or debt financings, and through the exercise of stock options and warrants. We anticipate raising funds for interim financing needs through various bridge loan or convertible debt alternatives.

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Vista Gold Corp. was originally incorporated on November 28, 1983 under the name "Granges Exploration Ltd.". In November 1983, Granges Exploration Ltd. acquired all the mining interests of Granges AB in Canada. On June 28, 1985, Granges Exploration Ltd. and Pecos Resources Ltd. amalgamated under the name "Granges Exploration Ltd." and on June 9, 1989, Granges Exploration Ltd. changed its name to "Granges Inc.". On May 1, 1995, Granges and Hycroft Resources & Development Corporation were amalgamated under the name "Granges Inc.". Effective November 1, 1996, Granges Inc. and Da Capo Resources Ltd. amalgamated under the name "Vista Gold Corp.". Effective December 17, 1997, Vista Gold was continued from British Columbia to the Yukon Territory, Canada under the Business Corporations Act (Yukon Territory). On September 22, 2006, we entered into an Arrangement and Merger Agreement (the "Arrangement Agreement") with Allied Nevada Gold Corp. ("Allied"), Carl Pescio and Janet Pescio (the "Pescios"), pursuant to which our Nevada-based mining properties and related assets were transferred to Allied and the Pescios' interests in certain Nevada-based mining properties and related assets were transferred to Allied. Completion of the transaction occurred on May 10, 2007. The current addresses, telephone and facsimile numbers of the offices of the Corporation are:

Executive Office	Registered and Records Office
Suite 5 - 7961 Shaffer Parkway	200 - 204 Lambert Street
Littleton, Colorado, USA 80127	Whitehorse, Yukon Territory,
Telephone: (720) 981-1185	Canada Y1A 3T2
Facsimile: (720) 981-1186	Telephone: (867) 667-7600
	Facsimile: (867) 667-7885

Employees

As of December 31, 2009, we had 23 full-time employees, ten of whom were employed at our executive office in Littleton, Colorado, nine of whom were employed at the Paredones Amarillos project and four of whom were employed at our Mt. Todd gold project. We use consultants with specific skills to assist with various aspects of our project evaluation, due diligence, corporate governance and property management.

Segment Information

Segment information relating to the Corporation is provided in Note 19 to our Consolidated Financial Statements under the section heading "Item 7. Financial Statements and Supplementary Data" below.

Significant Developments in 2009

- On December 28, 2009, we announced that our wholly owned subsidiary, Vista Gold (Barbados) Corp. had signed a Joint Venture Agreement with Pan Asia Resources Corporation ("Pan Asia") with respect to the development of the Awak Mas gold project in Indonesia. See the section heading "Item 2. Properties – Awak Mas, Indonesia" below.

- On December 22, 2009, we announced that we had mobilized three drill rigs to our Mt. Todd gold project in Australia in anticipation of commencing a 14,000 meter drilling program beginning in early January of 2010. See the section heading "Item 2. Properties – Mt. Todd, Northern Territory, Australia" below.

- On October 28, 2009, we announced that Minera Paredones Amarillos S.A. de C.V. ("MPA"), our wholly-owned Mexican subsidiary, has received the Temporary Occupation Permits ("TOP") for the Paredones Amarillos gold project located in Baja California Sur, Mexico. The TOP (one for each of the seven mining concessions that cover the area of the Paredones Amarillos gold project) formally grant MPA the right to use the surface land in the project area owned by the Mexican federal government. See the section heading "Item 2. Properties – Paredones Amarillos, Baja California Sur, Mexico" below.

- On September 25, 2009, we announced the closing of the sale of 1.32 million Common Shares, pursuant to the underwriters' exercise of the over-allotment option, which we granted in connection with our public offering of Common Shares. Consistent with the public offering of Common Shares that closed on September 21, 2009, the 1.32 million Common Shares were sold to Dahlman Rose & Company LLC and Wellington West Capital Markets, as underwriters, at the public offering price of $2.25 per Common Share. The over-allotment and the public offering were made pursuant to our shelf registration statement filed with the SEC and a shelf prospectus filed with certain Canadian securities regulatory authorities. With the sale of the additional 1.32 million Common Shares to the underwriters, 10.12 million Common Shares in total were sold in connection with the offering.

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- On September 21, 2009, we announced the closing of our previously announced public offering of Common Shares. The Corporation sold to Dahlman Rose & Company and Wellington West Capital Markets, as underwriters, 8.8 million Common Shares at a price of $2.25 per Common Share. The Corporation granted the underwriters a 30-day option to purchase up to 1.32 million additional Common Shares to cover over-allotments, if any.

- On September 3, 2009, we announced the results of an updated NI 43-101 mineral resource estimate on the Guadalupe de los Reyes gold-silver project. See the section heading “Item 2. Properties – Guadalupe de los Reyes , Sinaloa, Mexico” below.

- On September 2, 2009, we announced the results of an update to the Paredones Amarillos gold project feasibility study which included updated capital and operating costs and economic analyses. See the section heading “Item 2. Properties – Paredones Amarillos, Baja California Sur, Mexico” below.

- On August 26, 2009, we announced updated results of metallurgical tests completed for the Mt. Todd gold project. See the section heading “Item 2. Properties – Mt. Todd, Northern Territory, Australia” below.

- On August 4, 2009, we announced a diamond drilling program at the Paredones Amarillos gold project. See the section heading “Item 2. Properties – Paredones Amarillos, Baja California Sur, Mexico” below.

- On July 14, 2009, we entered into note repurchase agreements with Whitebox Combined Partners, LP, Whitebox Convertible Arbitrage Partners, LP and Whitebox Special Opportunities Fund Series B Partners, LP whereby we agreed to repurchase our Notes due March 4, 2011. Pursuant to the repurchase agreements, we agreed to repurchase the Notes (i) in the principal amount of $504,000 from Whitebox Combined Partners, LP for an aggregate purchase price, including interest, of $331,800; (ii) in the principal amount of $510,000 from Whitebox Convertible Arbitrage Partners, LP for an aggregate purchase price, including interest, of $335,750; and (iii) in the principal amount of $319,000 from Whitebox Special Opportunities Fund Series B Partners, LP for an aggregate purchase price, including interest, of $210,008, based on a settlement date of July 14, 2009.

- On June 23, 2009, we announced approval for preparation of a pre-feasibility study on our Mt. Todd gold project. See the section heading “Item 2. Properties – Mt. Todd, Northern Territory, Australia” below.

- On June 4, 2009, we announced the results of a preliminary economic assessment (the “Mt. Todd PEA”) for the Mt. Todd gold project. See the section heading “Item 2. Properties – Mt. Todd, Northern Territory, Australia” below.

- On April 3, 2009, we announced that we had sold 1,529,848 shares of Allied Nevada Gold Corp. for approximately $9.0 million. See the section heading “Item 7. Financial Statements and Supplementary Data – Note 4” below.

- On January 26, 2009, we announced an updated gold resource estimate for the Batman deposit at the Mt. Todd Gold Project in Northern Territory, Australia. See the section heading “Item 2. Properties – Mt. Todd Northern Territory, Australia” below.

Payments on Properties

Through the use of cash and equity units, consisting of our Common Shares and warrants to purchase Common Shares, as consideration, we continued our effort to build a portfolio of gold projects through a strategy that includes evaluation, acquisition and exploration of gold exploration and potential development projects with the aim of adding value to the projects. In addition, we continued our efforts to improve the value of our gold projects through exploration drilling and re-engineering the operating assumptions underlying previous engineering work. We continued with remaining scheduled payments on the Guadalupe de los Reyes and Yellow Pine gold projects. These

payments are described under the section heading “Item 2. Properties” below. We are current with all our payment obligations.

Subsequent Events

On February 19, 2010, we announced that MPA had received notice from SEMARNAT that SEMARNAT has dismissed, on administrative grounds, MPA’s application for the Change of Forest Land Use Permit (“CUSF”) for our Paredones Amarillos gold project in Baja California Sur, Mexico. See the section heading “Item 2. Properties - Paredones Amarillos, Baja California Sur, Mexico” below.

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Corporate Organization Chart

The name, place of incorporation, continuance or organization, and percent of voting securities owned or controlled by Vista Gold Corp. as of December 31, 2009, for each subsidiary of Vista Gold Corp. is set out below.

Property Interests and Mining Claims

In the United States, our exploration activities are conducted in the states of California, Idaho and Utah. Mineral interests may be owned in these states by (a) the United States, (b) the state itself, or (c) private parties. Where prospective mineral properties are owned by private parties, or by the state, some type of property acquisition agreement is necessary in order for us to explore or develop such property. Generally, these agreements take the form of long term mineral leases under which we acquire the right to explore and develop the property in exchange for periodic cash payments during the exploration and development phase and a royalty, usually expressed as a percentage of gross production or net profits derived from the leased properties if and when mines on the properties are brought into production. Other forms of acquisition agreements are exploration agreements coupled with options to purchase and joint venture agreements. Where prospective mineral properties are held by the United States, mineral rights may be acquired through the location of unpatented mineral claims upon unappropriated federal land. If the statutory requirements for the location of a mining claim are met, the locator obtains a valid possessory right to develop and produce minerals from the claim. The right can be freely transferred and, provided that the locator is able to prove the discovery of locatable minerals on the claims, is protected against appropriation by the government without just compensation. The claim locator also acquires the right to obtain a patent or fee title to his claim from the federal government upon compliance with certain additional procedures.

Mining claims are subject to the same risk of defective title that is common to all real property interests. Additionally, mining claims are self-initiated and self-maintained and therefore, possess some unique vulnerabilities not associated with other types of property interests. It is impossible to ascertain the validity of unpatented mining claims solely from an examination of the public real estate records and, therefore, it can be difficult or impossible to confirm that all of the requisite steps have been followed for location and maintenance of a claim. If the validity of a patented mining claim is challenged by the U.S. Bureau of Land Management or the U.S. Forest Service on the grounds that mineralization has not been demonstrated, the claimant has the burden of proving the present economic feasibility of mining minerals located thereon. Such a challenge might be raised when a patent application is submitted or when the government seeks to include the land in an area to be dedicated to another use.

Reclamation

We generally are required to mitigate long-term environmental impacts by stabilizing, contouring, re-sloping and revegetating various portions of a site after mining and mineral processing operations are completed. These reclamation efforts are conducted in accordance with detailed plans, which must be reviewed and approved by the appropriate regulatory agencies.

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Government Regulation

Mining operations and exploration activities are subject to various national, state, provincial and local laws and regulations in the United States, Mexico, Australia, Indonesia and other jurisdictions, which govern prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters. We have obtained or have pending applications for those licenses, permits or other authorizations currently required to conduct our exploration and other programs. We believe that we are in compliance in all material respects with applicable mining, health, safety and environmental statutes and the regulations passed thereunder in the United States, Mexico, Indonesia, Australia and the other jurisdictions in which we operate. There are no current orders or directions relating to us with respect to the foregoing laws and regulations. For a more detailed discussion of the various government laws and regulations applicable to our operations and potential negative affects of these laws and regulations please see the section heading “Item 1A.—Risk Factors” below.

Environmental Regulation

Our gold projects are subject to various federal, state and local laws and regulations governing protection of the environment. These laws are continually changing and, in general, are becoming more restrictive. Our policy is to conduct business in a way that safeguards public health and the environment. We believe that our operations are conducted in material compliance with applicable laws and regulations.

Changes to current local, state or federal laws and regulations in the jurisdictions where we operate could require additional capital expenditures and increased operating and/or reclamation costs. Although we are unable to predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could impact the economics of our projects.

During 2009, there were no material environmental incidents or material non-compliance with any applicable environmental regulations. We estimate that we will not incur material capital expenditures for environmental control facilities during the current fiscal year.

Competition

We compete with other mining companies in connection with the acquisition, exploration, financing and development of gold properties. There is competition for the limited number of gold acquisition and exploration opportunities, some of which is with other companies having substantially greater financial resources than we have. As a result, we may have difficulty acquiring attractive gold projects at reasonable prices. We also compete with other mining companies for mining engineers, geologists and other skilled personnel in the mining industry and for exploration and development equipment.

We believe no single company has sufficient market power to affect the price or supply of gold in the world market.

Gold Price History

The price of gold is volatile and is affected by numerous factors all of which are beyond our control such as the sale or purchase of gold by various central banks and financial institutions, inflation, recession, fluctuation in the relative values of the US dollar and foreign currencies, changes in global and regional gold demand, and the political and economic conditions of major gold-producing countries throughout the world.

The following table presents the high, low and average afternoon fixed prices in U.S. dollars for gold per ounce on the London Bullion Market over the past five years:

Year	High	Low	Average
2005	537	411	445
2006	725	525	603
2007	841	608	695
2008	1,011	713	872
2009	1,213	810	972
2010 (to March 15)	1,153	1,058	1,110

Data Source: www.kitco.com

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Seasonality

During the winter, the Yellow Pine gold project is currently inaccessible due to snowfall. No other properties are subject to seasonality.

Available Information

We make available, free of charge, on or through our Internet website, at www.vistagold.com our annual report on Form 10-K and quarterly reports on Form 10-Q. We do not make available free of charge current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 due to our oversight. We plan on making these available on our website moving into the future and past current reports on Form 8-K can be obtained free of charge upon request to our executive office at the address above under section heading “Item 1. Business Overview – Executive Office”. Our Internet website and the information contained therein or connected thereto are not intended to be, and are not incorporated into this annual report on Form 10-K.

ITEM 1A. RISK FACTORS.

An investment in our Common Shares involves a high degree of risk. The risks described below are not the only ones facing our company or otherwise associated with an investment in our Common Shares. Additional risks not presently known to us or which we currently consider immaterial may also adversely affect our business. We have attempted to identify the major factors that could cause differences between actual and planned or expected results, and have attempted to include all material risk factors. If any of the following risks actually happen, our business, financial condition and operating results could be materially adversely affected.

Risks Related to the Business of Vista Gold

We are likely a "passive foreign investment company" which will likely have adverse U.S. federal income tax consequences for U.S. shareholders

U.S. shareholders of our Common Shares should be aware that we believe we were classified as a passive foreign investment company (“PFIC”) during the taxable year ended December 31, 2009, and based on current business plans and financial projections, we believe there is a significant likelihood that we will be a PFIC during the current taxable year. If we are a PFIC for any year during a U.S. shareholder’s holding period, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of Common Shares, or any so-called “excess distribution” received on their Common Shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective "qualified electing fund" (“QEF Election”) or a "mark-to-market" election with respect to the Common Shares. A U.S. shareholder who makes a QEF election generally must report on a current basis their share of our net capital gain and ordinary earnings for any year in which we are a PFIC, whether or not we distribute any amounts to our shareholders. However, U.S. shareholders should be aware that there can be no assurance that we will satisfy record keeping requirements that apply to a QEF, or that we will supply U.S. shareholders with information that such U.S. shareholders require to report under the QEF rules, in event that we are a PFIC and a U.S. shareholder wishes to make a QEF Election. Thus, U.S. shareholders may not be able to make a QEF Election with respect to their Common Shares. A U.S. shareholder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the Common Shares over the taxpayer’s basis therein. This paragraph is qualified in its entirety by the discussion below under the heading “Certain U.S. Federal Income Tax Considerations.” Each U.S. shareholder should consult his or her own tax advisor regarding the U.S. federal, U.S. state and local, and foreign tax consequences of the PFIC rules and the acquisition, ownership, and disposition of our Common Shares. Feasibility study results and preliminary

assessment results are based on estimates that are subject to uncertainty.

Feasibility studies are used to determine the economic viability of a deposit, as are pre-feasibility studies and preliminary assessments. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. Generally accepted levels of confidence are plus or minus 15% for feasibility studies, plus or minus 25-30% for pre-feasibility studies and plus or minus 35-40% for preliminary assessments. These levels reflect the levels of confidence that exist at the time the study is completed. While these studies are based on the best information available to us for the level of study, we cannot be certain that actual costs will not significantly exceed the estimated cost. While Vista incorporates what it believes is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that the contingency factor is adequate.

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The economic viability of a deposit is based on many factors that are subject to uncertainty.

Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates of future gold prices. Resource estimates are based on the assay results of many intervals from many drill holes and the interpolation of those results between holes. There is no certainty that metallurgical recoveries obtained in bench scale or pilot plant scale tests will be achieved in commercial operations. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the orebody, ground and mining conditions, expected recovery rates of the gold from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and as a result, we cannot give any assurance that our development or exploration projects will become operating mines. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change as the result of changing commodity and supply costs. If a mine is developed, actual operating results may differ from those anticipated in a feasibility study.

We require certain governmental authorizations and permits for our business, including our development plans and operating activities. We could incur substantial costs or disruptions to our business if we cannot obtain, renew or maintain the necessary authorizations and permits.

A major risk inherent in our business is the requirement to obtain authorizations and permits from governmental authorities. Delays in obtaining authorizations or permits, failure to obtain an authorization or permit or receipt of an authorization or permit with unreasonable conditions or costs could have a material adverse effect on our ability to develop one or more of our gold projects, including, but not limited to, the Paredones Amarillos and Mt. Todd gold projects. The failure to obtain necessary permits could result in an impairment and write down of the carrying value of our projects.

We are awaiting receipt of permits needed before construction can begin on the Paredones Amarillos gold project. We may experience delays in the commencement of construction on the Paredones Amarillos gold project due to delays in receiving the required permits. There can be no assurance whether or when construction at the Paredones Amarillos gold project will commence. If we are unable to acquire the required permits to mine the Paredones Amarillos gold project, then we will not have mineral reserves under SEC Industry Guide 7 or NI 43-101, which could result in an impairment and write down of the carrying value of the project.

There may be delays in commencement of construction on the Paredones Amarillos Gold Project.

Delays in commencement of construction could result from delays in receiving the required governmental permits including the CUSF, or other permits related to the construction of the desalination plant, pipeline, power line, or widening of the public access road, or from factors such as availability and performance of engineering and construction contractors, suppliers and consultants, availability of required equipment and receipt of required governmental approvals. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which we depend, or lack of availability of required equipment, or delay or failure to receive required governmental approvals, could delay or prevent commencement of construction on the Paredones Amarillos gold project. There can be no assurance whether or when construction at the Paredones Amarillos gold project will commence or that the necessary personnel, equipment or supplies will be available to us if and when construction is commenced. If we are unable to acquire permits to mine the property, then we will have no reserves under U.S. Industry Guide 7 and NI 43-101, which could result in an impairment and write-down of the carrying value of the project.

There may be delays in obtaining the CUSF for the Paredones Amarillos Gold Project

Our CUSF application was recently dismissed on administrative grounds by the SEMARNAT. Specifically, SEMARNAT dismissed the CUSF application, without a review of its substantive merit, for MPA's alleged failure to provide certain information and satisfy procedural requirements. We are currently working to clarify SEMARNAT's specific requirements. We intend to make the appropriate amendments and re-file the application. The CUSF is required before we can commence construction of the Paredones Amarillos gold project. Amending and resubmitting the CUSF for review by SEMARNAT will cause unknown delays in the commencement of the Paredones Amarillos gold project. There are many variables and uncertainties involved throughout the CUSF application approval process which could further delay the application and therefore further delay commencement of the Paredones Amarillos gold project.

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The final status of the governmental permits for the Paredones Amarillos Gold Project could negatively impact our mineral reserves.

We have not received all of the governmental permits for the Paredones Amarillos gold project. After dismissal for administrative reasons of our CUSF application, we have decided to apply for a new CUSF. However, there are many variables and uncertainties involved throughout the CUSF approval process and approval is not guaranteed. If we are unable to secure a CUSF, Mexican law will prohibit us from mining the Paredones Amarillos gold project and, accordingly, we will have no reserves at Paredones Amarillos under SEC Industry Guide 7 and NI 43-101, which could result in an impairment and write-down of the carrying value of the project.

Increased costs could affect our financial condition.

We anticipate that costs at our projects including the Paredones Amarillos gold project, Mt. Todd gold project and our Awak Mas gold project as well as other properties that we may explore or develop, will frequently be subject to variation from one year to the next due to a number of factors, such as changing ore grade, metallurgy and revisions to mine plans in response to the physical shape and location of the ore body. In addition, costs are affected by the price of commodities such as fuel and electricity. Such commodities are at times subject to volatile price movements, including increases that could make production at certain operations less profitable. A material increase in costs at any significant location could have a significant effect on our profitability and could result in an impairment.

A shortage of equipment and supplies could adversely affect our ability to operate our business.

We are dependent on various supplies and equipment to carry out our mining exploration and development operations. The shortage of such supplies, equipment and parts could have a material adverse effect on our ability to carry out our operations and therefore limit or increase the cost of production.

We cannot be certain that our acquisition, exploration and development activities will be commercially successful.

We currently have no properties that produce gold in commercial quantities. Substantial expenditures are required to acquire existing gold properties, to establish mineral reserves through drilling and analysis, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. We cannot be assured that any mineral reserves or mineralized material (mineral resources under Canadian guidelines) acquired or discovered will be in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Acquisitions and integration issues may expose us to risks.

Our business strategy includes making targeted acquisitions. Any acquisition that we make may be of a significant size, may change the scale of our business and operations, and may expose us to new geographic, political, operating, financial and geological risks. Our success in our acquisition activities depends on our ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition and integrate the acquired operations successfully with our operations. Any acquisitions would be accompanied by risks. For example, there may be significant decreases in commodity prices after we have committed to complete the transaction and have established the purchase price or exchange ratio; a material ore body may prove to be below expectations; we may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt our ongoing business and our relationships with employees, customers, suppliers and contractors; and the acquired

business or assets may have unknown liabilities which may be significant. If we choose to use equity securities as consideration for such an acquisition, existing shareholders may suffer dilution. Alternatively, we may choose to finance any such acquisition with our existing resources. There can be no assurance that we would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

The issuance of additional Common Shares may negatively impact the trading price of our Common Shares.

We have issued equity securities in the past and may continue to issue equity securities to finance our activities in the future, including to finance future acquisitions, or as consideration for acquisitions of businesses or assets. In addition, outstanding options and broker warrants to purchase Common Shares may be exercised, resulting in the issuance of additional Common Shares. The issuance by us of additional Common Shares would result in dilution to our shareholders, and even the perception that such an issuance may occur could have a negative impact on the trading price of our Common Shares.

