

**EXPLORATION LICENCE 25668
MT TODD PROJECT
NORTHERN TERRITORY
AUSTRALIA**

**ANNUAL REPORT
FOR THE PERIOD ENDED
17th August 2010**

*Data presented in
GDA 94 Datum*

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SUMMARY

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, 2009 to August 16, 2010. 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, mapping and rock-chip sampling, planning reconnaissance soils programs and the processing of ALOS satellite imagery.

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INTRODUCTION

The following report describes work completed on the Exploration Licence 25668 within the Mt Todd Project during the period 17 August 2009 to 16 August 2010.

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 1: Licence Details

EL	Area (Square Km)	Grant Date	Expiry Date
EL25668	152.1	17/09/2007	16/09/2013

TENURE HISTORY

Table 2 lists Tenure history of the Mt Todd Project.

TABLE 2 : PROPERTY HISTORY VISTA GOLD CORP. – MT TODD GOLD PROJECT June 2009	
<u>1986</u> October 1986 – January 1987:	Conceptual Studies, Australia Gold PTY LTD (Billiton); Regional Screening; (Higgins), Ground Acquisition by Zapopan N.L.
<u>1987</u> February: June-July: October:	Joint Venture finalized between Zapopan and Billiton. Geological Reconnaissance, Regional BCL, stream sediment sampling. Follow-up BCL stream sediment sampling, rock chip sampling and geological mapping (Geonorth)
<u>1988</u> Feb-March: March-April: May: May-June: July: July-Dec:	Data reassessment (Truelove) Gridding, BCL grid soil sampling, grid based rock chip sampling and geological mapping (Truelove) Percussion drilling Batman (Truelove) - (BP1-17, 1475m percussion) Follow-up BCL soil and rock chip sampling (Ruxton, Mackay) Percussion drilling Robin (Truelove, Mackay) - RP1-14, (1584m percussion) Batman diamond, percussion and RC drilling (Kenny, Wegmann, Fuccenecco) - BP18-70, (6263m percussion); BD1-71, (8562m Diamond); BP71-100, (3065m R.C.)
<u>1989</u> Feb-June: June: July-Dec:	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 (202m diamond, 3090m RC); TR1-159 (501m RAB). Mining lease application (MLA's 1070, 1071) lodged. Resource Estimates; mining-related studies; Batman EM-drilling: BD12, BD8690 (1375m diamond); RC pre-collars and H/W 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: E1-16 (318m RC); DR1-144 (701. RAB) (Kenny, Wegmann, Fuccenecco, Gibbs).
<u>1990</u> Jan-March:	Pre-feasibility related studies; Batman Inclined Infill RC drilling: BP222-239 (2370m RC); Tollis RC drilling, TP10-25 (1080m RC). (Kenny, Wegmann, Fuccenecco, Gibbs)
<u>1993 - 1997</u> Pegasus Gold Australia Pty Ltd.	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.
<u>1999 - 2000</u> 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.
<u>2000 – 2006</u>	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.
<u>2006</u> March to Present	Vista Gold Corp. acquires concession rights from the Deed Administrators.

