

VISTA GOLD CORP
Form 10-K
March 16, 2010

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

FORM 10-K

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

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

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Act. Yes No

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 No

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 No

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 No

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.

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 Accelerated Filer
Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

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 “Corporation” 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 indicate 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.

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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 Masmino 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		