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The price of our Common Shares may fluctuate and may result in losses to investors.

The trading price of our Common Shares has been and may continue to be subject to large fluctuations, which may result in losses to investors. The high and low intraday sale prices of our Common Shares on the Amex were $9.45 and $3.80 in 2007; $5.95 and $0.77 in 2008; and $3.38 and $1.16 in 2009 and on the TSX were CDN$10.68 and CDN$4.07 in 2007; CDN$5.99 and CDN$0.98 in 2008; and CDN$3.63 and CDN$1.40 in 2009. The trading price of our Common Shares may increase or decrease in response to a number of events and factors, including:

- trends in the gold mining industry and the markets in which we operate;
- changes in the price of gold;
- changes in financial estimates and recommendations by securities analysts;
- acquisitions and financings;
- global and regional political and economic conditions and other factors;
- general stock market conditions;
- the operating and share performance of other companies that investors may deem comparable to us; and
- purchase or sales of blocks of our Common Shares.

This volatility may adversely impact the price of the Common Shares regardless of our operating performance.

We have never declared dividends.

We have never declared or paid any dividends on our Common Shares. Currently, we intend to retain our earnings, if any, to finance the growth and development of the business and do not expect to pay dividends or to make any other distributions in the future, which may limit the way in which investors may realize any returns on their investment.

Joint ventures and other partnerships in relation to our properties may expose us to risks.

We may enter into joint ventures or other partnership arrangements with other parties in relation to the exploration, development and production of certain of the properties in which we have an interest. Joint ventures can often require unanimous approval of the parties to the joint venture or their representatives for certain fundamental decisions such as an increase or reduction of registered capital, merger, division, dissolution, amendments of constating documents, and the pledge of joint venture assets, which means that each joint venture party may have a veto right with respect to such decisions which could lead to a deadlock in the operations of the joint venture or partnership. Further, we may be unable to exert control over strategic decisions made in respect of such properties. Any failure of such other companies to meet their obligations to us or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on the joint ventures or their properties and therefore could have a material adverse effect on our results of operations, financial performance, cash flows and the price of our Common Shares.

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We have no history of producing metals from our current mineral properties and limited recent experience with producing mines; there can be no assurance that we will successfully establish mining operations or profitably produce precious metals.

We have no history of producing metals from our current mineral properties. We do not produce gold and do not currently generate operating earnings. While we seek to move the Paredones Amarillos and Mt. Todd gold projects into production, such efforts will be subject to all of the risks associated with establishing new mining operations and business enterprises including:

- the timing and cost, which are considerable, of the construction of mining and processing facilities;
- the ability to find sufficient gold reserves to support a profitable mining operation;
- the availability and costs of skilled labor and mining equipment;
- compliance with environmental and other governmental approval and permit requirements;
- the availability of funds to finance construction and development activities;
- potential opposition from non-governmental organizations, environmental groups, local groups or local inhabitants which may delay or prevent development activities; and
- potential increases in construction and operating costs due to changes in the cost of fuel, power, materials and supplies.

The costs, timing and complexities of mine construction and development may be increased by the remote location of our properties. It is common in new mining operations to experience unexpected problems and delays during construction, development and mine start-up. In addition, our management will need to be expanded. This could result in delays in the commencement of mineral production and increased costs of production. Accordingly, we cannot assure you that our activities will result in profitable mining operations or that we will successfully establish mining operations.

Our continuing historical reclamation obligations at the Mt. Todd gold project and our reclamation requirements on other properties could require significant additional expenditures.

We could be responsible for the reclamation obligations related to previous disturbances located on all of our properties, including the Mt. Todd gold project. The Mt. Todd site was not reclaimed when the original mine closed and as a result, the dumps and heap leach pad require ongoing care and maintenance. We provide that care and maintenance, but will not be responsible for the environmental liability resulting from previous operations until we make the decision to re-open the mine and have received the appropriate permits. The satisfaction of any bonding requirements and continuing or future reclamation obligations on our properties will require a significant amount of capital. There is a risk that we will be unable to fund these historical and future reclamation requirements, and further, that the regulatory authorities may increase reclamation and bonding requirements to such a degree that it would not be commercially reasonable to continue exploration or development activities on such properties, including at the Mt. Todd gold project. Such events could have a material adverse effect on our results of operations, financial performance, cash flows and the price of our Common Shares.

We have a history of losses and may incur losses in the future.

We have incurred losses since inception and may incur net losses in the future. We incurred the following losses from operations during each of the following periods:

- approximately $2 million for the year ended December 31, 2009;
- approximately $10 million for the year ended December 31, 2008; and
- approximately $13 million for the year ended December 31, 2007.

We had an accumulated deficit of approximately $193 million and $191 million as at December 31, 2009 and December 31, 2008, respectively.

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We expect to continue to incur losses unless and until such time as one of its properties enters into commercial production and generates sufficient revenues to fund continuing operations. We have committed and plan to continue to commit substantial capital and other resources to the ongoing development of the Paredones Amarillos and Mt. Todd gold projects. The amount and timing of future expenditures will depend on a number of factors, including, but not limited to, the progress of ongoing development and operations, permitting matters, the timing of development, the costs of production, the commercial viability of production and other factors, some of which are beyond our control. We cannot assure investors that we will ever achieve profitability.

Historical production of gold at our Mt. Todd gold project may not be indicative of the potential for future development or revenue.

The Mt. Todd gold project was an operating mine in the late 1990's. 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. Historical production of gold from our Mt. Todd gold project may not be indicative of the potential for future development of the property. Due to the uncertainties associated with exploration and development, including variations in geology and structure, there is no assurance that our development efforts will be successful or that prior operating results are reflective of additional or economically developable deposits. Investors in our securities should not rely on historical operations as an indication that our mining properties will be placed into commercial production again or that such properties will produce revenues or be profitable.

We cannot assure you that we will have an adequate supply of water to complete desired exploration or development of our mining properties.

We have obtained permits and water rights that we currently use to service the activities on our various properties and we plan to obtain all required permits and water rights to serve other properties we may develop or acquire in the future.

However, the amount of water that we are entitled to use pursuant to our water rights must be determined by the appropriate regulatory authorities in the jurisdictions in which we operate. Such regulatory authorities may amend the regulations regarding such water rights, increase the cost of maintaining such water rights, or eliminate our current water rights and we may be unable to retain all or a portion of such water rights. In addition, water at the Mt. Todd gold project is expected to be provided from a raw water dam and reservoir. Drought or drought-like conditions in the area feeding the reservoir could limit or extinguish this water supply. Accordingly, there is no assurance that we will have access to the amount of water needed to explore or develop its properties or to operate a mine at its properties, which may prevent us from generating revenue, and which could materially adversely affect our financial condition, cash flows and the price of our Common Shares.

We could be subject to environmental lawsuits.

Neighboring landowners and other third parties could file claims based on environmental statutes and common law for personal injury and property damage allegedly caused by the release of hazardous substances or other waste material into the environment on or around our properties. There can be no assurance that our defense of such claims will be successful. A successful claim against us could have a material adverse affect on our business prospects, financial condition, results of operation and the price of our Common Shares.

We do not insure against all risks to which we may be subject in our planned operations.

We do not maintain insurance to cover all of the potential risks associated with its operations. We may also be unable to obtain insurance to cover other risks at economically feasible premiums or at all. Insurance coverage may not continue to be available, or may not be adequate to cover all liabilities. We might also become subject to liability for environmental, pollution or other hazards associated with mineral exploration and production which we may not be insured against, which may exceed the limits of our insurance coverage or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause us to incur significant costs that could materially adversely affect our financial condition and our ability to fund activities on our properties. A significant loss could force us to reduce or terminate our operations on a specific project or altogether.

If we fail to hire and retain our key personnel, it may have an adverse effect on our operations.

We depend on a number of key personnel, including Michael B. Richings, our Executive Chairman and Chief Executive Officer, Frederick H. Earnest, our President and Chief Operating Officer, and Gregory G. Marlier, our Chief Financial Officer. We rely heavily on these individuals for the conduct of our business. We believe that our success depends on the continued service of our key officers and there can be no assurance that we will be able to retain any or all of such officers. The loss of any one of these personnel could have an adverse effect on our operations. We have employment contracts with each of these key personnel. We do not have key man life insurance.

Our ability to manage growth effectively will require us to continue to implement and improve our management systems and to recruit and train new employees. Although we have done so in the past and expect to do so in the future, we cannot assure you that we will be successful in attracting and retraining skilled and experienced personnel.

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The price of gold is subject to fluctuations, which could adversely affect the realizable value of our assets and potential future results of operations and cash flow.

Our principal assets are mineral reserves and mineralized material. We intend to attempt to acquire additional properties containing mineral reserves and mineralized material (mineral resources under Canadian guidelines). The price that we pay to acquire these properties will be, in large part, influenced by the price of gold at the time of the acquisition. Our potential future revenues are expected to be, in large part, derived from the mining and sale of gold from these properties or from the outright sale or joint venture of some of these properties. The value of these mineral reserves and mineralized material (mineral resources under Canadian guidelines), and the value of any potential gold production there from, will vary in proportion to variations in gold prices. The price of gold has fluctuated widely, and is affected by numerous factors beyond our control including, but not limited to, international, economic and political trends, expectations of inflation, currency exchange fluctuations, central bank activities, interest rates, global or regional consumption patterns and speculative activities. The effect of these factors on the price of gold, and therefore the economic viability of any of our projects, cannot accurately be predicted. Any drop in the price of gold would adversely affect our asset values, cash flows, potential revenues and profits.

Mining exploration, development and operating activities are inherently hazardous.

Mineral exploration involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which we have direct or indirect interests will be subject to all the hazards and risks normally incidental to exploration, development and production of gold and other metals, any of which could result in work stoppages, damage to property and possible environmental damage. The nature of these risks is such that liabilities might exceed any liability insurance policy limits. It is also possible that the liabilities and hazards might not be insurable, or, we could elect not to be insured against such liabilities due to high premium costs or other reasons, in which event, we could incur significant costs that could have a material adverse effect on our financial condition.

Calculations of mineral reserves and of mineralized material are estimates only, subject to uncertainty due to factors including metal prices, inherent variability of the ore, and recoverability of metal in the mining process.

There is a degree of uncertainty attributable to the calculation of reserves and corresponding grades dedicated to future production. Until mineral reserves are actually mined and processed, the quantity of ore and grades must be considered as an estimate only. In addition, the quantity of mineral reserves and ore may vary depending on metal prices. Estimates of mineralized material (mineral resources under Canadian guidelines) are subject to uncertainty as well. The estimating of mineral reserves and mineralized material (mineral resources under Canadian guidelines) is a subjective process and the accuracy of such estimates is a function of the quantity and quality of available data and the assumptions used and judgments made in interpreting engineering and geological information. There is significant uncertainty in any reserve or mineralized material estimate (estimate of mineral resources under Canadian guidelines), and the actual deposits encountered and the economic viability of mining a deposit may differ materially from our estimates. Estimated mineral reserves or mineralized material (mineral resources under Canadian guidelines) may have to be recalculated based on changes in metal prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence estimates of mineral reserves or mineralized material (mineral resources under Canadian guidelines). Any material change in the quantity of mineral reserves, mineralization, grade or stripping ratio may affect the economic viability of our properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Our exploration and development operations are subject to environmental regulations, which could result in our incurring additional costs and operational delays.

All phases of our operations are subject to environmental regulation. Environmental legislation is evolving in some countries or jurisdictions in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our projects. We are currently subject to U.S. federal and state government environmental regulations with respect to our properties in Idaho and California in the United States. We are also currently subject to environmental regulations with respect to our properties in Mexico, Australia and Indonesia.

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U.S. Federal Laws

The U.S. Bureau of Land Management requires that mining operations on lands subject to its regulation obtain an approved plan of operations subject to environmental impact evaluation under the National Environmental Policy Act. Any significant modifications to the plan of operations may require the completion of an environmental assessment or Environmental Impact Statement ("EIS)" prior to approval. Mining companies must post a bond or other surety to guarantee the cost of post-mining reclamation. These requirements could add significant additional cost and delays to any mining project we undertake.

Under the U.S. Resource Conservation and Recovery Act, mining companies may incur costs for generating, transporting, treating, storing, or disposing of hazardous waste, as well as for closure and post-closure maintenance once they have completed mining activities on a property. Our mining operations may produce air emissions, including fugitive dust and other air pollutants, from stationary equipment, storage facilities, and the use of mobile sources such as trucks and heavy construction equipment which are subject to review, monitoring and/or control requirements under the Federal Clean Air Act and state air quality laws. Permitting rules may impose limitations on our production levels or create additional capital expenditures in order to comply with the rules.

The U.S. Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended ("CERCLA"), imposes strict, joint and several liability on parties associated with releases or threats of releases of hazardous substances. Those liable groups include, among others, the current owners and operators of facilities which release hazardous substances into the environment and past owners and operators of properties who owned such properties at the time the disposal of the hazardous substances occurred. This liability could include the cost of removal or remediation of the release and damages for injury to the surrounding property. We cannot predict the potential for future CERCLA liability with respect to our U.S. properties.

Idaho Laws

Permitting a mining operation, such as Yellow Pine, located on patented mining claims within a National Forest in Idaho would require obtaining various Federal, State and local permits under the coordination of the Idaho joint review process. Mining projects require the establishment and presentation of environmental baseline conditions for air, water, vegetation, wildlife, cultural, historical, geological, geotechnical, geochemical, soil and socioeconomic parameters. An EIS would be required for any mining activities proposed on public lands. Permits would also be required for storm-water discharge; wetland disturbance (dredge and fill); surface mining; cyanide use, transport and storage; air quality; dam safety (for water storage and/or tailing storage); septic and sewage; water rights appropriation; and possibly others. In addition, compliance must be demonstrated with the Endangered Species Act and the National Historical Preservation Act consultation process. Possible county zoning and building permits and authorization may be required. Baseline environmental conditions are the basis by which direct and indirect project-related impacts are evaluated and by which potential mitigation measures are proposed. If our project is found to significantly adversely impact any of these baseline conditions, we could incur significant costs to correct the adverse impact, or might have to delay the start of production.

California Laws

A new mining operation in California, such as the Long Valley gold project, which is on federal unpatented mining claims within a National Forest, requires various federal, state and local permits. Mining projects require the establishment and presentation of environmental baseline conditions for air, water, vegetation, wildlife, cultural, historical, geological, geotechnical, geochemical, soil, and socioeconomic parameters. An EIS would be required for any mining activities proposed on public lands. Also required would be a Plan of Operations/Reclamation Plan, and permits for waste-water discharge and wetland disturbance (dredge and fill); a county mining plan and reclamation

plan; a county mining operations permit; special use permits from the U.S. Forest Service; and possibly others. In addition, compliance must be demonstrated with the Endangered Species Act and the National Historical Preservation Act consultation process. Possible county zoning and building permits and authorization may be required. Baseline environmental conditions are the basis by which direct and indirect project-related impacts are evaluated and by which potential mitigation measures are proposed. If our project is found to significantly adversely impact any of these baseline conditions, we could incur significant costs to correct the adverse impact, or delay the start of production. In addition, on December 12, 2002, California adopted a “backfilling law” requiring open-pit surface mining operations for metallic minerals to back-fill the mines. While we have determined that the geometry of our Long Valley gold project would lend itself to compliance with this law, future adverse changes to this law could have a corresponding adverse impact on our financial performance and results of operations, for example, by requiring changes to operating constraints, technical criteria, fees or surety requirements.

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Mexico Laws

We are required under Mexican laws and regulations to acquire permits and other authorizations before the Paredones Amarillos or Guadalupe de los Reyes gold projects can be developed and mined. Since the passage of Mexico's 1988 General Law on Ecological Equilibrium and Environmental Protection, a sophisticated system for environmental regulation has evolved. In addition, the North American Free Trade Agreement requirements for regulatory standards in Mexico equivalent to those of the United States and Canada have obligated the Mexican government to continue further development of environmental regulation. Most regulatory programs are implemented by various divisions of the SEMARNAT. While we believe that we have or will be able to obtain on a timely basis the necessary permits to place the Paredones Amarillos gold project into production, there can be no assurance that we will be able to acquire updates to necessary permits or authorizations on a timely basis. See discussions of Paredones Amarillos permit status under the section heading "Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations—Subsequent Events" below. Likewise, there can be no assurance that we will be able to acquire the necessary permits or authorizations on a timely basis to place the Guadalupe de los Reyes gold project into production. Delays in acquiring any permit, authorization or updates could increase the development cost of the Paredones Amarillos gold project or the Guadalupe de los Reyes gold project, or delay the start of production. The most significant environmental permitting requirements, as they relate to the Paredones Amarillos and the Guadalupe de los Reyes gold projects are developing reports on environmental impacts; regulation and permitting of discharges to air, water and land; new source performance standards for specific air and water pollutant emitting sources; solid and hazardous waste management regulations; developing risk assessment reports; developing evacuation plans; and monitoring inventories of hazardous materials. If the Paredones Amarillos or the Guadalupe de los Reyes gold projects are found to not be in compliance with any of these requirements, we could incur significant compliance costs, or might have to delay the start of production.

Australia Laws

Mineral projects in the Northern Territory are subject to Australian federal and Northern Territory laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, the Mt. Todd gold project would be expected to have a variety of environmental impacts should development proceed. We are required under Australian laws and regulations (federal, state and territorial) to acquire permits and other authorizations before the Mt. Todd gold project can be developed and mined. In Australia, environmental legislation plays a significant role in the mining industry. Various environmental documents such as the EIS over the Mt. Todd gold project, covering studies on, inter alia, air, water, pollution, hazardous and toxic wastes, reclamation of mining area, etc. must be prepared and submitted to the Mining and Petroleum Authorizations and Evaluation Division of the Department of Primary Industries, Fisheries and Mines of the Northern Territory government for approval.

The preparations of the EIS and related documents and other relevant environmental licenses would involve incurrence of time and costs and there is no assurance that those approvals/licenses can be obtained in a timely manner. The Northern Territory government also has administrative discretion not to approve the EIS documents or grant the required environmental licenses (including any renewal or extensions of such documents). We have entered into an agreement with the Northern Territory relating to environmental and rehabilitation issues. We must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken prior to the commencement of mining operations. All these conditions may result in the occurrence of significant production costs and delay the production activity of the Mt. Todd gold project.

These conditions could frustrate investors seeking certainty in their investments, and as a result we may incur costs and time to manage any issues which may arise and that could possibly affect the overall mining activity of the Mt. Todd gold project.

Indonesia Laws

We are required under Indonesian laws and regulations to acquire permits and other authorizations before our Indonesian mining project, the Awak Mas gold project, can be developed and mined. In Indonesia, environmental legislation plays a significant role in the mining industry. Various environmental documents such as the analysis of environmental impact ("AMDAL") concerning the Awak Mas gold project, covering studies on, inter alia, air, water, land, pollution, hazardous and toxic wastes and reclamation of mining area, must be prepared and submitted to the Ministry of Environment for approval. In addition, we are also required to submit periodical environmental reports to the relevant environmental government agencies pursuant to the AMDAL and other required environmental licenses (e.g. license for tailing waste).

The preparation of AMDAL documents and other relevant environmental license documents involves incurrence of time and costs and there is no assurance that those approvals/licenses can be obtained in a timely manner. The Indonesian government also has administrative discretion not to approve AMDAL documents or grant the required environmental licenses (including any renewal or extensions of such documents). All these conditions may delay the production activity of the Awak Mas gold project.

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Failure to meet all of the requirements with respect to the above environmental documents, licensing and report submissions could cause us to be subject to administrative and criminal sanctions as well as fines. In extreme cases, the administrative sanctions can also be imposed in the form of revocation of our business license and the contract of work that we have with the Indonesian government.

As well, from time to time the implementation of the regional autonomy law in Indonesia can cause uncertainty as to the existence and applicability of national and regional regulations (including in the environmental sector). Often regional regulations are in conflict with higher regulations that apply nationally. As a result we may incur cost and time to manage any issues which may arise and that could possibly affect the overall mining activity of the Awak Mas gold project.

Disposal of Amayapampa Gold Project

Our receipt of future payments in connection with our disposal of the Amayapampa gold project is subject to uncertainty.

In April 2008, we announced the disposal of our wholly-owned subsidiary Vista Gold (Antigua) Corp. ("Vista Gold Antigua") to Republic Gold Limited ("Republic"). Vista Gold Antigua indirectly held our interest in the Amayapampa gold project in Bolivia. See section heading "Item 7. Financial Statements and Supplementary Data—Note 3—Dispositions" below. Under the terms of the transaction, Republic has agreed to pay us $3.0 million in three payments of $1.0 million. The first of these payments is due and payable upon the start of commercial production (as defined in the purchase and sale agreement, see "Exhibit 10.39") at Amayapampa followed by $1.0 million payments on each of the first and second anniversaries of the start of commercial production. In addition, Republic has agreed to pay us a net smelter return royalty on the gold produced by or on behalf of Republic from the Amayapampa gold project in varying percentages depending on the price of gold per ounce. The Amayapampa gold project is not currently in production and we cannot assure that it will ever become a producing mine or, if production is commenced at the mine, the timing and amounts for any such production. Further, having disposed of the Amayapampa gold project, we will have no control over the development of this project. Depending on whether and when production commences at Amayapampa and levels of production achieved, receipt by us of the future payments contemplated by the purchase and sale agreement for the Amayapampa gold project is subject to uncertainty. Finally a number of legal proceedings have been initiated in Bolivia with respect to the ownership interests in the mining concessions comprising the Amayapampa gold project. Although we are not a party to these proceedings, if these challenges are successful, then we may lose its royalty and payment stream described above.

Leverage as a result of our outstanding convertible notes may harm our financial condition and results of operations.

On March 7, 2008, we announced the closing of a private placement in which we issued $30 million in aggregate principal amount of the Notes. The Notes are convertible into our Common Shares at the option of the holder at a conversion price of $6.00 per share, subject to adjustment in certain circumstances, including if our Common Shares are trading on the NYSE Amex at less than $5.00 on March 4, 2009, or we issue Common Shares, or securities convertible into Common Shares, at a price of less than $6.00 during the term of the Notes, subject to a minimum conversion price of $4.80. Pursuant to the terms of the Notes, on March 4, 2009, the conversion price of the Notes was automatically adjusted from $6.00 per share to $4.80 per share. As a result of the adjustment, 6.25 million Common Shares were issuable upon conversion of the Notes. Prior to the adjustment 5 million Common Shares were issuable upon conversion of the Notes.

