EXPLORATION LICENCE 25668
MT TODD PROJECT
NORTHERN TERRITORY
AUSTRALIA

ANNUAL REPORT
FOR THE PERIOD ENDED
17th August 2009

Data presented in
GDA 94 Datum

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Vista Gold Australia Pty.

Submitted by:

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Vista Library

September 2009
EL 25668 is situated approximately 40 km east of the town of Pine Creek. This annual report documents the work completed on EL 25668 for the period August 17, 2008 to August 16, 2009. EL 25668 is the northernmost licence in the Vista Gold tenement package on the Mt Todd project. The southern boundary of EL 25668 adjoins EL 25669. EL 25668 is 35Km long by 800m wide, the eastern end thickens to 6Km with a total area of 114 square Km. The licence hosts the Australus soil anomaly and the northernmost strike extension of the Cullen-Australis structural corridor. The licence was originally granted on 17 August 2007 for a period of six (6) years. Vista Gold Australia Pty Ltd. is the operator and manager of the exploration work.

Work on the project during the Reporting Year included structural interpretation, converting and loading historic data into mapinfo format and investigation of previous mineral occurrences.
Table of Contents

1. Introduction

2. Tenure
   Tenure history

3. Regional and local Geology
   Regional geology
   Local geology

4. Exploration Completed

5. Exploration Expenditure

6. Work Program Proposed for Year 3

Figures

Figure 1  General Location
Figure 2  EL 25668 Location
Figure 3  Imagery of EL 25668

Tables

Table 1:  Licence Details
Table 2:  Tenure History
Table 3:  EL – Year 2 Expenditure
Table 4:  EL – Proposed Year 3 Expenditure
INTRODUCTION

The following report describes work completed on the exploration licence EL 25668 of the Mt Todd Project during the period 17 August 2008 to 17 August 2009.

This licence is centered about 40 km east of Pine Creek and 230 km southeast of Darwin, Northern Territory. Access is gained via the Stuart Highway, with an eastern turn off onto the Kakadu Highway at Pine Creek then a southerly track down through the old Moline access tracks.

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 finalized on 15th June 2006.

The area surrounding the Mt Todd mineral leases was the subject of a number of mining reserves held by the NT government. As part of the purchase agreement Vista applied for exploration licenses over the mining reserves, EL 25668 is one of the licences within this package.

The project area contains the highly prospective Burrell Creek Formation of the Finnis River Group and hosts the Northern strike extension of the Cullen - Australia structural corridor.

TENURE

Table 1 lists details of EL 25668 comprising a portion of the Mount Todd Project.

<table>
<thead>
<tr>
<th>EL</th>
<th>Area (Square Km)</th>
<th>Grant Date</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL25668</td>
<td>152.1</td>
<td>17/09/2007</td>
<td>16/09/2013</td>
</tr>
</tbody>
</table>
TENURE HISTORY

