EXPLORATION LICENCE 25668
MT TODD PROJECT
NORTHERN TERRITORY
AUSTRALIA

ANNUAL REPORT
FOR THE PERIOD ENDED
16th August 2008

Data presented in
GDA 94 Datum

Prepared by:

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Submitted by:

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and Mines - NT Geological Survey
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SUMMARY

EL 25668 is located in the northern portion of the Mount Todd Project area and covers 114.1 square km. The licence is situated approximately 76 km north of the town of Katherine. This annual report documents the work completed on the licence for the period August 17, 2007 to August 16, 2008. EL 25668 was granted to Vista Gold Australia Pty Ltd. by the Northern Territory Government on August 17, 2007. Vista Gold Australia Pty Ltd. is the operator and managing the exploration work.

There was no field work carried out on EL 25668 during Year 1 as work was concentrated on the larger EL 25576 as well as ongoing drilling on the Mount Todd Mineral Leases. Work on EL 25668 covered general research on previous exploration activities.
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INTRODUCTION

The following report describes work completed on EL 25668 during the period 17 August 2007 to 16 August 2008. The licence forms part of the Mt Todd Project.

The licence is centred about 76 km north of Katherine and 240 km southeast of Darwin, Northern Territory. Access is gained via the Stuart Highway, with an eastern turn off 42 km north of Katherine on the Edith Falls road. The licence can also be accessed via the Stuart Highway, with an eastern turn off on the Kakadu Highway, east of Pine Creek.

Vista Gold Corp. signed an agreement on March 1st 2006 with the Northern Territory Government, the administrators of Pegasus Gold and the Jawoyn Association for the purchase of the Mt Todd Gold Mine. The purchase of the mineral leases was finalised on 16th June 2006.

The area surrounding the Mt Todd mineral lease was the subject of a number of mining reserves held by the NT Government. As part of the purchase agreement Vista applied for exploration licences over the mining reserves. This included EL 25668.

The project area contains a significant proportion of the highly prospective Burrell Creek Formation of the Finness River Group.

TENURE

Table 1 lists the details for EL 25668.

<table>
<thead>
<tr>
<th>EL’s</th>
<th>Area (square km)</th>
<th>Grant Date</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL25668</td>
<td>114.1</td>
<td>17/8/2007</td>
<td>16/8/2013</td>
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REGIONAL AND LOCAL GEOLOGY

Regional geology
The Precambrian rocks of the Northern Territory have been divided into two principal orogenic provinces, the North Australian Craton and the Central Australian Mobile Belts. Orogenic domains within the North Australian Craton include the Pine Creek Orogen, the Tanami Region, the Murphy, Tennant and Arnhem Inliers, and the northern Arunta Province.

Historically, the Pine Creek Orogen has been the most prospective region of the Northern Territory (Ahmed et al, 1999). The Orogen extends southeast 260 km from Darwin to Katherine and east from Darwin to 130 km northeast of Jabiru. The Mount Todd Project lies in the southern end of the Central Region of the Pine Creek Orogen.

The Pine Creek Orogen has had a long and complex history of sedimentation, deformation, metamorphism and plutonism. It comprises an alternating sequence psammitic and pelitic rocks with minor carbonate and volcanic rock. The age of the sequence is constrained between 2470 and 1870 Ma (Page et al 1980). Regional metamorphism grades range from sub-greenschist facies in the Central Region to upper amphibolites facies along the western and eastern margins.

There are over 250 gold occurrences and two operating gold mines in the Pine Creek Orogen region.

Local geology
The oldest lithostratigraphic units exposed within the exploration licences are those of the Finniss River Group which includes the Burrell Creek and Tollis Formations (Poxon et al 1994).

The Burrell Creek Formation represents a turbidite sequence deposited in a deep-water, high energy environment. This unit consists of greywacke, siltstone and shales with minor volcanoclastic beds. The Burrell Creek Formation covers approximately 75% of the Mount Todd Project area (approximately 900 square km). It is also one of the most prospective in the Pine Creek Orogen, hosting a significant proportion of gold occurrences.

The Tollis Formation which unconformably overlies the Burrell Creek Formation, comprises alternating greywacke, mudstone, banded ironstone tuff and minor conglomerate and volcanic rocks. The Tollis Formation covers approximately 80 square kilometers in the southern portion of the property, primarily located within EL 25670. It also outcrops in the central project area near Wolfram Hill.

Overlying the Finniss River Group, are the sediments and volcanic of the Edith River Group. These overly the Tollis Formation in the southern portion of the project area. The Phillips Creek Sandstone and the Plum Tree Creek Volcanics represent a relatively small area within the EL’s (6 square km).

These older rocks are intruded and extensively contact metamorphosed by the Cullen Batholith granitoids. The batholith is restricted to the western edge of the project area, however, late leucogranites such as the Mount Davis Granite and the Wolfram Hill Granite are located east of the main batholith. Both granites intrude Finniss River Group sediments.
EXPLORATION COMPLETED

There was no field work carried out on EL 25668 during Year 1 as work was concentrated on the larger EL 25576 as well as ongoing drilling on the Mount Todd Mineral Leases. Work on EL 25668 covered general research on previous exploration activities.

RESULTS

There are no exploration results to report in respect of EL 25668.

EXPLORATION EXPENDITURE

Work on EL 25668 covered general research on previous exploration activities, there was no field work conducted on the EL.

Table 2: 2007/08 Expenditure

<table>
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<th>Tenement</th>
<th>Expenditure</th>
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<tr>
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WORK PROGRAM PROPOSED FOR 2008/2009

The proposed exploration costs for EL 25668 for 2008/2009 are set out below:

Table 3: Proposed 2008/09 Expenditure

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Expenditure</th>
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<tbody>
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