On July 14, 2009, we entered into the "Whitebox Repurchase Agreements with the Whitebox Combined Partners, the Whitebox Convertible Arbitrage and the Whitebox Special Opportunities whereby we agreed to repurchase their respective Notes. Pursuant to the Whitebox Repurchase Agreements, we agreed to repurchase Notes (i) in the

principal amount of $504,000 from Whitebox Combined Partners for an aggregate purchase price, including interest, of $331,800; (ii) in the principal amount of $510,000 from Whitebox Convertible Arbitrage for an aggregate purchase price, including interest, of $335,750; and (iii) in the principal amount of $319,000 from Whitebox Special Opportunities for an aggregate purchase price, including interest, of $210,008, based on a settlement date of July 14, 2009. As a result, as of the date of this annual report, 5.972 million Common Shares are issuable upon conversion of the outstanding Notes.

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Upon conversion of the Notes, existing shareholders will suffer immediate dilution in their capital interest in Vista Gold. Further, the market price of our Common Shares could decline as a result of the conversion of the Notes and the sale into the market of the Common Shares underlying the Notes. These factors could make it more difficult for us to raise funds through future offerings of Common Shares.

The Notes bear interest at a rate of 10% per annum (calculated and payable semi-annually in arrears) and will mature on March 4, 2011. Our obligations under the Notes are guaranteed by our Mexican subsidiary, Minera Paredones Amarillos S.A. de C.V., and the guarantee is secured by the personal property and real property associated with the Paredones Amarillos gold project.

Our level and the terms of our indebtedness will have several important effects on our future operations, including, without limitation that it:

- will require us to dedicate a portion of our cash flow from operations, if any, to the payment of principal and interest on our outstanding indebtedness, thereby reducing the funds available to us for operations and any future business opportunities;

- could increase our vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure; and

- depending on the levels of our outstanding debt, could limit our ability to obtain additional financing for working capital, capital expenditures, general corporate and other purposes.

Our ability to make payments of principal and interest on our indebtedness depends upon our future ability to generate funds, including through operating cash flows, which will be subject to the potential development of certain of our properties into producing mines, metal prices, prevailing economic conditions, industry cycles and financial, business and other factors affecting our operations, many of which are beyond our control. If we cannot raise sufficient funds or our cash flows were to prove inadequate to meet our debt service and other obligations in the future, we may be required, among other things:

- to obtain additional financing in the debt or equity markets;

- to refinance or restructure all or a portion of our indebtedness; or

- to sell selected assets.

We cannot assure you that such measures will be sufficient to enable us to service our debt. In addition, any such financing, refinancing or sale of assets might not be available on economically favorable terms or at all. If we do not generate sufficient cash flow from operation, and additional financings, borrowings or refinancings, or proceeds of asset sales are not available to us, we may not have sufficient cash to enable us to meet our obligations, including payments on the Notes. See the section heading “Item 1A. Risk Factors—Recent market events and conditions” and “—General economic conditions” below.

We face intense competition in the mining industry.

The mining industry is intensely competitive in all of its phases. As a result of this competition, some of which is with large established mining companies with substantial capabilities and with greater financial and technical resources than ours, we may be unable to acquire additional attractive mining claims or financing on terms we consider acceptable. We also compete with other mining companies in the recruitment and retention of qualified managerial

and technical employees. If we are unable to successfully compete for qualified employees, our exploration and development programs may be slowed down or suspended. We compete with other gold companies for capital. If we are unable to raise sufficient capital, our exploration and development programs may be jeopardized or we may not be able to acquire, develop or operate gold projects.

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We may be unable to raise additional capital on favorable terms.

The exploration and development of our properties, specifically the construction of mining facilities and commencement of mining operations, require substantial additional financing. Significant capital investment is required to achieve commercial production from each of our properties. We will have to raise additional funds from external sources in order to maintain and advance our existing property positions and to acquire new gold projects. There can be no assurance that additional financing will be available at all or on acceptable terms and, if additional financing is not available, we may have to substantially reduce or cease our operations.

Some of our directors may have conflicts of interest as a result of their involvement with other natural resource companies.

Some of our directors are directors or officers of other natural resource or mining-related companies. C. Thomas Ogryzlo is the President and Chief Executive Officer of Polaris Energy Corp. and is a director of Birim Goldfields Inc. and Baja Mining Corp. W. Durand Eppler is director of Augusta Resource Corporation, and a director of Golden Minerals Company. Tracy Stevenson is the non-executive chairman and a director of Quaterra Resources Inc. These associations may give rise to conflicts of interest from time to time. In the event that any such conflict of interest arises, a director who has such a conflict is required to disclose the conflict at a meeting of the directors of the company in question and to abstain from voting for or against approval of any matter in which such director may have a conflict. In appropriate cases, the company in question will establish a special committee of independent directors to review a matter in which any directors, or management, may have a conflict. In accordance with the laws of the Yukon Territory, the directors of all Yukon Territory companies are required to act honestly, in good faith and in the best interests of a company for which they serve as a director.

There may be challenges to our title in our mineral properties.

There may be challenges to title to the mineral properties in which we hold a material interest. If there are title defects with respect to any of our properties, we might be required to compensate other persons or perhaps reduce our interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management’s time from ongoing exploration and development programs.

Our property interests in Mexico and Indonesia are subject to risks from political and economic instability in those countries.

We have property interests in Mexico and Indonesia which may be affected by risks associated with political or economic instability in those countries. The risks include, but are not limited to: military repression, extreme fluctuations in currency exchange rates, labor instability or militancy, mineral title irregularities and high rates of inflation. In addition, changes in mining or investment policies or shifts in political attitude in Mexico or Indonesia may adversely affect our business. We may be affected in varying degrees by government regulation with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The effect of these factors cannot be accurately predicted.

Our financial position and results are subject to fluctuations in foreign currency values.

Because we have mining exploration and evaluation operations in North and South America and in Australia and Indonesia, we are subject to foreign currency fluctuations, which may materially affect our financial position and results. We do not engage in currency hedging to offset any risk of currency fluctuations.

We measure and report our financial results in U.S. dollars. We have mining projects in Mexico, Australia and Indonesia, and we are looking for other projects elsewhere in the world. Economic conditions and monetary policies in these countries can result in severe currency fluctuations.

Currently all our material transactions in Mexico, Australia and Indonesia are denominated in U.S. dollars. However, if we were to begin commercial operations in any of these or other countries, it is possible that material transactions incurred in the local currency, such as engagement of local contractors for major projects, will be settled at a U.S. dollar value that is different from the U.S. dollar value of the transaction at the time it was incurred. This could have the effect of undermining profits from operations in that country.

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Future sales of our Common Shares in the public or private markets could adversely affect the trading price of our Common Shares and our ability to raise funds in new share offerings.

Future sales of substantial amounts of our Common Shares or securities exchangeable, convertible or exercisable for Common Shares in the public or private markets, or the perception that such sales could occur, could adversely affect prevailing trading prices of our Common Shares and could impair our ability to raise capital through future offerings of equity or equity-related securities. In March 2008, we announced the closing of a private placement in which we issued $30 million in aggregate principal amount of the Notes. (See section heading “Item 1A. Risk Factors—Leverage as a result of our outstanding convertible notes may harm our financial condition and results of operations” above.) In July 14, 2009, we repurchased $1,333,000 in aggregate principal amount of the Notes from certain noteholders. The Notes are convertible into Common Shares at the option of the holder at a conversion price of $6.00 per share, subject to adjustment in certain circumstances, including if our Common Shares are trading on the NYSE Amex at less than $5.00 on March 4, 2009, or we issue Common Shares, or securities into Common Shares, at a price of less than $6.00 during the term of the Notes, subject to a minimum conversion price of $4.80. Pursuant to the terms of the Notes, on March 4, 2009, the conversion price of the Notes was automatically adjusted from $6.00 per share to $4.80 per share. As a result of the adjustment, as of the date of this annual report, 5.972 million Common Shares are issuable upon conversion of the Notes. Shareholders would suffer dilution upon the conversion of the Notes into our Common Shares. For example, if all $28.667 million of outstanding Notes were converted at the minimum conversion price of $4.80, this would result in the issuance of an additional 5,972,292 Common Shares, or 13.4% of our issued and outstanding Common Shares on March 16, 2010, upon conversion of the Notes. No prediction can be made as to the effect, if any, that future sales of Common Shares or securities exchangeable, convertible or exercisable for Common Shares or the availability of Common Shares for future sale, will have on the trading price of our Common Shares.

It may be difficult to enforce judgments or bring actions outside the United States against us and certain of our directors and officers.

We are a Canadian corporation and certain of our directors and officers are neither citizens nor residents of the United States. A substantial part of the assets of several of these persons, and of us, are located outside the United States. As a result, it may be difficult or impossible for an investor:

- to enforce in courts outside the United States judgments obtained in United States courts based upon the civil liability provisions of United States federal securities laws against these persons and us; or

- to bring in courts outside the United States an original action to enforce liabilities based upon United States federal securities laws against these persons and us.

Recent market events and conditions

In 2007, 2008 and 2009, the U.S. credit markets began to experience serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, sub-prime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions continued and worsened in 2008 and 2009, causing a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by the U.S. and foreign governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. In

addition, general economic indicators have deteriorated, including declining consumer sentiment, increased unemployment and declining economic growth and uncertainty about corporate earnings.

These unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for us to obtain, or increase its cost of obtaining, capital and financing for its operations. Our access to additional capital may not be available on terms acceptable to us or at all.

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General economic conditions

The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect our growth and profitability. Specifically:

- The global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity;
- the volatility of gold prices may impact our revenues, profits and cash flow;
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs; and
- the devaluation and volatility of global stock markets impacts the valuation of our equity securities

These factors could have a material adverse effect on our financial condition and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

We do not have any unresolved comments from the SEC staff regarding our periodic or current reports under the Securities Exchange Act of 1934, as amended.

ITEM 2. PROPERTIES.

Detailed information is contained herein with respect to the Paredones Amarillos, Mt. Todd, Yellow Pine, Guadalupe de los Reyes, Long Valley and Awak Mas 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. Pan Asia Resources Corporation has an option to earn a 60% interest in the Awak Mas project. See the section heading “Item 2. Properties—Awak Mas, Indonesia” below. Units of measurement are reported in Imperial units for properties in the U.S. and in metric units for properties outside the U.S.

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Cautionary Note to U.S. Investors: This section 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 Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves" for further discussion on the differences between terms under NI 43-101 and SEC Industry Guide 7.

Cautionary Note To All Investors Concerning Economic Assessments That Include Inferred Resources: Mineral resources that are not mineral reserves have no demonstrated economic viability. The preliminary assessments on the Mt. Todd, Awak Mas, Yellow Pine and Long Valley gold projects are preliminary in nature and include "inferred mineral resources" that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary assessments at the Mt. Todd, Awak Mas, Yellow Pine and Long Valley gold projects will ever be realized.

The disclosure in this annual report of a scientific or technical nature for Vista Gold's mineral properties is based on the following technical reports prepared in accordance with NI 43-101:

(i) "Feasibility Study Update, NI 43-101 Technical Report, Vista Gold Corp., Paredones Amarillos Gold Project, Baja California sur, Mexico" dated September 1, 2009 prepared by or under the supervision of Terry Braun of SRK Consulting (US), Inc., Steven Ristorcelli and Thomas Dyer of Mine Development Associates Inc., Deepak Malhotra of Resource Development Inc. and David Kidd of Golder Associates Inc., each an independent qualified person;

(ii) "Mt. Todd Gold Project Updated Preliminary Economic Assessment Report, Northern Territory, Australia" dated June 11, 2009 prepared by or under the supervision of Mr. John Rozelle of Tetra Tech MM, Inc., an independent qualified person;

(iii) "Technical Report for the Guadalupe de los Reyes Gold-Silver Project, Sinaloa, Mexico" dated August 12, 2009 and amended and restated on December 8, 2009 prepared by or under the supervision of Leonel Lopez of Pincock, Allen & Holt, an independent qualified person;

(iv) "CNI 43-101 Technical Report, Preliminary Assessment of the Yellow Pine Project, Yellow Pine, Idaho" dated December 13, 2006 prepared by or under the supervision of Richard Lambert and Barton Stone of Pincock, Allen & Holt, each an independent qualified person;

(v) "Technical Report, Preliminary Assessment, Long Valley Project, Mono County, California, USA" dated January 9, 2008 prepared by or under the supervision of Neil Prenn and Thomas Dyer of Mine Development Associates, and Deepak Malhotra of Resource Development Inc., each an independent qualified person; and

(vi) "Preliminary Assessment, Awak Mas Gold Project, Sulawesi, Indonesia" dated January 16, 2008 prepared by or under the supervision of John Rozelle, of Gustavson Associates, LLC, an independent qualified person.

The technical information has been updated with current information where applicable.

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Paredones Amarillos

Property Description and Location

Paredones Amarillos is located 55 kilometers southeast of the city of La Paz (population approximately 220,000), in the Mexican state of Baja California Sur and is accessed by paved and dirt roads. The project area covers over 3,710 hectares and is comprised of fifteen mining concessions. 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 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			608,730
15 Concessions			Total in US$ @ an exchange rate on 3/10/2010 of = US$1.00 = MP $12.66		US$48,083

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 5 under the section heading “Item 7. Financial Statements and Supplementary Data” below).

Echo Bay Mines Ltd. (“Echo Bay”) 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 which are outside the current anticipated open-pit mine.

On December 5, 2008, we completed a transaction to purchase the land needed for a desalination plant for the Paredones Amarillos gold project. The purchase price of the land was 5,648,740 pesos, which was equivalent to $424,000 on the purchase date. The land is located on the Pacific Coast, approximately 26 kilometers by air southwest

of the project. The 1.6 hectare parcel of land is zoned for industrial use and a Change of Land Use Permit ("CUS") 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 500 hectares of land at Paredones Amarillos for the mill site and other infrastructure. The purchase price of the land was 6,000,000 pesos, which was equivalent to $456,274 on the purchase date. We paid $228,136, which was half of the total purchase price, on the date of purchase and has recorded as a long-term liability the other remaining $228,136 that is payable upon the earlier of: a) within 10 days following the start-up of commercial production at the Paredones gold project; or b) three years from the date of the purchase agreement.

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. Outstanding permits are discussed under the heading "Permitting" below.

We are not aware of any environmental liabilities on the property and believe that if any exist, the Corporation will not be liable for them.

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Accessibility, Climate, Local Resources, Infrastructure and Physiography

The project site is currently accessible by paved highway to within 17 kilometers of the project on the north and then by government-maintained dirt roads. 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 10 kilometers of existing roads from the north and to construct approximately 7 kilometers 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. Operations personnel are expected to come from villages in the general area and from La Paz. Personnel transportation options, such as busing from population centers, are being considered.

High-voltage electrical power will be available from an existing sub-station located 18 kilometers 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, north of Todos Santos. The length of the pipeline to transport desalinated sea water to the project is dependent on the ultimate route chosen; however, 45 kilometers was used in the 2009 feasibility study update. Annual water consumption is estimated to be 1.4 million cubic meters.

Surface rights have been secured by agreements with landowners in the area, and there is sufficient space on these lands for all necessary facilities including processing plant, tailings disposal and waste dump areas.

The climate is semi-arid and mild. Operations will be possible year-round. The topography comprises moderate to steep hills with elevations ranging from 400 to 800 meters. Overall, the drainage system is characterized by moderately steep v-shaped valleys.

History

Mining in the region dates back to the colonial times, when gold was discovered by Jesuits who were colonizing the area. The initial recorded work on the property itself commenced around 1970 when Noranda Inc. (under its subsidiary Cia Minera Gamma, S.A. de C.V.) (“Noranda”) acquired a number of Baja Sur properties in 1970. Noranda joint-ventured the property with Minera Las Cuevas, S. A.de C.V. A total of 28 core drill holes were completed on the property Mine Development Associates Inc. of Reno, Nevada (“MDA”) reports 26 core drill holes, which according to drilling dates in the current database, took place in 1974.

An extensive geochemical program and completion of 18 diamond drill holes in 1984 and 1985 was carried out by Imperial Metals Corporation (“IMC”) who acquired the property in 1984.

In 1992, Tymar acquired 70% of the shares of IMC. 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.

Echo Bay entered into an agreement with IMC during May 1996, whereby Echo Bay could earn a 51% interest in the property by expending $4.5 million on the venture prior to January 1997 and by making cash payments to IMC. Echo Bay could also earn an additional 9% by additional expenditures and cash payments. Echo Bay spent $13.4 million on the project through January 1997 and earned a 60% interest in the project. Baja amalgamated with Loki Gold Corporation during May 1996 to form VLB Resource Corporation (“VLB”), which subsequently became a wholly owned subsidiary of Viceroy Resource Corporation (“Viceroy”).

There are no details available on the core or RC drilling completed prior to Echo Bay’s program by Noranda, IMC, or Baja.

From 1994 to 1997, Echo Bay conducted extensive regional and local exploration over its claim block covering 150 square kilometers. Its exploration included stream sediment and soil geochemistry, ground and airborne geophysics, satellite imagery, geologic mapping, rock sampling, and drilling. In addition, its reconnaissance exploration identified two targets within the claim block but outside of the resource area: Tocopilla and Boca del Saucito.

From 1993 to 1997, Echo Bay carried out geologic mapping on about 33% of the claim block at a 1:4,000 scale. In a detailed stream-sediment sampling program across its claim block, Echo Bay collected 910 samples and analyzed those for gold, silver, copper, and arsenic. Gold correlated with arsenic and ranged up to 5.75 gold grams per tonne, averaging 0.058 gold grams per tonne. Echo Bay also sampled vegetation and stream and drill-hole water samples. Soil sampling proved to be the most productive exploration tool because of the thick vegetative cover and poorly developed outcrop. In addition to sampling over the resource area, soil grids were cut across the Boca del Saucito, Tocopilla, and Northern Perimeter areas. From 1993 through 1996, 7,024 soil samples were collected and analyzed by Echo Bay. Over 1,300 rock chip samples were collected from outcrops of cataclasite and strongly altered areas in road cuts, and were analyzed for gold, silver, arsenic, mercury, copper, lead and zinc.

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Induced polarization (“IP”) surveying proved to be most effective for outlining disseminated sulfide mineralization at Paredones Amarillos. Echo Bay conducted 40 line-kilometers of 50-meter and 100-meter spaced IP surveys over the resource and the Boca del Saucito area in 1994 and 1995. In addition, in 1994, Echo Bay flew an extensive regional suite of airborne geophysics that included electromagnetic resistivity (“EM”), aeromagnetics, radiometrics, and very low-frequency resistivity (“VLF”) surveying. There is a potassium/thorium radiometric high over the gold resource, reflecting its association with potassic alteration. Magnetics and EM do not show strong anomalies over the gold resource. There is a correlation of IP highs and gold mineralization, due to the presence of sulfides in the mineralization.

From 1994 through 1997, Echo Bay drilled 36 HQ-size core holes totaling 9,587.9 meters and 321 5.5-inch reverse circulation holes totaling 61,396.5 meters on the property (Snowden reports 339 RC holes for 62,616 meters reverse circulation). The following table shows drill-hole data contained in the database used for the resource estimate, and it is noted that the drill database has more drill data attributed to Echo Bay. Echo Bay drilled HQ-size core holes that were logged by a geologist and split for assay. They drilled 5.5-inch reverse circulation holes, from which chip samples were collected on intervals between one and two meters that were logged by a geologist.

Paredones Amarillos Drill-hole Database

Type	No. Holes	Lengths (meters)
Combined*	4	2,182
Core	87	14,280
RC	347	62,473
Grand Total	438	78,934
Company	No. Holes	Lengths (meters)
Baja	18	1,217
Echo Bay	369	73,026
IMC	18	957
Noranda	26	2,520
Vista Gold	7	1,215
Grand Total	438	78,934
Year	No. Holes	Lengths (meters)
1974	26	2,520
1984	9	655
1985	9	302
1991	18	1,217
1994	82	15,890
1995	119	26,146
1996	127	24,724
1997	41	6,266
2005	7	1,215
Grand Total	438	78,934
Used/Not Used in Database	No. Holes	Lengths (meters)
Historic (not used)	44	3,477
Outside the area (not used)	7	1,215
Database (used)	387	74,242
Grand Total	438	78,934

*“Combined” means the hole was drilled partly by reverse circulation (RC) and the remainder by core; some meterages are off due to rounding.

Echo Bay produced a feasibility study in late 1996. This was superseded by a February 1997 feasibility study that updated the geology and mining sections. Echo Bay then completed a favorable feasibility study in late 1997, elected to put the property into production, and purchased a used processing plant. However, when gold prices quickly fell from over $375 per gold ounce, which had been the basis of the feasibility study, to less than $300 per gold ounce, Echo Bay terminated the detailed engineering work then in progress and indefinitely suspended development of the project.

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In October 1999, Viceroy acquired the remaining 60% of the project from Echo Bay in exchange for the mill that was owned by the joint venture and a 2% net profits royalty on all the concessions, except for two concessions, El Arbol de Oro and Picachudo that were already covered by a 1% NSR royalty to Tepmin. There is no record of Viceroy having done any exploration work on the site between 1999 and 2002.

We acquired the project from Viceroy in August 2002 by purchasing all of the assets of IMC for a total purchase price of CDN$3 million. The terms of the agreement called for payment of 50% in cash, with CDN$1 million due at closing and CDN$0.5 million due one year from closing, and 50% in Vista Gold equity units (one Common Share and one warrant to purchase one Common Share).

Geology and Mineralization

The south-southeast-trending Baja Peninsula is cut by north-trending extensional faults thought to be related to the Tertiary extensional environment of the Gulf of California and East Pacific Rise. At the southern tip of the peninsula is the La Paz crystalline complex, made up of Cretaceous intermediate to silicic intrusions that cut and metamorphosed early Mesozoic clastic and calcareous sedimentary rocks. The Paredones Amarillos gold deposit lies on the northwest flank of the mountain range with Picacho Sierra la Laguna as its most prominent local feature. This mountain range lies within the La Paz crystalline complex. The crystalline complex is bounded on the west by the La Paz fault that transects the peninsula. While a thick sequence of Tertiary volcanic and volcaniclastic rocks crop out west of the La Paz fault, erosion has removed both the Tertiary volcanic units and the early Mesozoic metasedimentary rocks from the Paredones Amarillos area.