Table 2 lists Tenure history of the Mt Todd Project.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>October 1986 – January 1987: Conceptual Studies, Australia Gold PTY LTD (Billiton); Regional Screening (Higgins), Ground Acquisition by Zapopan N.L.</td>
</tr>
<tr>
<td>1987</td>
<td>February: Joint Venture finalized between Zapopan and Billiton. Geological Reconnaissance, Regional BCL, stream sediment sampling. October: Follow-up BCL stream sediment sampling, rock chip sampling and geological mapping (Geonorth)</td>
</tr>
<tr>
<td>1988</td>
<td>Feb-March: Data reassessment (Truelove), March-April: Gridding, BCL grid soil sampling, grid based rock chip sampling and geological mapping (Truelove). May: Percussion drilling Batman (Truelove) - (BP1-17, 1475m percussion), May-June: Follow-up BCL soil and rock chip sampling (Ruxton, Mackay), July: Percussion drilling Robin (Truelove, Mackay) - RP1-14, (1584m percussion)</td>
</tr>
<tr>
<td></td>
<td>July-Dec: Batman diamond, percussion and RC drilling (Kenny, Wegmann, Fucenecceo) - BP18-70, (6263m percussion); BD1-71, (8562m Diamond); BP71-100, (3065m R.C.)</td>
</tr>
<tr>
<td>1989</td>
<td>Feb-June: Batman diamond and RC drilling: BD72-85 (5060m diamond); BP101-208, (8072m RC), Penguin, Regatta, Golf, Tollis Reef Exploration Drilling: PP1-8, PD1, RGP132, GP1-8, BP108, TP1-7 (2022m diamond, 3090m RC); TR1-159 (501m RAB), June: Mining lease application (MLA’s 1070, 1071) lodged. July-Dec: Resource Estimates; mining-related studies; Batman EM-drilling: BD12, BD8690 (1375m diamond); RC pre-collars and HW drilling, BP209-220 (1320m RC); Exploration EM and exploration drilling: Tollis, Quigleys, TP9, TD1, QP1-3, QD1-4 (1141 diamond, 278m RC); Negative Exploration Tailings Dam: EI-16 (318m RC); DR1-144 (701 RAB) (Kenny, Wegmann, Fucenecceo, Gibbs)</td>
</tr>
<tr>
<td>1990</td>
<td>Jan-March: Pre-feasibility related studies; Batman Inclined Infill RC drilling: BP222-239 (2370m RC); Tollis RC drilling, TP10-25 (1080m RC). (Kenny, Wegmann, Fucenecceo, Gibbs)</td>
</tr>
<tr>
<td>1993 - 1997</td>
<td>Pegasus Gold Australia Pty Ltd reported investing more than US$200 million in the development of the Mt Todd mine and operated it from 1993 to 1997, when the project closed as a result of technical difficulties and low gold prices. The deed administrators were appointed in 1997 and sold the mine in March 1999 to a joint venture comprised of Multiplex Resources Pty Ltd and General Gold Resources Ltd.</td>
</tr>
<tr>
<td>1999 - 2000</td>
<td>March - June: Operated by a joint venture comprised of Multiplex Resources Pty Ltd and General Gold Resources Ltd. Operations ceased in July 2000, Pegasus, through the Deed Administrators, regained possession of various parts of the mine assets in order to recoup the balance of purchase price owed it. Most of the equipment was sold in June 2001 and removed from the mine. The tailings facility and raw water facilities still remain at the site.</td>
</tr>
<tr>
<td>2000 – 2006</td>
<td>Ferrier Hodgson (the Deed Administrators), Pegasus Gold Australia Pty Ltd; the government of the NT; and the Jawoyn Association Aboriginal Corporation (JAAC) held the property.</td>
</tr>
<tr>
<td>2006</td>
<td>March to Present: Vista Gold Corp. acquires concession rights from the Deed Administrators.</td>
</tr>
</tbody>
</table>
Figure 1: General Location

Mount Todd Gold Project
Figure 2  EL 25668 Location
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

EL 25668 hosts lithostratigraphic units exposed of the Finniss River Group which includes the Burrell Creek and Tollis Formations (Poxon et al 1994). EL 25668 is comprised entirely of the Burrell Creek formation.

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 including the Batman deposit.

There are many historic named mineral occurrences within EL 25668 with low sulphidation Qtz veining, placer style Au occurrences and “vein style” Pb, Zn, Ag, Cu historic workings.

EXPLORATION COMPLETED

Vista Gold Corp. has embarked on a major exploration program at the Mt Todd Project, work to date has involved field trips to investigate historic mineral occurrences and compilation of all available data within EL 25668 and the purchase of detailed satellite imagery for all EL’s within Vista's tenement package.

RESULTS

Investigation and field trips have identified two main areas of interest:

- Rock Scorpion, Placer gold
- Mt Davis Group Cu, Pb, Zn Ag vein mineralisation

The Mt Davis group encompasses some 22 vein-style prospects of a similar nature to Silver Splay, a known occurrence on EL 25576, some 17 Km to the South. There appears to have been no recent work examining the significance of the Cu, Pb, Ag mineralisation and no genetic model for their formation has been forthcoming. Silver Splay has returned up to 2 g/t Au and hence is considered a target of significance for Vista Gold. Work on the Mt Davis group will be dependent on what can be learned from the upcoming work on Silver Splay.

Rock Scorpion alluvials are of interest as the source of the alluvial gold is yet to be identified, regolith mapping and possible soil work will be undertaken to determine if the source lies to the north east (as suspected)
EXPLORATION EXPENDITURE

The majority of expenditure incurred on EL 25668 was related to target ranking, remote sensing and preliminary field visits. As a result, detailed mapping rock chip sampling and possible drilling (on the Mt Davis group) is planned for the upcoming year. Proposed expenditure for the 2010 field season is $30,000.

Table 3: Year 2 Expenditure

<table>
<thead>
<tr>
<th>Exploration Lease</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 25668</td>
<td>$24,173.08</td>
</tr>
</tbody>
</table>

WORK PROGRAMME PROPOSED FOR YEAR 3

Proposed work will involve mapping, soil sampling and possible drilling on selected targets within the Mt Davis group. Further work will be undertaken to investigate the prospectivity of other areas within EL 25668.

Table 4: Proposed Year 3 Expenditure

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 25668</td>
<td>$30,000</td>
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