Figure 1: General Location

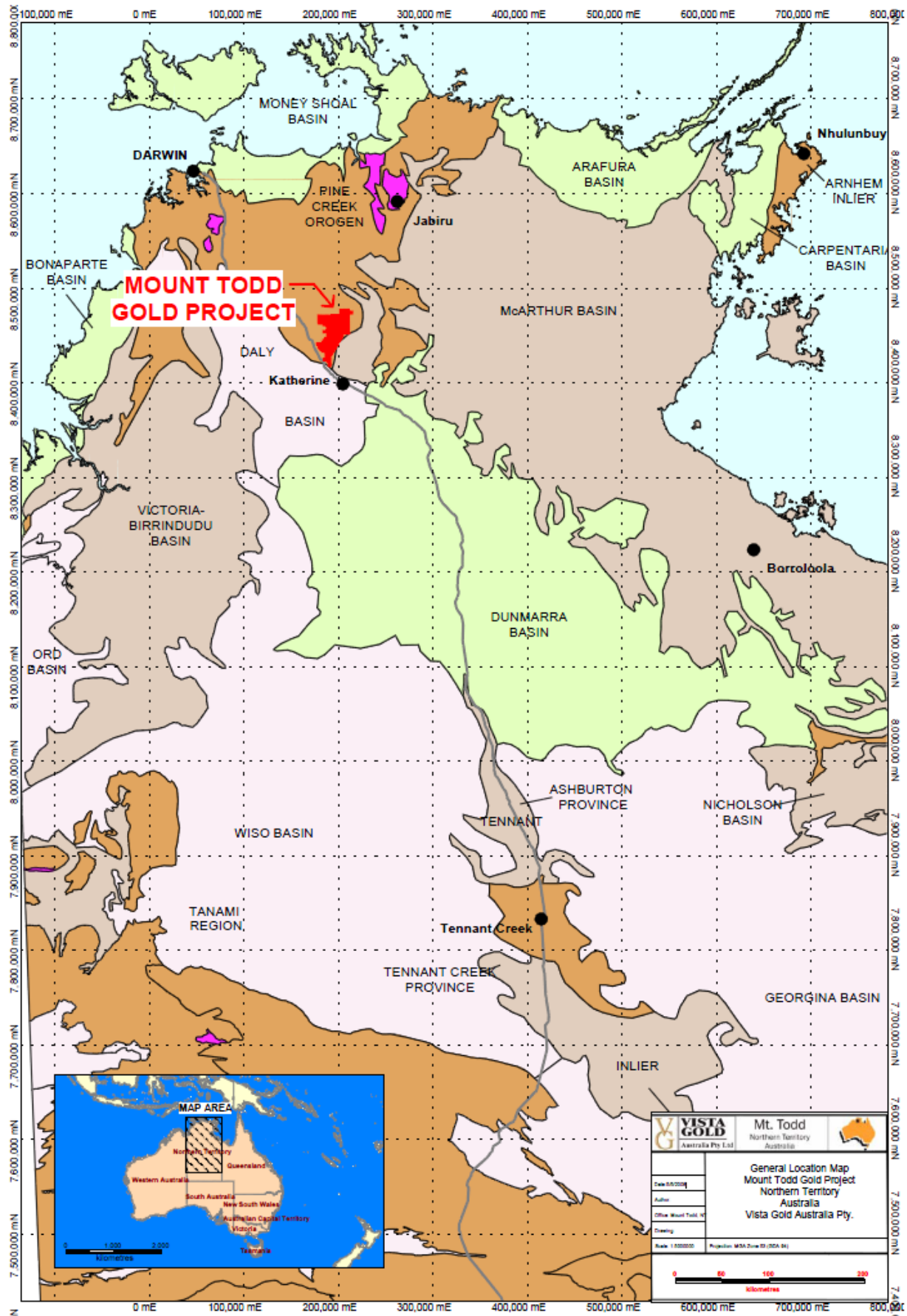