The 20 to 30 kilometer-wide, 100 kilometer long Todos Santos mineral belt, bounded by north-trending extensional faults, includes the Valle Perdido, El Triunfo, and San Antonio mining districts, as well as Paredones Amarillos. A regional north-northeast-striking fault, mapped for three kilometers north and south of Paredones Amarillos, has an east-trending flexure in its central portion, which is where the Paredones Amarillos resource is located.

General geology at Paredones Amarillos 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. The known gold mineralized material occupies an inverted U-shaped block with an approximate strike length of 1,500 meters east-west to east-northeast, a width of approximately 500 meters down-dip, and a thickness averaging about 30 meters, but reaching 80 meters. The apex of the “U” is near the center of the proposed pit with the legs forming the east and west pit lobes.

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 feasibility study (described below). It cannot be assumed that any silver will be produced from the Paredones Amarillos gold project.

Exploration and Drilling

The Paredones Amarillos gold project has been a significant exploration target since the 1980s. Exploration prior to Vista Gold’s involvement is discussed under the heading “History” above. Our exploration efforts to date have primarily been in the Tocopilla area, which is about 3.5 kilometers north of the resource at Paredones Amarillos. In 2004, we collected and analyzed 203 soil samples and 22 rock-chip samples. In 2005, we completed six hybrid expanding dipole-dipole IP lines across the Tocopilla target, with east-west lines spaced 200 meters apart and totaling about 12 line-kilometers. Strong IP anomalies were identified on all lines with a good correlation between high IP values and

high resistivities. The IP chargeability response at Tocopilla was found to be stronger and broader than that at the Paredones Amarillos deposit. In addition to this work on the Tocopilla target, Vista Gold collected and analyzed nine rock samples from near the southwestern corner of the property.

In December 2004, we completed metallurgical testing on 118 kilograms of quarter core from the project.

In 2005, we drilled seven NQ-size core holes for a total of 1,215.2 meters on the Tocopilla target, which lies north of the main resource area. Four were angle holes, and three were vertical. The drilling encountered mineralization that was sub economic in value. Britton International Drilling of Hermosillo, Sonora, was the drill contractor. The core was split on site and then sent to Chemex's Hermosillo laboratory for sample preparation.

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All of the assaying was conducted for us by Chemex's Sparks, Nevada, laboratory following sample preparation at Chemex's Hermosillo, Sonora, laboratory. All rock chip samples and core were split with a riffle splitter with fine crushing to 70% less than 2 millimeters and the split pulverized to 85% less than 75 microns. Soil samples were screened to minus 180 microns. All assays were 30-gram fire assays with atomic absorption finish (FA-AA) for gold, accompanied by either 27-element four-acid ICP-AES for drill samples or 34-element aqua regia ICP-AES for soil samples. Rock chip samples were analyzed by 30-gram FA-AA for gold only; and rock chip (but not soil or core) samples with high results were assayed by 30-gram fire assay with a gravimetric finish. Based on a review of an assay certificate for 15 of the rock chip samples that showed one sample analyzed by both methods, MDA assumed that samples assaying greater than 2.0 ppm gold by FA-AA were the ones re-assayed with a gravimetric finish. The same assay certificate for the rock chip samples indicates that Chemex used standards, blanks, and duplicates for quality control, but MDA had no detailed information about the results. Based on the review of one assay certificate for drill samples from a subsequent core-drilling program, it appears that Chemex also used standards in their assay program, but MDA had no detailed information about the quality control results.

In late 2009 and early 2010, we completed a 14-hole core drill program in the known resource area for resource and reserve confirmation and to evaluate any apparent check assay bias. Sample preparation is being done at Chemex's Hermosillo, Sonora, laboratory with assaying at Chemex's Vancouver, British Columbia laboratory. Results are expected late in the spring 2010.

Definitive Feasibility Study and Mineral Resource and Reserve Estimate

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. An update of the capital and operating costs and economic analysis of the project was completed on September 1, 2009 (the "Updated Study"). The technical report outlining the results of the Updated Study entitled "Feasibility Study Update, NI 43-101 Technical Report, Vista Gold Corp., Paredones Amarillos Gold Project, Baja California Sur, Mexico" dated September 1, 2009, is available on SEDAR at www.sedar.com.

The technical portions of the studies contracted directly by Vista Gold and supervised by SRK were completed by MDA (resource/reserve estimates, mine planning and mining capital/operating cost estimates), Resource Development, Inc. ("RDi") (metallurgical testing and review), Golder Associates Inc. ("Golder") (tailings impoundment facility design/construction cost estimates), and SRK (pit slope stability evaluation, closure plan/cost estimates and economic analysis). Terry Braun, P.E., an independent qualified person as defined by NI 43-101, prepared or supervised the preparation of material on behalf of SRK. Steven Ristorcelli, P. Geo. and Thomas Dyer, P. Eng., of MDA, each of whom are independent qualified persons as defined by NI 43-101, prepared or supervised the preparation of material on behalf of MDA. Deepak Malhotra, PhD, of RDi, an independent qualified person as defined by NI 43-101, prepared or supervised the preparation of material on behalf of RDi. David Kidd, P.E., an independent qualified person as defined by NI 43-101, of Golder, prepared or supervised the preparation of material on behalf of Golder.

In connection with the feasibility study and confirmed in the Updated Study, a mineral resource estimate (mineralized material estimate under SEC Industry Guide 7) was completed by MDA by or under the supervision of Mr. Steven Ristorcelli, P. Geo., an independent qualified person as defined by NI 43-101. The estimate was prepared using industry standard software and estimation methodologies.

There are 438 drill holes in the data base, of which four were drilled by reverse circulation methods down near mineralization followed by core drilling through the mineralized zone, 87 were core holes and 347 were reverse circulation holes. Of the 438 drill holes in the data base, 387 drill holes containing 51,622 samples were used in the mineral resource estimate (mineralized material under SEC Industry Guide 7). Drill-hole spacing in the projected

open-pit area is approximately 40 meters. Mr. Ristorcelli reviewed available information necessary for the preparation of the resource estimate, including sampling, analytical, drilling and geologic.

The only information available in respect of sampling programs relates to work that was completed by Echo Bay and subsequently by Vista Gold. The sampling programs completed by Vista Gold were either completed after the resource model was prepared or were conducted outside the area of the reported resource and were not included in the preparation of the resource model. Most of the drilling at the Paredones Amarillos gold project has been reverse circulation drilling, and the majority of the reverse circulation drill sampling was completed on wet samples.

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Echo Bay's reverse circulation drill samples were collected in a cyclone that contained both a vertical and a side discharge port. Samples from both ports appeared to be representative of each one-meter interval, although as observed in the field, samples from the vertical port were slightly heavier. Estimated sample weights were 5 to 10 kilograms. Samples were collected in five-gallon plastic pails to which flocculent had been added and were then put into pre-numbered cloth bags; there was no mention of spilling or overflow or pouring samples into bags. Samples were stored a safe distance away from drilling and sampling operations. Representative chip samples were collected, screened, and placed into chip trays. Echo Bay constructed a sample preparation lab on the site that included a sample splitter, roll crusher, pulverizer, and drying oven.

For Echo Bay's core drilling program, core samples were collected on 1.5-meter intervals and then sawed or split on site using a hydraulic splitter. One-half of the core was prepared for assay, and the other half was retained as a duplicate or for engineering purposes.

All Echo Bay samples were analyzed for gold using FA-AA. If the AA analysis resulted in a grade higher than 2.0 grams gold per tonne, a gravimetric finish was applied. Cone Laboratories ("Cone") in Denver, Colorado performed the original assaying, with duplicate samples checked by Rocky Mountain Geochemical ("RMG") of Salt Lake City, Utah.

No information is available on sample security for any of the historic drilling programs.

Four assay data bases existed which MDA audited and eventually merged into one data base. The data base with the fewest errors (less than 1% for gold, silver, copper and arsenic values) in an audit of 10% of the gold values and 5% of the other metal values was chosen as the base for merging.

Following a review of the available documentation pertaining to the sampling and assaying 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. Three other independent consulting firms have noted, and Echo Bay acknowledged, the apparent bias, but no one has been able to quantify it. MDA concluded that the potential impact to the project could be 8% (half in grade and half in tonnage). As the original samples were not preserved and cannot be re-assayed, Mr. Ristorcelli 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. In late 2009 and early 2010, we completed a 14-hole core drill program for resource and reserve confirmation and to evaluate any apparent check assay bias. A final determination will be made in the spring of 2010.

Mr. Ristorcelli undertook multiple checks including review of the geologic interpretation, an assessment of the statistical behavior of the gold grades in the context of the geologic setting, classical statistics on the entire database and by rock type, and geostatistics by domain to assess the validity of the model. He then classified the mineral resources into measured, indicated and inferred categories to be in compliance with the NI 43-101 requirement of following the CIM Definition Standards.

Under SEC Industry Guide 7 guidelines, mineralized material (excluding mineral reserves reported separately) at a cut-off grade of 0.40 grams gold per tonne totals 32,658,000 tonnes grading 0.77 grams gold per tonne.

Under CIM Standards, excluding mineral reserves which are reported separately, and using a cutoff grade of 0.40 grams gold per tonne, measured mineral resources are estimated at 2,243,000 tonnes grading 0.89 grams gold per tonne, indicated mineral resources are estimated at 30,415,000 tonnes grading 0.76 grams gold per tonne, for combined measured and indicated mineral resources of 32,658,000 tonnes grading 0.77 grams gold per tonne. Inferred mineral resources are excluded from estimates of mineral reserves and are estimated at 7,694,000 tonnes grading 0.64 grams gold per tonne. Cautionary Note to U.S. Investors: see the section heading "Cautionary Note to United

States Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves" above.

The estimate of mineral reserve estimate was completed by MDA, by or under the supervision of Mr. Dyer, P. Eng., at a gold price of $700 per ounce of gold and cut-off grade of 0.40 grams gold per tonne, and is summarized in the following table. The strip ratio is estimated at 3.57:1 waste to ore. The metallurgical recovery for gold is estimated to be 91.5%.

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Reserves Estimated at Paredones Amarillos

Reserve Classification	Tonnes (x1000)	Average Gold Grade (grams/tonne)
Proven(1)	7,147	1.17
Probable(1)	30,801	1.06
Proven & Probable(1)	37,948	1.08

(1) Mineral reserves are reported separately from mineral resources.

(2) Cautionary Note to U.S. Investors: Proven and Probable Mineral Reserves as described in this table are based on Canadian definitions under NI 43-101. See the section heading “Cautionary Note to United States Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves” above.

(3) See the section heading “Item 1A. Risk Factors” in this annual report.

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 MDA for the mineral reserves reported in the table above. The rolling three-year gold price at year-end 2009 was $846.57. Therefore, under SEC Industry Guide 7 requirements, the qualified person believes the mineral reserve estimate listed above is 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 either NI 43-101 or SEC Industry Guide 7. See the section heading “Item 1A. Risk Factors” above.

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 91 tonne 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.

Over the estimated 9.5 year life-of-mine, the estimated average cash production costs are projected to be $406 per ounce, with lower costs of $372 per ounce projected during the first five years of production. Updated operating costs used prices effective as of the beginning of the third quarter of 2009. Updated pre-production capital costs, including contingency, owner’s costs and working capital, are estimated to be $189.8 million or $157 per ounce of gold produced. Total capital costs including replacement, reclamation and salvage value over the life of the project and final mine closure are estimated to be $155 per ounce of gold produced. Payback of capital is estimated at 2.9 years from start of production.

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 tonnes per day. The crushing and grinding equipment was acquired from the Colomac Mine and is presently stored in Canada at Edmonton (major equipment) and Calgary (minor equipment in containers) 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 45 kilometers to the site. Annual water consumption is estimated to be approximately 1.4 million cubic meters. We expect that energy for the project will be supplied by the Comisión Federal de Electrícidad from an existing sub-station located approximately 18 kilometers 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 nearby small villages of Valle Perdido (population 19) and El Rosario (population 67). Locally, employment at the mine, economic activities and the planned access road improvements are expected to benefit both communities and regionally, the communities of San Antonio and El Triunfo, as well as the city of La Paz, are also expected to benefit from employment at the mine. We are working with the local education and health care authorities and have become a “social partner” with the elementary school in El Rosario.

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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. An alternative sensitivity analysis was completed at a constant gold price of $950 per ounce. The economic analyses were conducted on 100% equity basis with no consideration of debt or leasing. Estimated economic results, showing the internal rate of return (IRR) and net present value at a 5% discount rate ("NPV5") and sensitivity of the base case to change in gold prices are presented in the following table. Mexican income taxes payable are estimated at $71.6 million over the 9.5 year life of the project. There is a 2% net-profits royalty payable to Echo Bay that affects known mineralization and is capped at $2 million. Payback of capital is estimated at 2.9 years.

The calculation of income tax in Mexico is based on the higher of the Mexican ordinary tax or the flat tax. The ordinary income tax rate is 28% and is applied to the calculation of net operating profit. The flat tax (referred to as the "IETU" in Mexico) was implemented on January 1, 2008 and is a minimum alternative tax that will be assessed at 17.5%. Property tax is calculated on the capital expenditures that apply to land cost and acquisition, and buildings and infrastructure. The rate that is applied to these capital items is 0.25%.

Paredones Amarillos Estimated Economic Results

Gold Price Scenario	IRR (%)	Pre- Tax NPV5 ($ millions)
Base Case Gold Price Profile ($850 first three years and $725 for the remainder, production- weighted average $771)	24.7% pre-tax 19.6% after tax	$150.0
Fixed $950 Gold Price	37.8% pre-tax 31.0% after tax	$303.9

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. Construction is expected to take 14 to 15 months. 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

The processing equipment we purchased in 2008, which includes an 11,000 tonne-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, remains in storage in Edmonton, Alberta, Canada, until we receive our CUSF. At that time, we will arrange for reconditioning and transportation of the equipment to the project site.

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. In 2008, we announced that we received correspondence from the local La Paz office of the SEMARNAT which indicated that staff in that office is of the opinion that the CUSF approved by SEMARNAT in

1997 in relation to the Paredones Amarillos gold project was 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 CUSF application would be the most expeditious way to obtain the necessary approvals.

Throughout 2008 and 2009, 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 Temporary Occupation Permits ("TOP") for the use of the federal ground in the project area for the life of the project. On October 28, 2009, we announced that we had received the TOP for the project and were in position to file for the CUSF.

On February 19, 2010, we announced that we received notice from SEMARNAT that they had dismissed, on administrative grounds, MPA's application for the CUSF. Specifically, SEMARNAT dismissed the CUSF application, without a review of its substantive merit, for MPA's alleged failure to provide certain information and to satisfy procedural requirements. We are currently working to clarify SEMARNAT's specific requirements. We intend to make the appropriate amendments and re-file the application.

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In addition, in dismissing the application SEMARNAT made conclusions about some of the information required for the application as a basis for the dismissal. The conclusions reached by SEMARNAT are fundamental and require clarification. They are:

- SEMARNAT did not recognize the validity of the TOP granted to MPA by the Mexican General Direction of Mines, as adequate evidence that MPA has the right to use the surface owned by the Federal government to extract the minerals. This is a pre-requisite to filing for a CUSF application.

- MPA's failure to obtain an official communication from the Mexican Secretariat of Agrarian Reform ("SRA") acknowledging SRA's conformity with MPA's application for the CUSF; and

- MPA’s failure to obtain an official communication from the Mexican Natural Protected Areas Commission (“CONANP”) acknowledging CONANP’s conformity with MPA’s application for the CUSF.

We believe these conclusions are without legal merit and/or are beyond the scope of SEMARNAT’s legal authority in connection with a review of a CUSF application. We expect the dismissal of the CUSF application to delay the commencement of construction, development and production of the project. In addition to re-filing our CUSF application, we are working with our legal counsel and political experts in Mexico on a broader strategy for the advancement of the permitting process for the project. This includes a potential court challenge to SEMARNAT’s dismissal of the CUSF application. The Company and its Mexican Advisors remain confident that its right to develop the Paredones Amarillos deposit is sound and we will be granted all permits to conduct the operation. At the time this is being written it is not possible to provide an estimate of timing.

Mt. Todd

Property Description and Location

Effective March 1, 2006, we and our subsidiary Vista Gold Australia Pty Ltd. (“Vista Gold 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 Gold Gold Australia.

As part of the agreements, we agreed to pay Pegasus, AUD$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 AUD$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 would 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.

There is a royalty equal to 5% of the gross value of gold or other metals commercially extracted from certain mineral concessions which are located outside the zone of mineralization currently defined by us and previous operators generally known as the Batman deposit. The royalty is known as the Denehurst royalty. Additionally, upon

commencement of production from any portion of the project, the JAAC is entitled to a payment of an amount equal to 1% of the gross annual gold production each year and 1% of the net smelter return on other metals for the rent of surface land. In the alternative, the payment for gold production may be taken in kind by the JAAC. In the event the royalty payment is less than AUD$50,000, a minimum payment of AUD$50,000 would apply.

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 Gold Australia are approximately 160,878 hectares. 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.

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Mt. Todd Land Holdings of Vista Gold Australia

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 3/10/2010 of US$1.00 = AUD$1.10 = US$57,980	Total in US$ @ an exchange rate on 3/10/2010 of US$1.00 = AUD$1.10 = US$131,818	

Grand Totals	3 Mining Licenses, 4 Exploration Licenses	160,878 hectares	US$189,798

Surface use rights have been negotiated with the JAAC and are part of that agreement (see discussion above). There is sufficient space on these lands for all necessary facilities including processing plant, tailings disposal and waste dump areas.

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A Mine Management Plan is developed and submitted annually that details work to be done on the property, such as drilling. Once the plan is approved, work can commence. Vista Gold Australia complies annually with this procedure and has received approval for all work done on the project to date. It is anticipated that permitting to resume mine production will be relatively straight-forward as the area has been the subject of historical mining. Any future mining will necessitate an approved closure plan and sufficient bonding to carry-out that closure. An environmental impact statement may be required for mine development. Further permitting, which is not expected to be an issue, will be required to continue exploration and development.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The project is located 56 kilometers by road northwest of Katherine, Northern Territory, Australia, and approximately 250 kilometers south of Darwin. Access is by existing paved public roads and approximately four kilometers of paved private road. We control and maintain the private paved road.

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, as well as a fully functioning tailings impoundment that has capacity to store additional mill tailings. The Batman pit is partially filled with water that has been pumped from the containment pond downstream of the waste dumps, and 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 Gold 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 completed the installation of a water treatment plant in 2009. The treated water will initially be stored in the existing tailings impoundment facility, but we expect to receive the authorization to allow discharge of a significant portion of the treated water in the future. The project has its own fresh water reservoir which is expected to supply all of the project’s water needs.

A medium voltage power line supplies the site with electrical power. The Mt. Todd gold project, when in operation, generated its own power using natural gas. The natural gas pipeline is still in place, and should be considered as a resource for future operations.

Mt. Todd 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 hosts a skilled mining workforce.

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 March. Temperatures are moderate, allowing for year-round mining operations. Topography is relatively flat.

Geology and Mineralization

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 1 to 100 millimeters in thickness with an average thickness of around 8 to 10 millimeters and occur in sheets with up to 20 veins per horizontal meter. These sheeted veins are the main source of gold mineralization in the Batman deposit. In general, the Batman deposit is

1,500 to 1,550 meters in length by 365 to 450 meters in true width and 450 to 500 meters in known down-dip extension (the deposit is open along strike and at depth).

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History

The Mt Todd Gold Project has a long, well-documented history as presented in the table below. In addition, it has a well-preserved and meticulously maintained database and supporting file system. The care taken and quality of the data speaks to the integrity of the resultant studies that have been completed since the deposit was discovered.

Mt. Todd Gold Project History

1986	
October 1986 – January 1987:	Conceptual Studies, Australia Gold PTY LTD (a subsidiary of BHP Billiton Limited); Regional Screening; (Higgins), Ground Acquisition by Zapopan N.L. (“Zapopan”).
1987	
February:	Joint Venture finalized between Zapopan and Billiton. Geological
June-July:	Reconnaissance, Regional
October:	BCL, stream sediment sampling. Follow-up BCL stream sediment sampling, rock chip sampling and geological mapping (Geonorth)
1988	
Feb-March:	Data reassessment (Truelove)
March-April:	Gridding, BCL grid soil sampling, grid based rock chip sampling and geological mapping (Truelove)
May:	
May-June:	Percussion drilling Batman (Truelove) - (BP1-17, 1,475m percussion)
July:	Follow-up BCL soil and rock chip sampling (Ruxton, Mackay) Percussion drilling Robin (Truelove, Mackay) - RP1-14, (1,584m percussion)
July-Dec:	
	Batman diamond, percussion and RC drilling (Kenny, Wegmann, Fuccenecco) - BP18-70, (6,263m percussion); BD1-71, (85,62m Diamond); BP71-100, (3,065m R.C.)
1989	
Feb-June:	Batman diamond and RC drilling: BD72-85 (5,060m diamond); BP101-208, (8072m RC). Penguin, Regatta, Golf, Tollis Reef Exploration Drilling: PP1-8, PD1, RGP1–32, GP1-8, BP108, TP1-7 (202m diamond, 3090m RC); TR1-159
June:	(501m RAB).
July-Dec:	Mining lease application (MLA's 1070, 1071) lodged.
	Resource Estimates; mining-related studies; Batman EM-drilling: BD12, BD86–90 (1,375m diamond); RC pre-collars and H/W drilling, BP209-220 (1,320m RC); Exploration EM and exploration drilling: Tollis, Quigleys, TP9, TD1, QP1-3, QD1-4 (1,141 diamond, 278m RC); Negative Exploration Tailings Dam: E1-16 (318m RC); DR1-144 (701m RAB) (Kenny, Wegmann, Fuccenecco, Gibbs).
1990	
Jan-March:	Pre-feasibility related studies; Batman Inclined Infill RC drilling: BP222-239 (2,370m RC); Tollis RC drilling, TP10-25 (1,080m RC). (Kenny, Wegmann, Fuccenecco, Gibbs)

1993 - 1997	
Pegasus Gold Australia Pty Ltd.	Pegasus Gold Australia Pty Ltd (“Pegasus”) reported investing more than US$200 million in the development of the Mt Todd mine and operated it from 1993 to 1997, when the project closed as a result of technical difficulties and low gold prices. The deed administrators were appointed in 1997 and sold the mine in March 1999 to a joint venture comprised of Multiplex Resources Pty Ltd. and General Gold Resources Ltd.
1999 - 2000	
March - June	Operated by a joint venture comprised of Multiplex Resources Pty Ltd. and General Gold Resources Ltd. Operations ceased in July 2000, Pegasus, through the Deed Administrators, regained possession of various parts of the mine assets in order to recoup the balance of purchase price owed it. Most of the equipment was sold in June 2001 and removed from the mine. The tailings facility and raw water facilities still remain at the site.
2000 – 2006	The Deed Administrators, Pegasus, the government of the Northern Territory and the Jawoyn Association Aboriginal Corporation (“JAAC”) held the property.
2006	
March	Vista Gold Corp. acquired concession rights from the Deed Administrators, surface use rights from the JAAC and entered into a contract with the Government of the Northern Territory of Australia.