Figure 2 EL 25668 Location

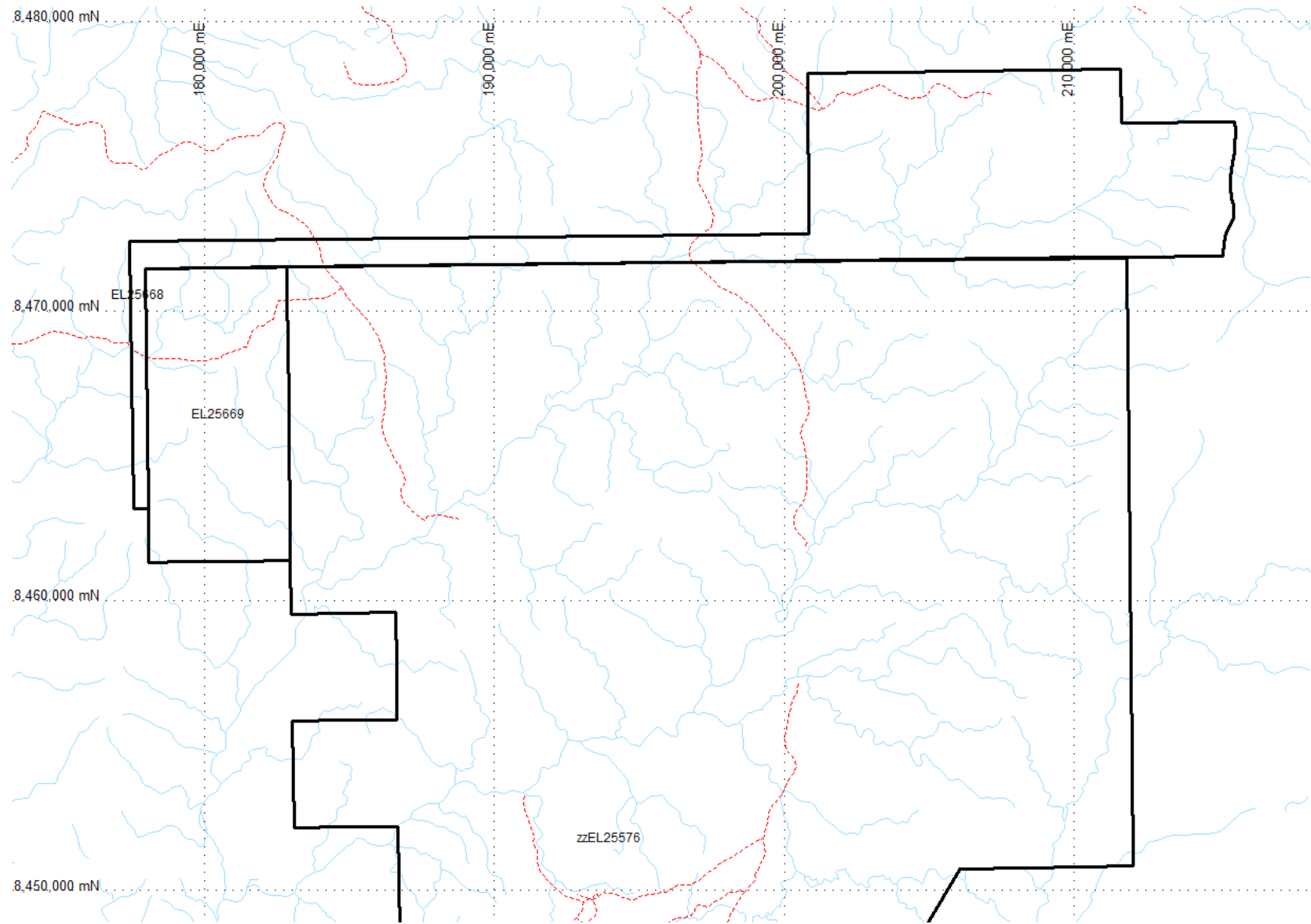