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While the property operated and closed due to bankruptcy, the failure of the project was not a result of a failure of the deposit or the resource estimate. The failure of the project was primarily a result of improper crushing and grinding, accompanied by poor recovery which resulted in higher than expected operating costs, and low gold prices. Had proper bulk sampling and testing been completed, a different processing plant could have been built which would have been more appropriate for the deposit conditions.

Based on a review of project files, our management believes that approximately 24.6 million tonnes grading 1.06 grams gold 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.

Exploration and Drilling

After acquiring the Mt. Todd gold project in early 2006, an NI 43-101 preliminary assessment on the Mt. Todd gold project was prepared for us in December 2006. Following this preliminary assessment, an infill core drilling program consisting of 25 holes totalling 9,883 meters of drilling was completed on our behalf in June 2007 by Titeline Drilling PL of Australia, and the assaying for gold was done by Northern Australian Labs in Pine Creek, Northern Territory, Australia, with check assaying by ALS Chemex of Australia. ALS Chemex of Australia and NT Environmental Laboratories Pty. Ltd. of Darwin, Northern Territory, Australia performed multi-element analyses including copper. All holes were angle holes drilled to intersect mineralization at close to right angles. Sampling and assaying methods were conducted in accordance with the CIM Mineral Exploration Best Practices Guidelines. All samples taken were nominally one meter in length.

In 2008, Boart Longyear Australia Pty Ltd. completed a 14 hole 9,006 meter core drilling program on our behalf designed to test the down-dip extension of mineralization within the pit-shape evaluated in 2006, the continuity of mineralization below that pit shape and to obtain a sample for ongoing metallurgical testing. Sample preparation was done by ALS Chemex in Adelaide, South Australia, followed by assaying for gold by ALS Chemex in Perth, Western Australia. A sample quality control/quality assurance program was implemented and check assaying was done by Genalysis Laboratory Services Pty Ltd. in Perth. Multi-element analyses, including copper, were done by ALS Chemex, also in Perth. Sampling and assaying methods were conducted in accordance with the CIM Mineral Exploration Best Practices Guidelines. All samples taken were one meter in length, except the last interval of the drill hole.

As a result of the drill program in 2007, we announced in February 2008 the results of an updated NI 43-101 estimate of mineral resources for the Batman deposit. The estimate incorporated the results of 9,460 assay intervals from 25 drill holes (all core holes) drilled by us in 2007. These results are in addition to the results of 91,225 assay intervals from 730 drill holes (225 core, 435 reverse circulation and 70 rotary drill holes) completed by prior operators.

In April 2008, we announced the results of a subsequent NI 43-101 estimate of silver and copper mineralization in the Batman deposit. This estimate was completed utilizing standard industry software and estimation methodology. The estimate incorporates the results of 9,460 assay intervals from 25 drill holes (all core holes) drilled by us in 2007 with assaying completed by an independent lab. 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) completed by prior operators. From the un-mined portion of the 730 drill holes previously completed, we submitted 2,979 intervals of core for re-assay and multi-element analysis. The re-assay and multi-element analysis was incorporated into the estimate.

In late January 2009, we announced the results of an updated NI 43-101 gold resource estimate on the Batman deposit, which was published on February 27, 2009. This estimate was completed utilizing standard industry software and

estimation methodology. The updated estimate of mineral resource incorporated the results of 7,367 assay intervals from 14 drill holes (all core holes) drilled by us in 2008 with sample preparation and assaying completed by a third party. These results were 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 historical operators and us, which were used in the previous updates of the Mt. Todd resource estimate. For the purposes of the February 27, 2009 mineral resource estimate, a cut-off grade of 0.50 gold grams per tonne was used.

Sampling and Analysis

All assaying was fire assay on 50-gram charges. It is the opinion of Tetra Tech MM, Inc. (“Tetra Tech”) 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.

As part of the 2007 exploration program, we embarked on a program to both verify the historic assay results and ensure that any future analytical work meets all current NI 43-101 standards for reporting of mineral resources. This program consisted of two components; re-assaying of a portion of the historic drill holes, and assaying of the new core drill holes.

Vista Gold completed a multi-phase program to evaluate the accuracy of gold assays generated by North Australian Labs (“NAL”) on Mt Todd core samples. The test involved three phases including, 1) cross-checking assay standards used in the program between NAL and ALS-Chemex, 2) preparing and assaying 30 one-meter intervals of remaining half-core and detailed analysis of crushing and analytical performance between the two labs, and 3) screen sieve assay analysis of 45 coarse reject samples plus the 45 comparable remaining half-core samples.

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Analysis of the results from the two labs confirmed that finer material tends to be higher grade and that this fine material had been preferentially lost through the coarse-weave sample bags during storage and handling of the coarse reject samples. The test also showed good reproducibility between labs in all tests at grade ranges typical of the deposit. Greater variance, which is not unexpected, showed up in the few samples assaying in the 5 to 20 gold grams per tonne range.

We used a sampling method and approach that was similar to what has historically been used at Mt Todd. The drill core, upon removal from the core barrel, was photographed, geologically logged, geotechnically logged, and placed into metal core boxes. The metal core boxes were transported to the sample preparation building where the core was marked and sawn into halves. One-half was placed into sample bags as one-meter sample lengths, and the other half retained for future reference. The only exception to this was when a portion of the remaining core was flagged for use in the ongoing metallurgical testwork.

The bagged samples had sample tags placed both inside and on the outside of the sample bags. The individual samples were grouped into “lots” for submission to the independent lab for preparation and analytical testing. All of this work was done under the supervision of a Vista Gold geologist.

Vista Gold and Tetra Tech developed an assay protocol for the analyses of the 2008 exploration drill core and for validation of the historic assays.

Sample Preparation and Security

The 2008 diamond drilling program was conducted under the supervision of the Geologic Staff which was composed of our Chief Geologist, several contract expatriate geologists, and a core handling/cutting crew. The core handling crew was casual labor recruited locally.

Facilities for the core processing included an enclosed logging shed and a covered cutting and storage area that was fenced in. Both of these facilities were considered to be limited access areas and kept secured when work was not in progress.

The diamond drill core was boxed and stacked at the rig by the drill crews. Core was then picked up daily by members of the core cutting crew and transported directly into the logging shed.

Processing of the core included photographing, geotechnical and geologic logging, and marking the core for sampling. The nominal sample interval was one meter. When this process was completed, the core was moved into the core cutting/storage area where it was laid out for sampling. The core was laid out for the following procedures:

- One-meter intervals were marked out on the core by a member of the geologic staff;
- Geotechnical logging was done in accordance with the instructions received from SRK;
- Geologic logging was then done by a member of the geologic staff. Assay intervals were selected at this time and a cut line marked on the core. The standard sample interval was one meter. During the early part of the program some flexibility was allowed for portions of the core that were not expected to return significant values based on visual inspection. These portions of the core were sampled in two meter intervals. This was discontinued when numerous greater than one part per million assays were received from the two meter intervals;
- Blind sample numbers were then assigned and sample tickets prepared. Duplicate sample tickets were placed in the core tray at the appropriate locations; and

- Each core tray was photographed and restacked on pallets pending sample cutting.

The core was then cut using diamond saws with each interval placed in marked plastic bags. At this time, the standards and blanks were also placed in plastic bags for inclusion in the shipment. When a sequence of five samples was completed, they were placed in a shipping bag and closed with a zip tie. All of these samples were kept in the secure area until crated for shipping.

Samples were then placed in crates for shipping with 100 samples per crate (20 shipping bags). The crates were secured with padlocks and numbered globe seals as soon as they were loaded. The secured crates were stacked outside the core shed until picked up for transport.

Sample shipments were scheduled for approximately once per week. The sealed crates were picked up on site by the transport company for road transport to the preparation facility. A confirmation note was prepared and signed by both the shipping company and the geologist supervising the loading. These confirmation notes were attached to the sample inventory and filed in the geology office on site.

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When the shipment left site, sample transmittals were prepared and e-mailed to ALS Chemex. When the shipment arrived at the preparation facility, the samples were laid out and a confirmation of sample receipt was e-mailed back to Vista Gold.

ALS Chemex was selected as the primary laboratory for all further preparation and analysis, and the closest ALS Chemex facility with the capability of preparing the samples to the desired specifications was its sample preparation facility located in Adelaide. A series of padlocks was purchased for the sample crates and keys to these padlocks were sent to the sample preparation facility. ALS Chemex was instructed to notify Vista Gold immediately if a crate of samples arrived without the padlocks or if the globe seals were missing or showed evidence of tampering.

After the samples were prepared, a split of the pulp was shipped directly to the ALS Chemex laboratory located in Perth for analysis. The ALS Chemex sample preparation facility also prepared splits of the designated pulps and coarse rejects for cross-laboratory checks. Genalysis was selected as the secondary laboratory to do the QA/QC checks. When a batch of samples was prepared, the selected pulps and coarse rejects were shipped via TNT to the Genalysis sample preparation facility of Adelaide for the cross-laboratory check analyses. ALS Chemex sent Vista Gold an e-mail list of samples transmitted to Genalysis when they were shipped. When this notification was received by Vista Gold, sample transmittals were prepared and e-mailed to Genalysis.

When the additional sample preparation work was completed, the Genalysis sample preparation facility in Adelaide shipped the pulps to its laboratory in Perth for the cross-laboratory check analyses.

Preliminary Economic Assessment and Updated Estimate of Gold Mineralization

In June 2009, we announced the results of a preliminary economic assessment (the “Mt. Todd PEA”) with an updated estimate of gold resources under NI 43-101 criteria for the Batman Deposit completed for us by Tetra Tech of Golden, Colorado. This study was completed by or under the supervision of Mr. John Rozelle, P.G., an independent qualified person, utilizing standard industry software and estimation methodology. The technical report summarizing the results of the PEA and updated mineral resource estimate entitled “Mt Todd Gold Project Updated Preliminary Economic Assessment Report, Northern Territory, Australia” dated June 11, 2009 is available on SEDAR at www.sedar.com.

The updated estimate of mineralized material (mineral resource estimate under CIM Definition Standards) incorporates the results of 108,052 assay intervals from and assaying completed by ALS Chemex. These results are in addition to the results of 769 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. The deposit has a drill hole spacing that varies from 25 meters by 25 meters to 80-100 meters by 80-100 meters and generally averages 50 meters by 50 meters.

As stated in Tetra Tech’s report, “…the Mt Todd Project has an excellent drillhole database comprised of drill core, photographs of the drill core, assay certificates and results, and geologic logs. The meticulous preservation of the drill core and associated “hard copies” of the data are a testament to the originators of the project and the subsequent companies that have looked at the project. All data are readily available for inspection and verification. In addition, most of the subsequent companies or their consultants that have examined the project have completed checks of the data and assay results. Other than the “normal” types of errors inherent in a project this size, (i.e. mislabeled intervals, number transpositions, etc.), which were corrected prior to Tetra Tech’s resource estimation, it is Tetra Tech’s opinion that the databases and associated data are of a “high quality” in nature. Tetra Tech found no significant discrepancies with the existing drillhole geologic logs and is satisfied that the geologic logging, as provided for the development of the three-dimensional geologic models, fairly represents both the geologic and mineralogic conditions of each of the deposits that comprise the Mt. Todd Project.”

Based on the report, under SEC Industry Guide 7 guidelines, mineralized material for the Batman deposit, above a cut-off grade of 0.40 grams gold per tonne, is estimated at 190,939,000 tonnes grading 0.84 grams gold per tonne.

Under CIM Definition Standards, at the same cut-off grade of 0.40 grams gold per tonne, measured mineral resources are estimated at 52,919,000 tonnes grading 0.91 grams gold per ton, indicated mineral resources are estimated at 138,020,000 tonnes grading 0.81 grams gold per tonne and inferred mineral resources are estimated at 94,008,000 tonnes grading 0.74 grams gold per tonne. The estimate of mineral resources reported in the June 2009 Mt. Todd PEA represents an increase in estimated measured resources of 119,000 ounces of gold, an increase in indicated resources of 460,000 ounces of gold and an increase in the combined estimated measured and indicated resources of 579,000 ounces of gold (12.8%) from the mineral resource estimate reported in February 2009. Cautionary Note to U.S. Investors: see the section heading “Cautionary Note to United States Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves” above.

There are no known issues that might affect these estimates of mineralized material or mineral resources.

The Mt. Todd PEA reflects the technical studies which Vista Gold has undertaken since the issuance of the initial preliminary economic assessment on December 29, 2006, including over 18,000 meters of diamond drilling, a two-year metallurgical test program which included crushing and grinding, flotation and leach testwork, mine design and various preliminary engineering studies and cost estimates.

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The Mt. Todd PEA envisioned a 30,000-tonne per day (nominally 10.5 million tonnes per year) ore mining operation with a 15.2 year mine life in the base case. The owner-operated mine fleet would include 141 tonne trucks and 18 cubic meter shovels. Three stages of crushing followed by high-pressure grinding rolls would be used to reduce the ore. Metallurgical testing to date indicates that a gold recovery of 82% can be achieved in a whole-ore leach with a grind-circuit product of 80% passing 100 mesh. Tailings disposal would be accomplished by dry-stacking of tailings as described in the Mt. Todd PEA.

Three potential operating scenarios were evaluated using a gold price of $750 per ounce (three-year running average as of first quarter 2009), an exchange rate of US$1 = AUD$1.35 and first quarter 2009 costs. The results of the Mt. Todd PEA indicate that development of the base-case alternative would have an estimated cash cost of $453 per ounce and a pre-tax Internal Rate of Return (“IRR”) of 21.6%. All analyses were done on a pre-tax basis in order to guide future study without introducing a taxation variable. Payback of initial capital invested would be three years from the start of production. The total gold mined over the 15.2 year mine life is estimated to be 4,526,000 ounces, with an estimated annual production of 245,500 ounces (with average production over the first three years of 296,700 ounces). The Mt. Todd PEA estimated that an economic gold cut-off grade of approximately 0.40 grams gold per tonne should be employed which results in a 12.8% increase (579,000 ounces) in Measured and Indicated Resources as compared to the 0.50 grams gold per tonne cutoff grade employed in the previous preliminary economic assessment. At a gold price of $950 per ounce the estimated pre-tax IRR is 37.7%. Cautionary Note to U.S. Investors: see the section heading “Cautionary Note to United States Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves” above. See the section heading “Cautionary Note to All Investors Concerning Economic Assessments that Include Inferred Resources.”

Additional information on the results of the Mt. Todd PEA can be found in our press release dated June 4, 2009, and in the study which is posted on SEDAR.

Development

In June 2009, we announced that our board of directors approved expenditure of funds for the preparation of a preliminary feasibility study (the “Mt. Todd PFS”) on the Mt. Todd gold project. A contract was awarded to Tetra Tech to manage and prepare the study. A contract for the process and infrastructure engineering portion of the study was awarded to Ausenco Services Pty Ltd of Perth, Australia. RDi will continue to supervise metallurgical testing and act as metallurgical consultant.

In December 2009, we also announced that we had mobilized three drill rigs to the project in anticipation of commencing a 14,000 meter drilling program beginning in early January 2010. We anticipate that the drilling program will use two core rigs and one reverse circulation rig and contemplate completion of 10 core holes (5,000 meters) and 18 reverse circulation holes (9,000 meters). The core drilling program is designed to test areas of the Batman deposit for potential resource expansion, to convert inferred mineral resources to measured and indicated mineral resources and to obtain samples for further metallurgical testing. Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of inferred mineral resources will ever be upgraded. This program is designed to follow-up on targets identified in two previous drilling programs which together have resulted in an increase in measured and indicated resources of 192% or 134.5 million tonnes containing approximately 3.37 million ounces of gold at an average grade of 0.8 grams of gold per tonne (See press releases dated January 4, 2007 and June 4, 2009). The reverse circulation drilling program is designed to test targets on our exploration licenses located adjacent to the Batman deposit. These targets were identified by a recently completed geologic field exploration program. The drilling program is expected to be completed during the first quarter of 2010.

We also announced in December 2009, that we are continuing to advance the Mt. Todd PFS and that the Mt. Todd PFS is expected to confirm the principal metallurgical parameters used in the Mt. Todd PEA. The Mt. Todd PFS was originally targeted for completion by year-end 2009, but will now be deferred to enable us to incorporate the results of the new drilling program as well as to allow for additional engineering work, particularly with respect to the best approach for tailings disposal and storage. Assuming positive results from the Mt. Todd PFS, we anticipate commencing a definitive feasibility study for Mt. Todd in the second half of 2010.

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Yellow Pine

Property Description and Location

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 11 miles southeast of the small settlement of Yellow Pine, Idaho. The project consists of 17 patented mining claims covering about 300 acres and 8 unpatented lode mining claims covering about 165 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.

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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
Fair Deal No. 2	3246	1064103	Patented Lode Mining Claim		Section 34, T19N, R9E, BM	6/7/1933	below) pays County Property Taxes
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				7/9/1941	

			Patented Lode Mining Claim	Section 3, T18N, R9E, BM	
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

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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	300.071			$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	20.66	Section 2, T18N, R9E,	10/15/2003	$125.00

		Claim		BM		
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 Claims	165.28			$1,000.00

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

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On November 7, 2003, we, through our indirect, wholly owned subsidiary, Idaho Gold Resources LLC ("Idaho Gold"), entered into an Option to Purchase Agreement with Bradley Mining Company ("BMC") for a nine year option to purchase 100% of the patented claims at 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, 2008 and 2009 (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. In 2003, Vista Gold staked the unpatented lode mining claims referenced above.

Surface use rights are guaranteed under the Federal laws of the U.S. Government to the holder of patented mining claims and it is our understanding that no parties, other than the U.S. Government, hold surface rights on the unpatented claims held by us. There may not be sufficient space on these lands for all necessary facilities including processing plant, tailings disposal and waste dump areas, and future studies will determine what additional lands, if any, are required for future operations.

Because of higher priority development projects (Paredones Amarillos and Mt. Todd), no immediate work is planned for this project. However, the next step would be additional drilling and that would require notification to and authorization from Idaho State Lands Department. We obtained authorization for a drilling program in 2007, but put the program on hold due to nearby summer forest fires.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

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.

The Yellow Pine Mine operated on an irregular basis from 1938 to 1952. There is a small, abandoned open-pit mine and some old buildings in various states of disrepair. At the present time, we have no installations at or near the Yellow Pine gold project. The East Fork of the South Fork of the Salmon River runs through the old open-pit mine. When mining was conducted, a diversion ditch and tunnel diverted the river around the mine. However, this has been abandoned and the river now runs through the old, abandoned open-pit mine. Management believes that Vista Gold is not liable for these past environmental matters, but that a future mine could be possible which would permanently divert the river around the known mineralization. A closure plan would be required with sufficient bonding to correct any perceived environmental problems at the conclusion of future mining.

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.

Mine personnel would come from Yellow Pine and the surrounding area. A nearby reclamation project was conducted by contractors in the late 1990s and they were able to secure sufficient personnel who commuted to work in their own vehicles.

The known mineralization is located on and adjacent to the valley floor of the East Fork of the South Fork of the Salmon River. Topography is steep, rising above the valley floor. Elevations in the area range from about 6,000 feet to more than 9,000 feet above sea level.

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 minus 40°F. Summer temperatures may reach 80°F but daily temperature ranges can be substantial. Heaviest precipitation usually falls as snow in November and December. Year-round operations are possibly with adequate snow-plowing, but occasional one to several day interruptions of operations may occur due to heavy snowfall events.

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History

The mining history of the region began in 1893 when gold was discovered 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. No work of any significance was done, however, until 1917 when the demand for mercury encouraged the development of several properties. Gold and antimony were explored by underground methods at the Meadow Creek mine in 1919 and the Meadow Creek Silver Mines Company was established and carried out intermittent underground development work on the Meadow Creek deposit through the 1920s.

In 1921, Meadow Creek Silver Mines was superceded by United Mercury Mines. In 1938, the Bradley family, who had been closely associated with the district for more than a decade, formed BMC. Production of antimony and gold commenced from the Meadow Creek underground mine in the early 1930's at a rate of about 150 tons per day.

The largest known deposit in the district, the Yellow Pine deposit, was discovered in the 1900s, but no significant mining was carried out until 1938. In 1937, a leaky water pipe caused a washout that exposed the ore zone that was to become the east side of the Yellow Pine pit. The Bradley family had also acquired the Yellow Pine deposit and in 1938 BMC started production of gold and antimony ores by open pit methods. At that time, BMC ceased production from the more costly Meadow Creek underground mine despite its higher grade. Mining of the antimony-gold ores at Yellow Pine was from two pits, the West Quarry and the East Quarry, which subsequently merged into the single pit seen today. The East Quarry was richer in gold and contained very little antimony. Production levels alternated between the two quarry areas depending on the demand for antimony.