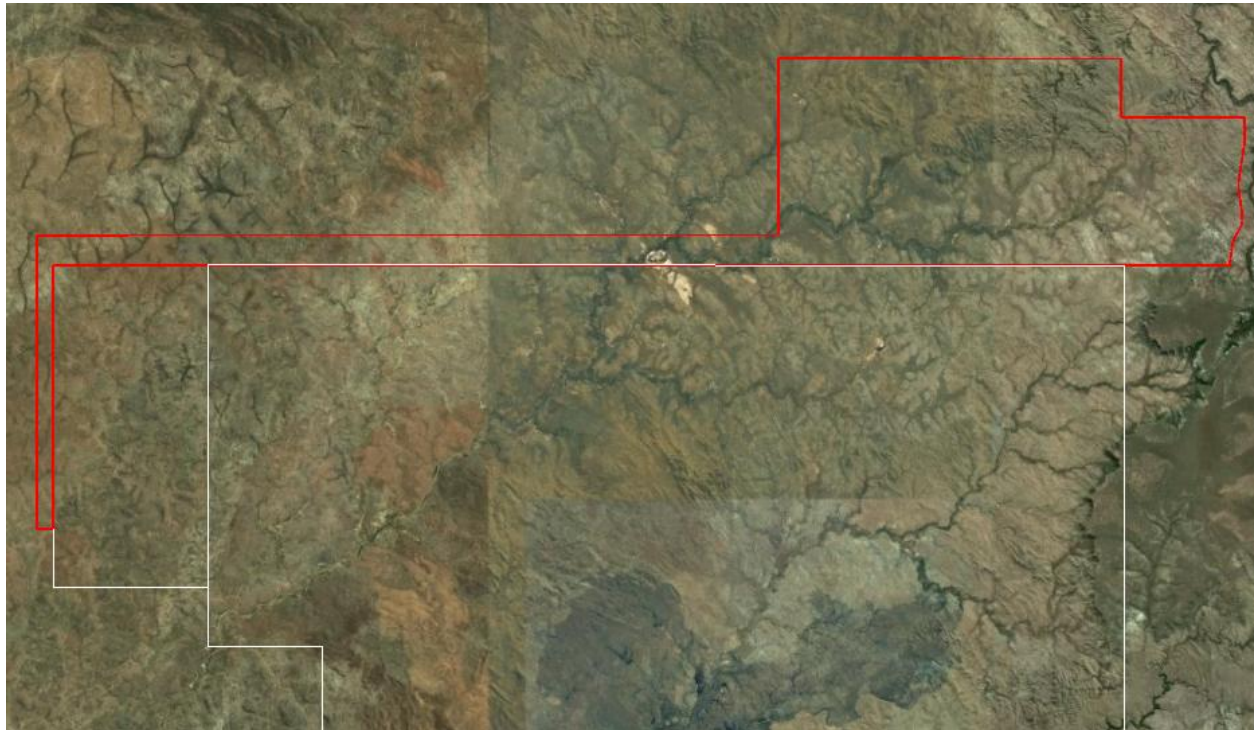