On June 7, 1939, in anticipation of U.S. involvement in World War II, President Roosevelt signed the Strategic Materials Act. Antimony and tungsten were both designated as strategic commodities. In 1939, both the U.S. Geological Survey and the U.S. Bureau of Mines ("USBM") began projects to investigate the antimony deposits of the Yellow Pine district. Some of the work performed by the USBM included drilling some 52 holes in the West Quarry and some exploratory work that resulted in the discovery of the Homestake gold deposit on Sugar Creek to the northeast of the Yellow Pine deposit.

Initially, only antimony and gold were produced, but in 1941 scheelite was identified by the USGS. Overall production increased and during World War II the Yellow Pine mine became the largest producer of tungsten in the United States. Stibnite produced 98 percent of the antimony and 60 percent of the tungsten for the allied war effort. The tungsten ores were mined out by 1945, but large scale mining of about 2,000 tons per day of the gold-antimony ores continued through 1952 when the Yellow Pine mine closed down as a result of the collapse of the antimony prices at the end of the Korean War.

During the mining activity in the Yellow Pine district about 380,000 ounces of gold, in excess of two million ounces of silver, 50,000 tons of antimony and 1 million short ton units of tungsten (i.e., 20 lbs of WO3 per unit) were produced. Following the closure of the Yellow Pine mine in 1952, BMC completed various works relating to the processing of antimony ores and finally the smelter was closed and dismantled in 1957. The following decade had very little activity in the area. However, this was followed in the 1970s by a renewed interest resulting from the development of heap-leach technology for the processing of lower grade oxidized gold ores and the increase in the gold price.

Ranchers Exploration and Development Corporation ("Ranchers") leased the BMC holdings in 1970 and carried out some 16,300 feet of exploratory drilling primarily on the Yellow Pine deposit during its tenure. In 1984, Ranchers merged with Hecla Mining Company ("Hecla") to develop the oxide gold reserves on the Homestake deposit. Hecla mined in excess of 1.5 million tons at an average grade of about 0.08 opt gold and produced about 100,000 ounces of

gold by heap leaching of the oxide ores between 1988 and 1992. The ore was initially processed at Stibnite through the Pioneer Metals plant under contract on a fixed fee basis until 1989 when Hecla permitted and built its own heap-leach plant also in the Stibnite area.

In June 1992, Hecla and American Barrick Resource Corporation ("Barrick") started an exploration program at the Yellow Pine mine targeting the extensive sulfide gold resource at the property known as the Ponderosa project. The two companies drilled 14 core and 3 reverse circulation holes totaling about 10,000 feet. Following this program, resource estimation was carried out for the Yellow Pine/Homestake areas. Upon evaluating the exploration effort, Barrick withdrew from the joint venture.

On June 24, 1996, Dakota Mining Corporation ("Dakota"), at the time controlling some of the areas within the district (Stibnite Mine) located outside of the Yellow Pine/Homestake property, and Hecla announced the signing of an

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agreement to unitize their respective sulfide interests in the Stibnite/Yellow Pine areas of Valley County, Idaho. However, the exhaustion of the known oxide ore reserves and the drop in gold prices caused both Dakota and Hecla to curtail mining operations and sulfide ore recovery investigations. Dakota mining filed for bankruptcy in July 1999. In November 2000, Hecla terminated the agreement and returned the patented mining claims to BMC. No activities other than the reclamation of mine dumps, leach pads, and haul roads have been performed since.

On November 7, 2003 we entered into an Option to Purchase Agreement with BMC regarding certain property holdings in the Yellow Pine Mining District held by BMC.

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.

Exploration and Drilling

Historical records are somewhat scattered but indicate that a total of more than 120,000 feet of drilling were completed in the area of the Yellow Pine deposit. The companies and approximate drilling footages of the main drilling campaigns were as shown in the table below.

Drilling Campaigns at Yellow Pine

Date	Company	Number of Feet Drilled	Type of Drilling
BMC	1933-1952	14,500	Core
BMC	1933-1952	36,000	Churn Drill and Rotary
U.S. Bureau of Mines	1939-1941	15,800	Core
Ranchers	1970-1984	16,300	Core
Ranchers	1970-1984	5,500	Reverse Circulation
Hecla	1985-1988	21,300	Reverse Circulation
Hecla	1989	2,200	Shallow Reverse Circulation
Barrick	1992	11,400	Core
Barrick	1992	850	Reverse Circulation

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Geochemical and geophysical surveys have also been conducted within the district. For example, in 1968, a reconnaissance biogeochemical survey that sampled conifer-needle humus, was conducted by the U.S. Bureau of Mines ("USBM") that outlined several areas that contained anomalous gold and antimony. In 1991, Hecla conducted an Induced Polarization ("IP") geophysical survey that indicated an IP anomaly suggesting a west or northwest dip to the Homestake sulfides.

Sampling and Analysis

As indicated in previous sections, exploration of the Yellow Pine project by various companies and government institutions for almost a century consisted of geological, geochemical, geophysical studies and exploration drilling.

Five separate main exploration campaigns that utilized either diamond core or reverse circulation drilling methods or both were carried out in the Yellow Pine property. These 5 drilling campaigns were performed by BMC, USBM, Ranchers, Hecla and Barrick

BMC explored the deposit from 1933 to 1952, primarily for antimony and tungsten. The BMC drill samples used in this study were AX (1.185 inches in diameter) and BX (1.655 inch diameter) size core. Recovery of the core was reported as highly variable and averaged about 50 percent. No information on sampling or assaying techniques was available. The BMC data consists of 14,500 feet of drilling broken into sample intervals of five feet in length. BMC also used churn drill and rotary drill techniques but these assays were not included in the current database due to concerns about their accuracy.

The USBM explored the deposit with BMC from 1939 to 1941. Its primary focus was the central tungsten zone and adjacent antimony mineralization. The drilling during this phase was all core and totaled 15,800 feet. The core diameter was mainly EX (0.905 inches), but also included AX and BX size core. Core recovery was again highly variable but averaged about 50 percent. The USBM assayed both core and sludge on five feet intervals and calculated a weighted average gold value whenever the core recovery was less than 95 percent.

Ranchers explored the deposit from 1970 to 1984. They targeted the antimony and gold mineralization with both core and reverse circulation drilling. About 16,300 feet of core drilling was drilled, consisting of HQ (2.5 inch diameter) with good recovery reported. The core was split and sampled on five-foot intervals. The reverse circulation drilling totaled 5,500 feet and was also sampled and assayed in five-foot intervals.

Hecla explored the deposit from 1985 to 1989. All Hecla's drilling was reverse circulation and focused mainly on shallow oxide gold mineralization. During 1985 and 1988, 21,300 feet of drilling was completed. Drill cuttings were sampled and assayed in five-foot intervals. During 1989, Hecla drilled 2,200 feet in 22 holes, but total gold assays were only available for 500 feet of this drilling. None of the Hecla 1989 data is included in the current database.

During 1992, Barrick and Hecla conducted the Ponderosa project, an exploration program to confirm zones of medium to high grade gold sulfide mineralization. They drilled 11,400 feet of NQ (1.875 inch diameter) size core and had excellent recovery. The drill holes were all surveyed down the hole and the core was split and assayed in five-foot intervals. During this project, 850 feet of reverse circulation drilling was also completed, sampled and assayed in five-foot intervals.

The USBM drilling campaign of 1939-1941 was all core drilling performed by contractors. The campaign employed a diamond drill sampler for each shift. The sampler's duties were to check the work accomplished by the drill contractor and to collect and care for the core and sludge samples. Sludge samples were collected in wood or metal settling tanks, 10-inch by 10-inch by 8-feet in size; they were constructed with cross baffles to aid settling. The overflow from the settling tanks was collected in 50-gallon steel drums to permit further settling of the finer particles. Addition of

lime to the returned drill water was found to aid settling by coagulating the slimes. After each run of approximately five feet, the sludge was collected from the settling tanks and drums and dried in galvanized-iron tubs over a wood fire. After drying, the samples were weighed and sacked. Drill cores were measured and weighed by the sampler and filed in conventional-type wood core boxes. Later, the core was split; one-half was assayed, and the other half was filed for future reference. According to the USBM, more effort and expense were devoted to sampling than was customary in drilling operations performed by mining companies because it was desired to determine accurately the quality and grade of ore by the drilling method alone, and the results were to be filed as official government records.

No verifiable records exist on the BMC campaigns except that the USBM - April 1948 report states that: “The surface drilling procedure of the mining company was similar to that used by the Bureau of Mines. Their sampling differed from Bureau of Mines practice in that collection of samples was entrusted to the drill helper.”

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No information on sampling procedures was found for the Ranchers' drilling campaigns. These programs included both core and reverse circulation drilling. All drill samples were assayed for total gold. Antimony and silver assays were done consistently only in the high antimony zones. Tungsten and arsenic assays were sporadic.

The Ponderosa project carried out in 1992 by Barrick and Hecla was the first known campaign that had the focus of exploring the Yellow Pine area specifically for gold sulfide mineralization. The majority of the footage was core drilling in the Yellow Pine area with just 850 feet of reverse circulation drilling in two holes in the Homestake area. Records indicate that overall core recoveries were about 95% with ranges from 30% to 100%. Holes were sampled at five-foot intervals and split lengthwise with a hydraulic core splitter. Precautions were taken to try and split perpendicular to any predominate fracture fabric. For the reverse circulation holes, all samples were collected at five-foot intervals. Slightly different procedures were used for dry or wet samples. Dry samples were composed of both chips and fines. Once water was encountered, the sample was collected in two categories, chip and fines. Samples were collected in five gallon buckets; the liquid was poured through a 15-wire-mesh strainer into plastic bags with flocculent that was allowed to settle for 48 hours before pumping the clean water out. The remaining chips or concentrated slurry in the buckets was poured into separate bags without flocculent. All samples were double bagged for shipment. Twin hole drilling (J-6 core and 92-1 reverse circulation) was also conducted and from the results, it was concluded that the weight-averaged reverse-circulation gold assay value of the entire hole matched the split core assay, and that the best correlation existed where the holes were closest together but significant mismatch may occur where the holes were as little as four feet apart.

There are a large number of long sample intervals that do not appear to follow regular accepted sampling procedures. These samples are mainly from older holes taken when the main focus was not gold but either antimony or tungsten mineralization. It is unclear in many cases if these intervals, which range anywhere from 5.2 feet to 463 feet in length, are actual sample intervals or composited data. It would appear that in most cases, the longer intervals of 40 to 50 feet or longer are actually composited data from older holes. The compositing method used is unknown. These long intervals, especially when they carry good gold grades, would certainly raise the issue of sampling and assaying integrity. However, it appears that for the most part, more modern and careful drilling and sampling for sulfide gold (e.g., Barrick's J-holes and others), confirms the values and continuity of these somewhat questionable long assay intervals.

As a check on possible sample bias, following the Barrick drilling program, the Winters Group of Tucson, Arizona, evaluated the samples from each of the drilling campaigns separately to determine if any gold grade bias existed from one sample set to the next. Gold-grade statistics were compiled at a suite of cutoff grades, not only for the complete set of assays, but also for the assays from each of the drilling campaigns and drilling methods. Minor discrepancies in average gold grade between the reverse circulation assays and diamond core assays were noted, with a tendency of reverse circulation holes to sample less gold than core samples. Discrepancies in average gold grade and gold grade variability were noted for the various diamond core drilling campaigns. Higher average grade and variability in the most recent core samples was apparently caused by concentrating these drill holes in some of the higher grade portions of the Yellow Pine pit. A lower average grade for the USBM drill holes was likely due to the fact that these drill holes were targeted on tungsten and antimony rather than gold. Large composite gold assays generated by BMC were summarized separately. It was expected that these large composites would show much less variability than the other core sample assay data, but this was not the case. The BMC large composites showed very similar behavior to all other core assays. Overall, the study concluded that the minor discrepancies observed from one campaign to the other could be attributed to differences in exploration objectives and no systematic bias was apparent.

Pincock, Allen & Holt ("PAH") reviewed the information available on the historical exploration data and found that little detailed information exists on the sampling preparation and analysis procedures followed especially for the older drilling programs (e.g., BMC, USBM). However, the more recent programs run by companies such as Ranchers and Barrick, appear to have conducted their sample preparation and assaying by well-known and reputable commercial

labs. Original assay certificates indicate that Ranchers, which drilled the R-series holes and others such as the 83-H series holes, assayed drill-hole samples at Rocky Mountain Geochemical Labs. Spot checks against the database carried on several of these holes found no errors. It was also found that assay checks were run on every tenth sample, apparently in a consistent manner.

According to PAH, the Ponderosa drilling campaign carried out in 1992 by Barrick and Hecla, appears to have been conducted to the highest standards of the time. For example, check assays were completed on 59 pulps from drill holes J-1 through J-5. Chemex Labs ("Chemex") in Vancouver ran the assaying and Bondar-Clegg ("Bondar") also in Vancouver performed the check assays. The average gold content for the five holes from Chemex was 0.061 ounces per ton ("opt"), and 0.057 opt from Bondar. This represents a 6.9 percent difference from Chemex to Bondar. Due to this discrepancy, a second set of checks was sent to Rocky Mountain Geochemical ("RMG"). The second set of samples consisted of two groups: the first group represents 37 of the samples sent to Bondar from holes J-1 to J-5 that assayed more than 0.025 opt, and the second group was from holes J-6 to J-8 and contained 24 samples assaying more than 0.055 opt. The assay results from RMG showed good correlation to Chemex, with the average assay for all 61 samples being 2.6 percent higher at RMG.

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PAH was not able to directly verify sampling procedures, preparation, analysis and security because all drilling campaigns are historical. However, from the review of the literature and documentation on the project, PAH is reasonably satisfied that previous operators collected their samples according to standards and accepted practices at the time of the campaigns. In general, it is probably fair to say that the older the drilling campaign, the less reliability on its procedures especially taking into account that gold sampling and assaying was not a primary focus on the older campaigns that mainly explored for antimony and/or tungsten. For the more recent campaigns (i.e., Ranchers and especially Barrick), PAH is satisfied with the adequacy of the sample preparation and analysis. In general, the samples from the various drilling campaigns are mutually supportive in establishing the precious metal mineralization of the deposit, with any differences mainly due to laboratory analytical differences.

Recent Exploration

In 2007, we planned to drill several core holes in the known resource area to confirm results from earlier drilling and to demonstrate on-strike continuity of mineralization. However, due to severe forest fires in the area during the drilling season, this plan was put on hold. Since then, we have channelled our personnel and financial resources into advancing Paredones Amarillos and Mt. Todd towards production. We may seek a joint-venture partner to assist us in advancing Yellow Pine towards and into production.

Preliminary Assessment and Mineral Resource Estimate

Following our acquisition of the Yellow Pine property in 2003, PAH, of Denver, Colorado, completed an NI 43-101 third-party technical study for us in November 2003 utilizing standard industry software and estimation methodology. 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.

In November 2006, a NI 43-101 third-party preliminary assessment (“Yellow Pine PA”) was completed by PAH on the project by or under the supervision of Richard J. Lambert, P.E. and Barton G. Stone, P.G., each an independent qualified person. A technical report summarizing the results of the preliminary assessment entitled “CNI 43-101 Technical Report, Preliminary Assessment of the Yellow Pine Project, Yellow Pine, Idaho” dated December 13, 2006 is available on SEDAR at www.sedar.com.

The mineral resource estimate used in the Yellow Pine PA was the same as the November 2003 mineral resource estimate. 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.

Under CIM Definition Standards, at a cut-off grade of 0.025 gold ounces per ton, 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: see the section heading “Cautionary Note to United States Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves” above.

The conceptual process flow sheet for Yellow Pine consists of the following processes. Ore would be mined in the open pit and crushed by a jaw crusher. This ore would be fed to a semi-autogenous (“SAG”) mill at a nominal rate of 8,600 tons per day, and the mine life is estimated at about 10 years. Ore grades would average 0.073 gold ounces per ton and the strip ratio would average 1.5:1. The SAG mill would be followed by a ball mill producing a product of 80% passing minus 200 mesh. The ball mill would be followed by a flotation circuit for recovery of the sulfide minerals into a mineral concentrate. The concentrate would be thickened and filtered and would be packaged in 2,000

pound super sacks and transported by truck to a pressure oxidation mill in Nevada for further treatment and production of a salable gold product. Overall gold recovery is estimated at 87% with 1.95 million gold ounces recoverable (averaging 189,000 gold ounces per year). By treating the concentrate offsite, we believe the project should be beneficial to the environment as the existing conditions would be properly reclaimed and the East Fork of the South Fork of the Salmon River permanently diverted away from sulfide-bearing (and potentially acid-generating) rocks. At the level of this study, economics were determined on a pre-tax basis.

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The total capital cost over the project life was estimated by PAH to be $170 million with preproduction capital at $150 million. According to the PAH study, at long-term gold prices over $550 per ounce, the project appears to be viable. PAH estimated that at a gold price of $630 per ounce, the Yellow Pine project demonstrates favorable economics, with a net cash flow of $266 million, a net present value of $126 million at a 5% discount rate and a pre-tax internal rate of return of 19% over a 10 year mine life. At a gold price of $550 per ounce, payback of capital would be in eight years. The preliminary assessment is preliminary in nature and includes inferred mineral resources (3% inferred and 97% measured and indicated) that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized. Cautionary Note to U.S. Investors: see the section heading “Cautionary Note to United States Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves” above. See the section heading “Cautionary Note to All Investors Concerning Economic Assessments that Include Inferred Resources” above.

Federal U.S. income taxes of approximately 35% and Idaho State Income taxes of approximately 7.6% would be payable on net income. There would be possible local property and other taxes, although, at this stage of the project, this has not been considered.

Guadalupe de los Reyes

Property Description and Location

Guadalupe de los Reyes is located in the State of Sinaloa, in western México, at approximately half of the distance between the cities of Mazatlán and Culiacán. The project area is accessed by a 30-kilometer dirt road from Cosalá, a city of approximately 17,000 inhabitants. The city of Cosalá is connected to the cities of Mazatlán and Culiacán by a 55-kilometer paved highway plus 100 kilometers of toll freeway or by small aircraft from a local airstrip to international airports of Durango, Mazatlán and Culiacán. The property is held through 16 Federal mining concessions (plus one in the application process) totaling about 4,437 hectares. A location map and table of mining concessions controlled by Vista Gold follow.

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Mining Concessions at Guadalupe de los Reyes Controlled by Vista Gold

Concession Name	Serial Number	Surface Area (hectares)	Location Coordinates UTM (NAD27)	(INEGI Official Map No.)	Location Date	Expiration Date	Annual Fees (in Mexican Pesos)
Gaitan Concessions							
La Victoria	210803	199.8708		G13C75	11/30/1999	11/29/2049	11,448.60
Prolongación del Recuerdo	210497	91.4591		G13C75	10/8/1999	10/7/2049	5,238.78
Prolongación del Recuerdo Dos	209397	26.6798		G13C75	4/9/1999	4/8/2049	3,055.38
Arcelia Isabel	193499	60.3723		G13C75	12/19/1991	12/18/2041	12,169.84
Dolores	180909	222.0385		G13C75	8/6/1987	8/5/2012	44,758.52
San Luis Concessions:							
Los Reyes 8	226037	9.0000		G13C75	11/15/2005	11/14/2055	130
Los Reyes Fracción Oeste	210703	476.9373		G13C75 and G13C85	11/18/1999	11/17/2049	56,278
Los Reyes Fracción Norte	212757	1,334.4710		G13C75	11/22/2000	10/7/2049	78,762
Los Reyes Fracción Sur	212758	598.0985		G13C75	11/22/2000	10/7/2049	35,302
Los Reyes Dos	214131	17.3662		G13C75	8/10/2001	8/9/2051	1,024
Los Reyes Tres	214302	197.0000		G13C75	6/9/2001	5/9/2051	11,628
Los Reyes Cinco	216632	319.9852		G13C75	5/17/2002	5/16/2052	18,886
Los Reyes Cuatro	217757	11.1640	Project centered	G13C75	8/13/2002	8/12/2052	328

Los Reyes Seis	225122	427.6609	at approximately	G13C75	7/22/2005	7/21/2055	6,064
Los Reyes Siete	225123	4.8206	345000E,	G13C75	7/22/2005	7/21/2055	70
San Miguel Concessions:			2686000N				
Norma	177858	150.0000		G13C75	4/29/1986	4/28/2011	30,237
San Manuel	188187	55.7681		G13C75	11/22/1990	11/21/2015	11,241.74
El Padre Santo	196148	50.0000		G13C75	7/16/1993	7/15/2043	10,079
Santo Niño	211513	44.0549		G13C75	5/31/2000	5/30/2050	2,523.46
El Faisan	211471	2.6113		G13C75	5/31/2000	3/30/2050	149.58
Patricia	212775	26.2182		G13C75	1/31/2001	1/30/2051	1,501.78
Martha I	213234	46.6801		G13C75	4/10/2001	4/9/2051	2,673.84
San Pedro	212753	9.0000		G13C75	11/22/2000	11/21/2050	515.52
San Pablo	212752	11.1980		G13C75	11/22/2000	11/21/2050	641.42
Nueva Esperanza	184912	33.0000		G13C75	12/6/1989	12/5/2039	6,652.14
San Miguel	185761	11.7455		G13C75	12/14/1989	12/13/2014	2,367.66
MPA Concessions:							
Elota	To be determined when title is granted	To be determined when title is granted					Application for title was filed in January 2008
Totals		4,437.2003 hectares					353,726.26 Mexican Pesos Total in US$ @ an exchange rate on 3/10/2010 of US$1.00 = MP$12.66 = US$27,940

On August 1, 2003, we executed an agreement to acquire a 100% interest in the Guadalupe de los Reyes gold project and a data package associated with the project and general area, for aggregate consideration of $1.4 million and a 2% net smelter returns royalty. During a due-diligence period prior to the signing of the purchase agreement, we made payments to the owner, Sr. Enrique Gaitan Maumejean, totaling $100,000, and upon exercising our option to complete the purchase, paid an additional $200,000. On August 4, 2004, we issued 138,428 Common Shares to Sr. Gaitan in satisfaction of the scheduled payment of $500,000, which could be made in cash or Common Shares at our discretion. An additional $500,000 in cash was to be paid in installments of $100,000 on each of the second through sixth anniversaries of the signing of the formal agreement, with the outstanding balance becoming due upon commencement of commercial production. Payments of $100,000 were made in each of 2005, 2006, 2007, 2008 and 2009, completing the purchase option. A 2% net smelter returns royalty ("NSR") will be paid to Sr. Gaitan and may be acquired by us at any time prior to 2053 for $1.0 million.