Figure 3 Imagery of EL 25668



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 Finnis 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, field mapping, rock-chip sampling and processing of detailed satellite imagery/previous sampling data on EL 25668.

RESULTS

Investigation and field trips have identified four main areas of interest, two new areas identified as being of interest to Vista this field season:

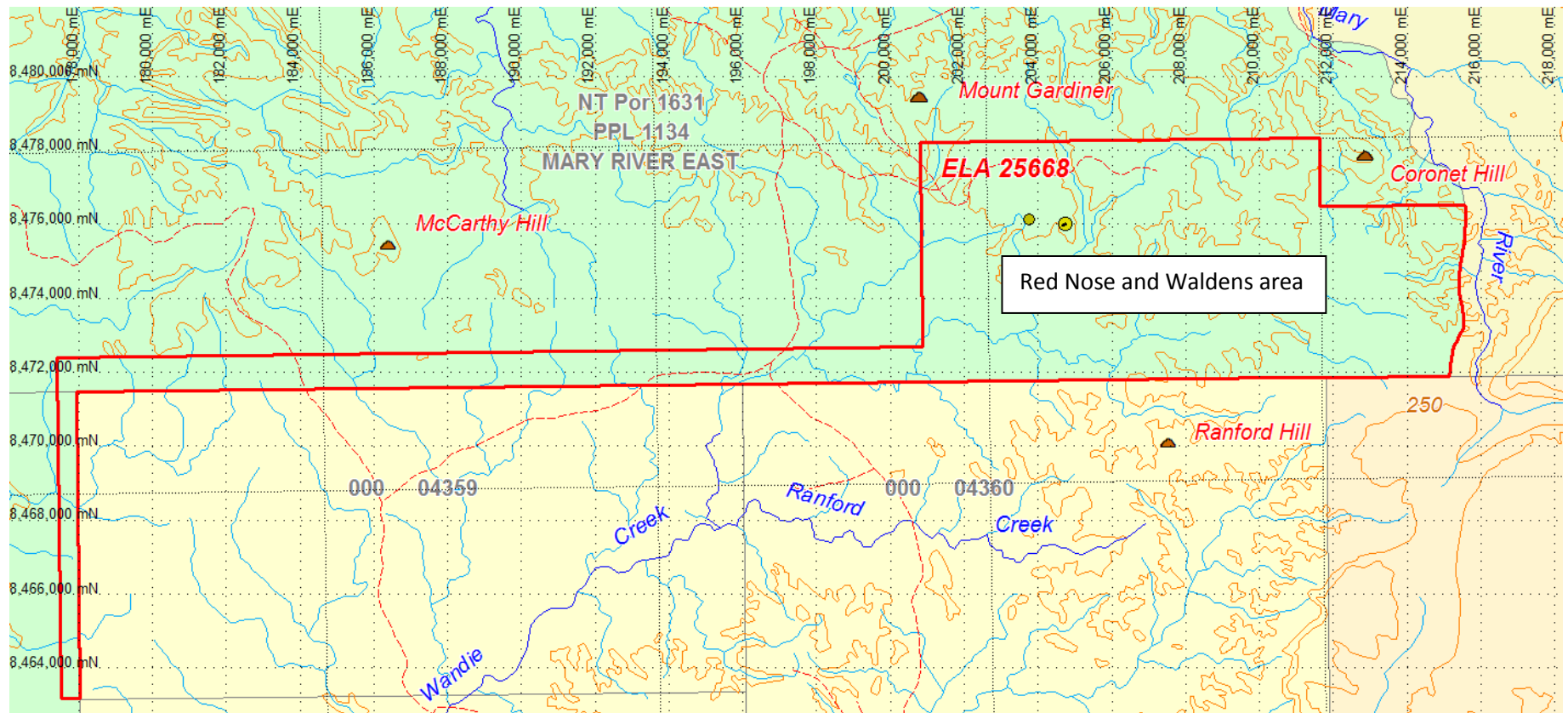
Rock Scorpion,	Placer gold
Mt Davis Group	Cu, Pb, Zn Ag vein mineralisation
Red Nose Area	Brecciated Greywacke with Quartz and Sulphide boxworks
Waldens SE	Cu, Pb, Zn Ag vein mineralisation

Vista Gold has continued the study of Cu, Pb, Zn, Ag Vein - style prospects of a similar nature to Silver Spray, which is located within EL 25576. New areas have been identified on EL 25576 and Mt Davis represents a similar style of mineralisation, drilling is planned on Silver Spray and further work is to be undertaken on Mt Davis.

During mapping of EL 25668 a new area of interest was defined and named Red Nose, 5 grab samples were taken from this area with a peak Au value of 0.3 g/t Au and 2,918 ppm Cu. A further sample from SE Waldens was taken which has returned 0.05 g/t Au, 1,156 ppm Cu and 6,703 Bi.

Mapping has highlighted zones of boxworked greywackes with quartz veining that warrants further work.

Figure 4 Location of Grab samples



Sample locations depicted as green dots just above area name.

EXPLORATION EXPENDITURE

The majority of expenditure incurred on EL 25668 was related to field work, mapping and sampling.

Table 3: Year 3 Expenditure

Exploration Lease	Expenditure
EL 25668	\$33,641.70

WORK PROGRAMME PROPOSED FOR YEAR 4

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 4 Expenditure

Tenement	Expenditure
EL 25668	\$40,000