On December 19, 2007, we announced that we had signed an agreement to acquire Grandcru Resource Corporation's ("Grandcru") interest in two gold/silver mineral properties adjacent to our Guadalupe de los Reyes gold project. The acquisition was completed on January 24, 2008. Under the terms of the agreement, we agreed to: (a) pay Grandcru $425,000 less any amounts payable in back taxes on the mining concessions ($377,000, net of back taxes on the mining concessions), and pay a private investment group known as the San Miguel Group $75,000; and (b) issue to Grandcru and the San Miguel Group, in aggregate, Common Shares of the Corporation with a value of $1,000,000 (amounting to 213,503 Common Shares) on closing. In addition, we reached agreement with San Luis and with the San Miguel Group to complete the acquisition of their respective interests in the mining concessions at the same time as the closing occurred with Grandcru. We agreed to pay a 2% NSR on all minerals produced payable to the San Miguel Group on the mining concessions known as the San Miguel Concessions. We agreed to pay San Luis a 1% NSR on mining concessions known as the San Luis Concessions and the San Miguel Concessions, and a 2% to 3% NSR depending on the gold price on our mining concessions known as the Gaitan Concessions. At gold prices below $499.99 per ounce, the royalty payable to San Luis on the Gaitan Concessions will be 2% and at or above $500 per ounce, the royalty payable will be 3%. Certain of the San Luis Concessions are subject to a pre-existing underlying royalty of a 3% NSR payable to Sanluis Corporación, S.A. de C.V. The maximum royalty payable on any of the mining concessions would be a 5% NSR.

Most of the surface rights to the Guadalupe de Los Reyes Project are held by the Ejido Tasajera ("Ejido"). A few individuals hold other surface rights. Previous operators in the area have successfully negotiated surface rights agreements with the Ejido and the individual surface holders. An important consideration is the traditional use of land, which recognizes that mining is the preferred use of the land in and around old mine workings. It has been reported that prior operators had a good working relationship with people of the Ejido, since many of the inhabitants are necessarily contracted when work is carried out in exploration or mining operations. No labor or access problems have been reported by prior operators or other mining operators within the area. There is sufficient space on the mineral land controlled by us for all necessary facilities including processing plant, heap-leach pads and waste dump areas. To operate within the laws and regulations of México, we must negotiate the use of the land rights before initiating development of any considerable mining operations in the project area. We anticipate that adequate mine labor would be available from the local communities, but professional staff would need to be recruited from outside the area and would be based in Cosala and either self-transport to the mine daily or be bussed.

There are no known environmental liabilities on the project.

We have no installations at or near the project.

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Accessibility, Climate, Local Resources, Infrastructure and Physiography

The project is located in the western foothills of the Sierra Madre Occidental at elevations that vary from approximately 300 meters to 1,000 meters. The topography is moderate to rugged. Climate in this area is arid to semi-arid with an average temperature of 22° to 26°C. The average rainfall of approximately 1,000 millimeters occurs mostly during the period of June to September in strong storm events that cause flooding along the river beds and frequent interruptions of the road to Cosalá. Outside of infrequent flood interruptions of the road during the rainy season, it is anticipated that mining operations can occur on a year-round basis.

Access to the Guadalupe de Los Reyes gold project area is from approximately midway (100 kilometers) on the toll road that connects the cities of Mazatlan, and Culiacan, and then to Cosala by a 55-kilometer, two-lane paved highway. A 30-kilometer dirt road connects Cosala with the project area. An airstrip for small aircraft is located near Cosala, with public and private service to the cities of Mazatlan, Culiacan and Durango. Electrical power is available in the village of Guadalupe de los Reyes, but there may not be sufficient capacity to support a mining operation. A trade of study between on-site power generation and power capacity upgrades will be part of a future feasibility study. It is anticipated that ground-water wells would supply water for any future mine development and that the source of mine personnel would be from nearby villages. Operations personnel would be secured from surrounding villages. Transportation of personnel will be addressed in future feasibility studies.
Sporadic underground mining of veins in the district occurred from the 1770s until the 1950s. Old, underground mine workings and relatively small mine-waste dumps exist in the area, but no tailings ponds are present.

History

The Guadalupe de Los Reyes mining district was discovered, according to local residents, on December 12, 1772, (virgin of Guadalupe's day) and claimed on January 6, 1773, (Wise men's day, "Día de los Reyes Magos"); hence, the current name is Guadalupe de Los Reyes (previously Guadalupe Los Reyes). Several areas were developed within the district throughout its production history, mainly the Guadalupe mine, El Zapote, San Miguel, Mariposa, La Chiripa, Tahonitas, Noche Buena, Candelaria, Tatemas, Las Primas, and Fresnillo, along three principal vein systems. These veins include the 2.5-kilometer long East-West system of the Guadalupe mine; 4.0-kilometer long NW-trending systems of San Miguel–Chiripa–Noche Buena, and Mariposa–Zapote-Tahonitas, and other secondary systems. Intermittent production of gold/silver ores from the different mines within the district was reported until the 1950s. Access to the district was on horseback until the early 1960s when the dirt road access from Cosalá was built.

Historical production for the Guadalupe district was estimated in February 1936, by Mr. C. W. Vaupell as approximately 600,000 ounces of gold and over 40 million ounces of silver (1.5 million tonnes of ore averaging 12 grams per tonne gold and 900 grams per tonne silver). A more comprehensive report, based on National Registry records, by Minas de San Luis, S.A. de C.V. summarized the production as 319,000 gold ounces and 15 million silver ounces from 1771 to February 1989.

From the middle of the 1950s to the 1980s there was limited activity within the Guadalupe district that included exploration reconnaissance studies and mining concessions promotions, until Northern Crown Mines Ltd took important steps to test the geologic potential with drilling and considerable investment in the early 1990s.

Operating companies in the district included Negociación Minera de Guadalupe de los Reyes, S.A.; Compañía La Chiripa y Anexas; Compañía Candelaria Canoas, S.A., and in recent times Mr. Enrique Gaitán Enríquez representing various companies as Compañía Minera Campanillas, S.A. de C.V., Minera Tatema, S.A. de C.V., and Minera Sierra Pacífico, S.A. de C.V., and Minera Mariposa, S.A. de C.V. ("Mariposa"); and most recently exploration companies as Minas de San Luis, S.A. de C.V. ("Luismin") (later acquired by Goldcorp, Inc. – "Goldcorp").; Minera Silverado, S.A. de C.V.; Northern Crown Mines Ltd. ("NCM"); Meridian Gold Company ("Meridian"); Grupo San Miguel ("San Miguel

Group"), Grandcru, and Vista Gold.

Intermittent production occurred over a period of 150 years, from 1772 to the 1950s, resulting in a reported accumulated extraction of approximately 1.1 million tonnes with an average grade of 9.20 gold grams per tonne gold and 430 silver grams per tonne from the various deposits located within the mining district. Most of this production was exported to Germany as doré bars.

Subsequently, private investors leased some of the concessions from a group of claimholders from the city of Culiacán and carried out exploration and development operations in the Mariposa mine, resulting in extraction of approximately 1,000 tonnes of gold ore with an average grade of 5.2 gold grams per tonne. Between October 1988 and February 1989, Enrique Gaitán and Associates mined 31,500 tonnes with a reported grade of 5.8 gold grams per tonne from an open cut in the El Zapote South area and recovered, according to Mr. Gaitán, approximately 93 kilograms of gold from a small cyanide vat-leach facility. Minera Sierra Pacífico, a wholly-owned subsidiary of NCM, began conducting exploration activities in the El Zapote area in 1992, when modern methods of exploration were first applied in the project area with a program that included geochemical soil and rock chip sampling, geophysical studies including VLF-EM and magnetic surveys, drilling, sample and assay checks, partial underground development and computer modeling to estimate mineral resources. Preliminary metallurgical testwork was carried out on bulk samples and drill chips from the El Zapote deposit. Environmental permits for exploration were obtained by NCM and Meridian.

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NCM, under an option to purchase the mining claims that covered the Guadalupe de Los Reyes District, developed a full program of exploration. The exploration program included drilling five zones within the Guadalupe district as follows: El Zapote deposit, 197 reverse circulation holes, 15,728 meters; Guadalupe deposit, 78 reverse circulation holes, 10,547 meters; San Miguel deposit, 33 reverse circulation holes, 3,674 meters; Noche Buena deposit, 37 reverse circulation holes, 4,071 meters; and Tahonitas deposit, 389 reverse circulation holes, 2,258 meters.

In December 2001, Meridian optioned the project from NCM and carried out a due-diligence investigation including sample checks and drilling of 23 additional confirmatory holes in four areas as follows: El Zapote deposit, 5 reverse circulation holes, 829.3 meters; La Chiripa deposit, 9 reverse circulation holes, 829.2 meters; San Miguel deposit, 6 reverse circulation holes, 698.2 meters; and Orito deposit, 3 reverse circulation holes, 375.0 meters.

Meridian subsequently dropped the option with NCM in 2002. In December 2002, NCM returned all mineral rights to the original concessionaires, including Mr. Enrique Gaitán, Luismin, Mariposa and a group of concessionaires from the city of Culiacán. Luismin has carried out prospecting studies within the concessions that cover the northern portion of the district, including the El Orito zone, including surface and geochemical sampling along known mineralized structures. These mineralized zones were discovered by prospectors developing small pits and surface workings along fault and altered zones.

In August 2003, we entered an agreement to acquire 100 percent of the mineral rights held by Mr. Gaitán, which cover approximately 7 percent of the Guadalupe de Los Reyes mining district area. These concessions enclose most of the main identified exploration targets within the Guadalupe de Los Reyes district area, including approximately 73 percent of the El Zapote deposit gold resources, all of the Guadalupe-Laija deposit, 2.6 percent of the Guadalupe-West deposit, 25 percent of the Chiripa-San Miguel deposits, all of the Noche Buena deposit, and 99 percent of the Tahonitas deposit.

In 2004, Grandcru entered into agreements with Luismin and the San Miguel Group (holders of the Mariposa concessions) to acquire concessions that cover approximately 62 percent of the mining district .

By agreement dated January 24, 2008, with Grandcru and simultaneously with Goldcorp and the San Miguel Group, we acquired the mineral rights that cover the Guadalupe mining district, except for two small claims located within the area. This agreement consolidated Vista Gold’s ownership of the known mineralization within the Guadalupe district.

Geology and Mineralization

Guadalupe de los Reyes occurs in a late Cretaceous-to-Tertiary-age volcanic sequence of rocks. Gold and silver mineralization has been found along a series of northwesterly and west-northwesterly trending structural zones. Mineralization in the project area covers an area of approximately five by two kilometers (1,000 hectares), but has been extended by geologic interpretations to an area of over 8,600 hectares. Mineralization in these zones is typical of low-sulfidation epithermal systems. Eight main target areas have been identified along three major structural zones. Several of these targets have bulk tonnage potential which may be amenable to open-pit mining, including the El Zapote, San Miguel, Guadalupe Mine, Tahonitas, and Noche Buena zones. The El Zapote target occurs in the Mariposa-El Zapote-Tahonitas structural zone on the western side of the project area and has been mapped for a distance of three kilometers. The El Zapote deposit is one of three deposits found along this structural zone, with the inactive underground Mariposa Mine one kilometer to the northwest and the Tahonitas prospect 0.5 kilometers to the southeast. The Guadalupe zone occurs as the northwest extension of the mineralized structures that were developed by underground mining along approximately 1,000 meters of the veins and to some 400 meters deep. The Guadalupe zone is found in the northeast portion of the area and has produced the majority of precious metals within the district. The San Miguel and Noche Buena zones are enclosed by the same northwestern trending structure in between the El Zapote-Mariposa and the Guadalupe structures.

Exploration and Drilling

Vista Gold has not conducted any physical work, such as drilling, on this property since its acquisition. Instead, we have focused on consolidating the land position and assembling, collating and interpreting the large amount of data that exists on this property. While we believe in its merits, higher priority projects such as Paredones Amarillos and Mt. Todd detract from our attention and funding for this project. We may seek a joint-venture partner to assist us in advancing this project.

In August 2009, a third-party NI 43-101 technical study was complete for us by PAH, by or under the supervision of Leonel Lopez, C.P.G., an independent qualified person, utilizing standard industry software and estimation methodology, to basically consolidate the mineralization in the district that we purchased from Grandcru with that already held by us. The technical report outlining the results of the study entitled “Technical Report for the Guadalupe de Los Reyes Gold-Silver Project, Sinaloa, Mexico” dated August 12, 2009 (and amended and restated on December 8, 2009, to address concerns the British Columbia Securities and Exchange Commission raised regarding disclaimers and related portions of the document, and the length of time since a site visit occurred. There were no concerns regarding technical data.) is available on SEDAR at www.sedar.com.

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Based on the report, under SEC Industry Guide 7 guidelines, mineralized material for the Guadalupe de los Reyes gold project, above a cut-off grade of 0.50 gold grams per tonne, is estimated at 10,048,000 tonnes grading 1.50 gold grams per tonne and 25.74 silver grams per tonne. Under CIM Definition Standards, at the same cut-off grade, indicated mineral resources are estimated at 10,048,000 tonnes grading 1.50 gold grams per tonne and 25.74 silver grams per tonne and inferred mineral resources are estimated at 4,888,000 tonnes grading 2.02 gold grams per tonne and 59.98 silver grams per tonne. Cautionary Note to U.S. Inventors: see the section heading “Cautionary Note to United States Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves” above.

Sampling and Analysis

PAH carried out a review of the check assay program for the technical report, including correlation analysis of results for duplicate checks, and the conclusion was that the results from check assaying were reasonable. NCM personnel applied the same procedure to all sampling and data registration of all the investigated mineralized zones within the project area. PAH believes that an adequate amount of checking has been conducted and that the results are representative of the mineralization in the deposit.

PAH conducted a thorough review of the NCM sampling procedures and lab processing for the prefeasibility study of January 1998. Most of the project analytical samples were delivered to Bondar-Clegg de Mexico, S.A. de C.V. (“Bondar-Clegg de Mexico”) in Hermosillo, México, for sample preparation. PAH noted, however, that during one period (drill holes ZA-016 to ZA-053 or approximately 20 percent of the data) analyses were conducted by SGS-XRAL laboratories in Hermosillo, México. At Bondar-Clegg de Mexico, the entire sample was crushed to 75 percent passing 10 mesh using jaw and cone crushers. Representative 250-gram splits of the crushed sample were obtained using a Jones riffle splitter. These splits were then pulverized to -150 mesh using a ring and puck pulverizer. The resultant samples were sent to Bondar-Clegg de Mexico’s assay laboratory in Vancouver, British Columbia, for gold and silver analysis. For gold, a one-assay-ton fire assay was conducted with an AA finish, and if the AA value exceeded 10 gold grams per tonne, then it was reassayed with a gravimetric finish. PAH noted that this is a typical analytical protocol and that Bondar-Clegg and Bondar-Clegg de Mexico are internationally recognized laboratory.

Silver analyses of earlier drill-hole samples were conducted by fire assay with an atomic absorption finish, if silver was analyzed at all. Later drill-hole samples in which silver was routinely analyzed were largely done by aqua regia digestion followed by atomic absorption. The acid digestion/atomic absorption silver values have been found to consistently be lower than the fire assay values because of a less complete extraction of the silver from the samples. This is not expected to be a problem as long as the basis for the silver analyses is stated when applying metallurgical recoveries. Silver analyses by acid digestion/AA were used for the resource calculations.

NCM had approximately 10 percent of the sample intervals in the mineralized zone sent for duplicate analysis by a second laboratory to evaluate the quality of the sample analyses. Overall, PAH found that the results from the check assaying are reasonable. It is PAH’s opinion that the sampling methods and analyses representing the Guadalupe de Los Reyes Project deposits were generated by using procedures in accordance to accepted industry standards and practices.

Exploration and Development

Because of higher priorities (Paredones Amarillos and Mt. Todd), we have not formulated a plan to advance Guadalupe de los Rios at this time. We have spent time and hired consultants to help us compile and assemble data on the project from which we can develop a plan to drill and progress this project. We may seek a joint-venture partner to assist us in bringing Guadalupe de los Reyes towards and into production. At the time we are in position to advance

the project, we will need to obtain the necessary permits for the work.

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Long Valley

Property Description and Location

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.

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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
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	20.66	Section 23, T3S, R28E, MDM	11/13/1989	$125

		Mining Claim			
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

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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	20.66	Sections 14, 15, 22 & 23, T3S, R28E, MDM	7/7/1990	$125

		Claim				
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

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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	20.66	Sections 14, 15, 22, & 23 T3S, R28E, MDM	7/7/1990	$125
Long Valley 35	237744	Unpatented Lode Mining Claim	20.66	Section 14, T3S, R28E, MDM	7/7/1990	$125
Long Valley 36	237745	Unpatented Lode Mining Claim	20.66	Section 14, T3S, R28E, MDM	7/8/1990	$125
Long Valley 37	237746	Unpatented Lode Mining Claim	20.66	Section 14, T3S, R28E, MDM	7/8/1990	$125
Long Valley 38	237747	Unpatented Lode Mining Claim	20.66	Section 14, T3S, R28E, MDM	7/8/1990	$125
LVR 45	275118	Unpatented Lode Mining Claim	20.66	Section 25, T3S, R28E, MDM	11/18/1998	$125
LVR 46	275119	Unpatented Lode Mining Claim	20.66	Section 25, T3S, R28E, MDM	11/19/1998	$125
LVR 47	275120	Unpatented Lode Mining Claim	20.66	Section 25, T3S, R28E, MDM	11/20/1998	$125
LVR 48	275121	Unpatented Lode Mining Claim	20.66	Section 25, T3S, R28E, MDM	11/21/1998	$125
LVR 49	275122	Unpatented Lode Mining Claim	20.66	Section 25, T3S, R28E, MDM	11/22/1998	$125
LVR 50	275123	Unpatented Lode Mining	20.66	Section 25, T3S, R28E, MDM	11/23/1998	$125

		Claim				
LVR 51	275124	Unpatented Lode Mining Claim	20.66	Section 25, T3S, R28E, MDM	11/24/1998	$125
LVR 52	275125	Unpatented Lode Mining Claim	20.66	Section 25, T3S, R28E, MDM	11/25/1998	$125
LV 57	270604	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	11/7/1996	$125
LV 59	270605	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	11/7/1996	$125
LV 63	242259	Unpatented Lode Mining Claim	20.66	Section 22, T3S, R28E, MDM	12/5/1990	$125

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Claim Name	Serial Number	Federal Claim Type	Surface Area (acres)	Location Description (Section, Township and Range)	Location Date	Annual Holding Fee
LV 64	242260	Unpatented Lode Mining Claim	20.66	Section 22, T3S, R28E, MDM	12/5/1990	$125
LV 65	242261	Unpatented Lode Mining Claim	20.66	Section 22, T3S, R28E, MDM	12/5/1990	$125
LV 66	242262	Unpatented Lode Mining Claim	20.66	Sections 22 & 23, T3S, R28E, MDM	12/5/1990	$125
LV 67	242263	Unpatented Lode Mining Claim	20.66	Sections 23, T3S, R28E, MDM	12/6/1990	$125
LV 68	242264	Unpatented Lode Mining Claim	20.66	Sections 23, T3S, R28E, MDM	12/6/1990	$125
LV 69	242265	Unpatented Lode Mining Claim	20.66	Sections 23 & 26, T3S, R28E, MDM	12/6/1990	$125
LV 70	242266	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/6/1990	$125
LV 71	242267	Unpatented Lode Mining Claim	20.66	Sections 23 & 26, T3S, R28E, MDM	12/6/1990	$125
LV 72	242268	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/6/1990	$125
LV 73	242269	Unpatented Lode Mining Claim	20.66	Sections 23 & 26, T3S, R28E, MDM	12/6/1990	$125
LV 74	242270	Unpatented Lode Mining	20.66	Section 26, T3S, R28E, MDM	12/6/1990	$125

		Claim				
LV 75	242271	Unpatented Lode Mining Claim	20.66	Sections 23 & 26, T3S, R28E, MDM	12/6/1990	$125
LV 76	242272	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/6/1990	$125
LV 77	242273	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/6/1990	$125
LV 78	242274	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/6/1990	$125
LV 79	242275	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/6/1990	$125

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Claim Name	Serial Number	Federal Claim Type	Surface Area (acres)	Location Description (Section, Township and Range)	Location Date	Annual Holding Fee
LV 80	242276	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/6/1990	$125
LV 81	242277	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 82	242278	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 83	242279	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 84	242280	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 85	242281	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 86	242282	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 87	242283	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 88	242284	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 89	242285	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 90	242286	Unpatented Lode Mining	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125

		Claim			
LV 91	242287	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 92	242288	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 93	242289	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 94	242290	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 95	242291	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125

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Claim Name	Serial Number	Federal Claim Type	Surface Area (acres)	Location Description (Section, Township and Range)	Location Date	Annual Holding Fee
LV 96	242292	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	12/7/1990	$125
LV 98	242294	Unpatented Lode Mining Claim	20.66	Section 14, T3S, R28E, MDM	12/8/1990	$125
LV 111	242307	Unpatented Lode Mining Claim	20.66	Sections 14 & 23, T3S, R28E, MDM	12/9/1990	$125
LV 112	242308	Unpatented Lode Mining Claim	20.66	Section 23, T3S, R28E, MDM	12/9/1990	$125
LV 113	242309	Unpatented Lode Mining Claim	20.66	Sections 14 & 23, T3S, R28E, MDM	12/9/1990	$125
LV 114	242310	Unpatented Lode Mining Claim	20.66	Sections 23 & 24, T3S, R28E, MDM	12/9/1990	$125
LV 115	242311	Unpatented Lode Mining Claim	20.66	Sections 13, 14, 23 & 24, T3S, R28E, MDM	12/9/1990	$125
LV 116	242312	Unpatented Lode Mining Claim	20.66	Section 24, T3S, R28E, MDM	12/9/1990	$125
LV 117	242313	Unpatented Lode Mining Claim	20.66	Sections 13 & 24, T3S, R28E, MDM	12/9/1990	$125
LV 118	270618	Unpatented Lode Mining Claim	20.66	Section 25, T3S, R28E, MDM	11/7/1996	$125
LV 119	270619	Unpatented Lode Mining Claim	20.66	Section 25, T3S, R28E, MDM	11/7/1996	$125
LV 120	242316	Unpatented Lode Mining Claim	20.66	Section 24, T3S, R28E, MDM	12/9/1990	$125
LV 121	270620	Unpatented Lode Mining Claim	20.66	Section 26, T3S, R28E, MDM	11/71996	$125
LV 122	242318	Unpatented Lode Mining Claim	20.66	Section 24, T3S, R28E, MDM	12/10/1990	$125
Totals			1,962.70			$11,875

95 Unpatented Lode Mining 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.

The surface rights covering the area of the claims are owned by the U.S. government, with the area being subject to a surface grazing lease. There is sufficient space on the mineral land controlled by Vista Gold for all necessary facilities including processing plant, heap-leach pads and waste dump areas.

On January 22, 2003, we executed an option agreement to acquire 100% of the Long Valley gold project from Standard Industrial Minerals, Inc. (“Standard”). Under the terms of the option agreement, we agreed to pay Standard $750,000 over five years, with annual payments to be due as follows: $100,000 due on each of January 15, 2003, 2004, and 2005; $200,000 due on January 15, 2006, and $250,000 due on January 15, 2007. We made these payments (see Consolidated Financial Statements—Note 5), and in January 2007, exercised our option to purchase the property, which is held through our indirect, wholly-owned subsidiary, Vista Gold California LLC. Royal Gold, Inc. (“Royal Gold”) holds a 1% net smelter royalty on the property which we granted to Royal Gold in exchange for related data from Royal Gold.

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There are no known environmental liabilities on the project.

We have no installations at or near the project.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Long Valley property is located about 7 miles to the east of the town of Mammoth Lakes and about 45 miles north of the town of Bishop, California. Both towns are connected by U.S. Highway 395, which passes a few miles west of the property. Access to the property from the highway is via a series of graded gravel roads. The property is in an undisturbed condition.

Groundwater has been encountered in many exploration drill holes at depths of 200 to 300 feet and should be available in sufficient quantities for processing. It is believed that adequate power is available in the area with no more than a few miles of additional power line required to reach the property.

Operations personnel should be available from Mammoth Lakes and Bishop, with employees commuting to work in private vehicles.

The climate is semi-arid and moderate, with high temperatures in the summer generally in the 80°F range and winter highs generally in the 30-40°F range. Winter temperatures can be below 0°F. Precipitation at the property probably totals about 20 to 25 inches per year, divided between winter snows and summer thunderstorms. Snow depths in winter are generally less than two feet on the property, and the overall climate should permit operations year-round.

The property is located a few miles to the east of the Sierra Nevada Mountains, at an elevation of about 7,200 feet, in an area of gently rolling terrain.

History

Freeport McMoran Copper and Gold, Inc (“Freeport”); Standard; Battle Mountain Gold Company (“BMGC” or “Battle Mountain”); Royal Gold; and Amax Minerals Company (“Amax”) completed most of the drilling on the property. Most of the drilling prior to 1994 was vertical, and most of the drilling after 1993 was angled.

Gold mineralization was first recognized on the property by Standard in the early 1980s as being present in small amounts in and around its kaolinite clay mining operations. Standard optioned the property to Freeport in 1983, who prospected the area and defined several distinct mineralized zones, referred to as the North, Middle and South. Freeport drilled about 80 shallow reverse circulation holes in mostly the North and South zones during 1983-1984. Freeport dropped the property, but additional drilling was performed by Standard in 1986, with 24 shallow rotary holes drilled mostly in the South zone.

Royal Gold acquired the property from Standard under a lease/purchase option agreement in 1988 and shortly thereafter drilled 52 air track holes in the South zone. Royal Gold also had performed various metallurgical and engineering studies and submitted permitting documents in support of constructing a small operation based on gold resources in the South zone. However, in 1990, BMGC and Royal Gold formed a joint venture to further explore and perhaps develop the property. During 1990 and 1991 BMGC, as the operator, completed geologic mapping, geochemical sampling, and geophysical surveying of the area and also drilled 59 reverse circulation holes. These holes were mostly in the South zone, but also resulted in the discovery of two new zones contiguous with the South zone, the Hilton Creek zone and the Southeast zone.

BMGC dropped out of the joint venture in 1993, but work continued by Royal Gold. During the period 1994 through 1997, Royal Gold aggressively explored the property drilling some 625 holes mostly in the Hilton Creek and Southeast zones. Only 10 core holes were drilled, with the balance being reverse circulation holes. During this time, Royal Gold also undertook extensive studies related to metallurgical investigations, preliminary engineering studies, including resource estimations, and initiated baseline-type environmental studies of the biological, water, and archeological resources of the area.

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In mid-1997, Amax performed extensive due-diligence investigations in consideration of forming a joint venture with Royal Gold to place the property into production. Its work included drilling 46 reverse circulation holes and 10 core holes, as well as extensive re-assay and check assay work and the re-logging of older holes. Many of the holes were intended as “twins” to earlier Royal Gold holes. Amax elected not to proceed with the formation of the joint venture because of the continued deterioration of the gold price and its pending merger with Kinross Gold Corporation. The following table summarizes the drilling completed on the property.

History of Drilling on Long Valley Property, California

Year	Company	Number of Holes	Footage
1983-1984	Freeport	80	18,615
1985	Standard	24	2,055
1988	Royal Gold	52	4,770
1991-1992	Battle Mountain	59	18,685
1994-1997	Royal Gold	625	207,901
1997	Amax Gold	56	16,249
Totals		896	268,275

Following Amax’s departure, Royal Gold continued with some of the environmental studies, reclaimed the drill roads and sites, performed some additional geochemical sampling, re-estimated mineral resources, and initiated a community public relations campaign. Due to the continued decline in the gold price and the decision by Royal Gold to become a royalty holding company, Royal Gold turned the property back to Standard, effective August, 2000. In January 2003, Vista Gold acquired the property from Standard. We acquired all related data from Royal Gold in exchange for a 1% NSR to Royal Gold. Since 2000, the only work done on the property has been that necessary to maintain the claims in good standing.

The database contains 896 drill holes, totaling 268,275 feet. The majority of holes were drilled using reverse circulation methods. Gold was primarily analyzed by fire assay, with grade determinations by atomic absorption.

Geology and Mineralization

The Long Valley gold project claims are contained entirely within the early Pleistocene-age Long Valley Caldera, which has been dated at about 760,000 years old. The caldera is an elongated east-west oval depression measuring some 10 miles by 20 miles and is related to eruption of the Bishop Tuff, which is covered by younger rocks within the caldera.

The Long Valley gold mineralization is located near the center of the caldera and is underlain by lithologic units related to the caldera formation and its subsequent resurgence. Associated with resurgent doming is a sequence of interbedded volcaniclastic sedimentary rocks which were deposited in a lacustrine setting within the caldera. These rocks consist of sediment (siltstones through conglomerates) and debris-flow deposits, with local deposits of intercalated silica sinter and rhyolite flows and dikes. All of these lithologies have been altered and/or mineralized to variable degrees. Intruding the generally flat-lying lake sediments are several rhyolite domes that have been dated from 200,000 to 300,000 years in age.

The north-south trending Hilton Creek fault zone appears to define the eastern limit of the resurgent dome within the central part of the Long Valley Caldera and extends outside the caldera to the south. Offset along this fault appears to be variable and suggests that fault activity along this zone may be episodic in nature.

Gold and silver mineralization at Long Valley appears to fall under the general classification of an epithermal, low sulfidation-type deposit. Several areas, termed the North, Central, South, Southeast and Hilton Creek zones, on the Long Valley property are mineralized with low grades of gold and silver. The mineralized zones are generally north-south trending, up to 8,000 feet in length with widths ranging from 500 feet to 1,500 feet. The tabular bodies are generally flat-lying or have a shallow easterly dip. Mineralization is typically from 50 to 200 feet thick and, in the South and Southeast zones, is exposed at or very near the surface. The top of the Hilton Creek zone is covered by 20 to 50 feet of alluvium. The majority of the mineralization discovered to date is located in the Hilton Creek zone.

Gold and silver mineralization is quite continuous throughout the zones and is well-defined above a cut-off grade of 0.010 gold ounces per ton. Within the continuous zones of low-grade gold mineralization (above 0.010 gold ounces per ton) are numerous zones of higher grade mineralization above 0.050 gold ounces per ton, particularly in the Hilton Creek zone, which may relate to zones of enhanced structural preparation. Mineralized zones typically correlate with zones of more intense clay alteration or argillization and/or silicification.

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Exploration, Drilling and Resource Estimate

As mentioned above, no physical work such as drilling has been done on the property since Royal Gold turned the property back to Standard in 2000.

The database contains 896 drill holes totaling 268,275 ft of drilling, of which, 800 drill holes totaling 257,545 feet are reverse circulation, 20 drill holes totaling 3,905 feet are core holes and the rest are rotary and air-track holes.

In February 2003, MDA, completed an NI 43-101 third-party mineral resource estimate for Vista Gold on the Long Valley gold project. In January 2008, a NI 43-101 third-party preliminary assessment was completed by MDA for us on the Long Valley gold project (the "Long Valley PA"), by or under the supervision of Neil Prenn and Thomas Dyer of MDA and Deepak Malhotra of RDi, each independent qualified persons within the meaning of NI 43-101, utilizing standard industry software and estimation methodology. Both studies were done under the supervision of Neil Prenn, a qualified person. The results of the Long Valley PA which included an updated mineral resource estimate are summarized in the technical report entitled "Technical Report, Preliminary Assessment, Long Valley Project, Mono County, California, USA" dated January 9, 2008 and the report is available on SEDAR at www.sedar.com.

Based on the report, under SEC Industry Guide 7 guidelines, mineralized material for the Long Valley gold project, above a cut-off grade of 0.010 gold ounces per ton, is estimated at 68,275,700 tons grading 0.018 gold ounces per ton.

Under the CIM Definition Standards, at the same cut-off grade, measured mineral resources are estimated at 26,596,900 tons grading 0.017 gold ounces per ton, indicated mineral resources are estimated at 41,678,800 tons grading 0.018 gold ounces per ton and inferred mineral resources are estimated at 32,913,300 tons grading 0.017 gold ounces per ton See the section heading "Cautionary Note to All Investors Concerning Economic Assessments That Include Inferred Resources" above. Cautionary Note to U.S. Inventors: see the section heading "Cautionary Note to United States Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves" above.

There are no known issues that might affect these estimates of mineralized material or mineral resources.

Sampling and Analysis

Most of the drill-hole samples obtained from the property were from generally dry reverse circulation drilling although, when drilling below the water table, significant flows were encountered. Water was added when drilling dry to improve recovery. A total of 896 drill holes were completed on the property, including 20 core holes.

Little is known of the sampling methods employed prior to 1994; however, sampling methods after 1994 are well documented. After 1993, the samples were collected and bagged at the drill site. The assay lab picked up the samples at the drill site, dried the samples, crushed, split, pulverized, and blended to obtain assay pulps. Most of the assays were completed by fire assay methods with an AA finish. Freeport completed aqua regia dissolution, followed by AA analysis of the samples.
Freeport's samples were analyzed by Monitor Labs, who used acid digestion as the assay method. Battle Mountain used Barringer Laboratories and Bondar-Clegg Laboratories for sample preparation and fire assaying (AA finish) of one-assay-ton pulps. Sampling after 1994 was documented by Royal Gold. The Royal Gold samples were collected by taking a 5-10 pound split of each sample from the drill holes. Sample bags were sealed by the drill crew and not opened until they reached American Assay Labs. A similar procedure was used by Amax, but its samples were analyzed by Chemex Labs.

The first two Royal Gold core samples were collected at the drill site and placed in core boxes for transport to the American Assay Lab's sample preparation facility where they were sawed in half and followed the same procedure as the reverse circulation samples. Samples were either grouped by rock type within five-foot intervals or prepared in five-foot intervals. The remaining Royal Gold core holes were six-inch diameter holes used for metallurgical testing, with the whole core blended together into a single composite. Amax prepared the core for assay by crushing the whole core after logging.

According to MDA, "The Long Valley project has had a considerable amount of check assaying and, as such, MDA concluded that collecting duplicate samples for verification purposes was not warranted."

Sample Security

Samples were sealed in bags at the site and collected by commercial laboratory personnel.

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Preliminary Assessment

As described above, in January 2008, the Long Valley PA was completed for us by MDA.

MDA considered the economic and technical parameters associated with development of the mineral resources within the restraints imposed by the state of California's mining regulations that include a provision that all mined materials not removed from the property be replaced within the perimeter of the excavation. The preliminary assessment evaluated the potential economics of the project assuming that the mineral resources were mined using open-pit mining methods and processed using heap-leach technology. The preliminary assessment contemplates mining activities conducted by the owner using purchased equipment. The study included a process flowsheet based on metallurgical testing conducted over the past ten years under the supervision of previous owners and consisting of cyanide shake leach assays on pulps, bottle roll tests on drill cuttings from numerous reverse-circulation holes and long-term column tests on bulk samples from surface samples and core samples. The metallurgical test work and flowsheet were reviewed and approved for this study by RDi. The flowsheet proposes a lined heap-leach pad to be loaded at a rate of 4,000,000 tons per year of material in 30-foot-high lifts. The material would be crushed to a nominal three-inch size and agglomerated with lime and cement prior to placing on the heap-leach pad. Following application of cyanide leach solutions, the gold would be recovered in carbon columns from which it would be stripped and a gold dore would be produced by electrowinning. After the pit material has been mined, the remaining waste materials would be backfilled into the pit along with the detoxified heap material.

MDA estimated startup capital at $58.8 million and total project capital at $61.8 million. Operating costs including mine closure and heap detoxification are estimated per ton of material mined and processed on a heap leach as follows: mining, $3.54 per ton; processing, $1.96 per ton; cyanide destruction, $0.25 per ton; and general and administrative costs and royalties, $0.89 per ton. Total operating costs are estimated at $6.64 per ton of heap-leach material mined and processed which equates to $415 per ounce of gold recovered. An estimated 535,300 ounces of gold would be produced over an eight-year mine life.

At the base-case gold price of $550 per ounce used in the study, the pre-tax internal rate of return ("IRR") was 12.3%. The mine life is estimated at 8 years and the payback of capital, at the base case gold price of $550, was estimated at just over four years. At a gold price of $800 per ounce, the IRR was 63.2%.

The Long Valley PA includes inferred mineral resources (7% inferred and 93% measured and indicated) that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the Long Valley PA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Cautionary Note to U.S. Investors: see the section heading "Cautionary Note to United States Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves" above. See the section heading "Cautionary Note to All Investors Concerning Economic Assessments that Include Inferred Resources" above.

Federal U.S. income taxes of approximately 35% would be payable on net income. California state income tax is 8.84% on net income and there are probably local property and other taxes; although, at this stage of the project, this has not been considered.

Exploration and Development

Because of other priorities (Paredones Amarillos and Mt. Todd), we have no immediate plans for developing Long Valley, but we may seek a joint-venture partner to assist us in moving this project forward.

Awak Mas

Property Description and Location

In April, 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 our wholly-owned subsidiary 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 us through a contract of work (“CoW”) with the Indonesian government.

On December 28, 2009, we announced that our wholly-owned subsidiary Vista Barbados had signed a joint venture agreement with Pan Asia Resources Corporation (“Pan Asia”) with respect to the development of the Awak Mas gold project. The joint venture with Pan Asia is disclosed in more detail under the section heading “Exploration and Development” below.

CoW

Under the Indonesian Constitution of 1945, the Government of Indonesia has sovereignty over all natural resources. Mining Law No. 11, instituted by the Indonesian Government in 1967, provided that the exploitation of minerals, other than coal, was to be regulated by mining authorities known as Kuasa Pertambangan ("KP") and by a CoW. A KP may be issued only to Indonesian citizens, wholly owned Indonesian companies or partnerships. They have a timeframe and status similar in scope to CoW's.

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Where direct foreign equity is required, a CoW and a CoW holding company must be established. The basic idea underlying the CoW is that the CoW company will be responsible for conducting all stages of operations from prospecting to the marketing of refined minerals as a contractor for and on behalf of the Indonesian Government and bears all risks of exploration. A CoW is project specific and is formerly granted by the President of Indonesia after due process, including negotiation with various government departments on matters such as taxation. The CoW system has evolved through several generations, with the seventh generation now current. Most of the generations changed only in detail rather than in substance (changes to tax regimes, permissible application sizes, etc). Every CoW must be held by a specific Indonesian domiciled PMA company (Penanaman Model Asing). Previously, to establish such a PMA company, usually a maximum of 90% foreign equity was permitted. The foreign investor was further obliged to provide a genuine opportunity for further Indonesian capital participation once commercial production had commenced, with a majority Indonesian shareholding within 15 years of commencement of commercial production. Under the terms of the seventh generation CoW's, 100% foreign ownership is permissable and no divestment to local interests is necessary. The PMA company, which can hold only one CoW, has full control and management of its activities under the CoW and will have full responsibility and assume all risks of the operation. The company is required to employ Indonesian personnel to the maximum extent possible and undertake their training and to endeavor to utilize Indonesian goods and services wherever possible.

Obtaining a CoW is a three step process and is usually very time consuming and expensive. The first step is to file the application. At this stage, the applicant is not entitled to do any work on the property. Work can proceed only on those parts of the property covered by KP's, assuming that the KP owner has an equity interest in the CoW. The second step happens when the CoW is initialed by the Department of Mines. An initialed CoW application is deemed to have precedence over any following CoW lodged over the same area and is generally regarded as having been "Approved in Principle" by the Government of Indonesia and therefore a secure title interest. At this juncture, the foreign company will apply for a SIPP (Surat Izin Penyelidikan Pendahuluan or Permit for Preliminary Survey.) This SIPP provides the foreign company with exploration rights over the CoW application area while the terms of the CoW are being finalized with the Indonesian Government. The SIPP period is usually one year but could be renewed if required. A refundable interest-bearing bond of a minimum of $100,000 must be lodged with the Department of Mines upon granting of the SIPP. A SIPP is not a mining authorization and is not transferable. It can be granted to an Indonesian individual, or an Indonesian company for a foreign company if that party has obtained in principle the approval from the Department of Mines for a Contract of Work for mining in the relevant area. A SIPP, once granted, creates a priority to the holder for the grant of mining authorizations in respect of that area and the area is thereby closed to application from other parties. The holder of a SIPP must pay "deadrent", calculated on the area covered by the SIPP, as well as a security deposit. A SIPP cannot be renewed; however, an application to renew a SIPP in respect of the same area can be granted if the CoW for that area has not been executed. The balance of the SIPP period if not used can be rolled into the first survey period once the CoW is signed.

The third step is the actual granting of the CoW. This occurs when the CoW document is signed by the President. At this point, a refundable and interest bearing performance bond of a variable amount, established by a formula that takes into account the location of the CoW and its size, must be lodged with the Department of Mines. The SIPP bond may be used as all or part of the cash component of the bond, this being a minimum of $100,000. Typically, a bond would be put up in the form of 30% cash and 70% bank guarantee. As an example, a bond of $500,000 would be in the form of $350,000 bank guarantee and $150,000 cash, with the latter incorporating the SIPP bond. A performance bond of $5 per hectare is required, which also incorporates the SIPP bond. The CoW has a specific timetable as follows:

- A SIPP period, usually one year.
- A general survey period, usually one year.

- An exploration period, usually three years.
- A feasibility period, usually one year.
- A construction period, usually three years.
- An operating period, usually 10 to 30 years.

There is a set formula for the gradual relinquishment of areas, down to 25% of the original. There have been two reductions in area: the first by our predecessors and the second by us that we received in March 2009. There are also expenditure requirements based on a minimum amount per square kilometer. Typically, in a fourth generation CoW, these would amount to $450 per square kilometer, higher for subsequent generation CoWs. By negotiation with the Department of Mines, the exploration and feasibility periods may be renewable for up to two periods of one year, providing expenditure is maintained to the satisfaction of the government agencies.

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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. With our announcement of a joint-venture agreement to pursue exploration and development of this project (see heading “Exploration and Development” below), the time frame for the project will likely be a topic of discussion with the Indonesian government.

Under the CoW issued by the Indonesian Government, a royalty is applicable based on gold production from Awak Mas as follows: less than 2,000 kilograms (approximately 64,000 ounces) of gold production per annum: $225 per kilogram of gold. Greater than 2,000 kilograms (approximately 64,000 ounces) of gold production per annum: $235 per kilogram. This royalty, assuming hypothetical production exceeds 64,000 ounces per annum, equates to $7.31 per gold ounce. The Lone Star purchase of a 45% interest in the Awak Mas project from Gasgoyne Gold Mines (“Gasgoyne”) includes a royalty of $10.00 per ounce, payable to Gasgoyne for any production from the project in excess of two million gold ounces.

We applied for a reduction in area, as required, to eliminate the areas where we believe there is low potential to discover economic mineralization. This was the second reduction in area, the previous one done by our predecessors and approval for the area now held under the CoW was received in early 2009 and is shown on the map accompanying this section. With this second reduction in area, we have met the requirements of the CoW pertaining to reduction in area.

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	14,390	Project centered at 12005’ E. Longitude, 3020’ S Latitude	1/19/1998	See description of COW above	Dead Rent US $0.50/Ha and Land Tax US $0.50/Ha	None	Gradual reduction of area to 25% of original.
Totals			14,390				$14,390.00		

Accessibility, Climate, Local Resources, Infrastructure and Physiography

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 3,440 meters above mean sea level. Primary rainforest predominates in the more rugged and inaccessible western portion of the project area, giving way to partially logged and cleared re-growth in lower lying and more accessible portions. Sulawesi is located within a seismically active area and a number of seismic events associated with the Palu and Mantano faults, located within 90 kilometers of the project, have been recorded.

The Awak Mas project lies only 200 kilometers 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 millimeters, with the dryer period extending from July through October. Temperatures during the rainy season generally range between 18 and 27 degrees Celsius