

VISTA GOLD CORP  
Form 10-Q  
May 06, 2009  
Table of Contents

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2009

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-09025

**VISTA GOLD CORP.**

(Exact name of registrant as specified in its charter)

**Continued under the laws of the Yukon Territory, Canada**  
(State or other jurisdiction of incorporation or organization)

**None**  
(IRS Employer Identification No.)

**7961 Shaffer Parkway  
Suite 5  
Littleton, Colorado**

**80127**

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(Address of principal executive offices)

(Zip Code)

(720) 981-1185

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has 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 the 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 (§232.405 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  Not applicable

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company 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 Exchange Act): Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 34,475,829

Common Shares, without par value, outstanding at May 6, 2009

Table of Contents

**VISTA GOLD CORP.**

(An Exploration Stage Enterprise)

**FORM 10-Q**

For the Quarter Ended March 31, 2009

**INDEX**

|   | <b>Page</b> |
|---|-------------|
| <b><u>PART I FINANCIAL INFORMATION</u></b>  |             |
| <u>ITEM 1.</u> <u>FINANCIAL STATEMENTS (Unaudited)</u>  | 1           |
| <u>ITEM 2.</u> <u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u> | 16          |
| <u>ITEM 3.</u> <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>                            | 22          |
| <u>ITEM 4.</u> <u>CONTROLS AND PROCEDURES</u>   | 23          |
| <b><u>PART II OTHER INFORMATION</u></b>   |             |
| <u>ITEM 1.</u> <u>LEGAL PROCEEDINGS</u>   | 23          |
| <u>ITEM 1A.</u> <u>RISK FACTORS</u>   | 23          |
| <u>ITEM 2.</u> <u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>                           | 23          |
| <u>ITEM 3.</u> <u>DEFAULTS UPON SENIOR SECURITIES</u>   | 23          |
| <u>ITEM 4.</u> <u>SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS</u>                                   | 24          |
| <u>ITEM 5.</u> <u>OTHER INFORMATION</u>   | 24          |
| <u>ITEM 6.</u> <u>EXHIBITS</u>  | 25          |
| <b><u>SIGNATURES</u></b>  |             |
|   | 25          |

In this Report, unless otherwise indicated, all dollar amounts are expressed in United States dollars.



Table of Contents

**PART I FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**



## VISTA GOLD CORP. (An Exploration Stage Enterprise)

## CONSOLIDATED BALANCE SHEETS - UNAUDITED

| (U.S. dollars in thousands)   | March 31,<br>2009 | December 31,<br>2008 |
|---|-------------------|----------------------|
| <b>Assets:</b>  |                   |                      |
| Cash and cash equivalents - Note 7  | \$ 10,982         | \$ 13,266            |
| Marketable securities - Note 4  | 9,406             | 8,153                |
| Accounts receivable   | 120               | 127                  |
| Prepays and other   | 431               | 466                  |
| Current assets  | 20,939            | 22,012               |
| Mineral properties - Note 5   | 32,162            | 30,407               |
| Amayapampa disposal consideration - Note 3  | 4,813             | 4,813                |
| Property, plant and equipment - Note 6  | 18,690            | 18,533               |
|   | 55,665            | 53,753               |
| Total assets  | \$ 76,604         | \$ 75,765            |
| <b>Liabilities and Shareholders Equity:</b>   |                   |                      |
| Accounts payable  | \$ 177            | \$ 803               |
| Accrued liabilities and other   | 1,403             | 803                  |
| Current liabilities   | 1,580             | 803                  |
| Convertible notes - Note 7  | 24,098            | 23,496               |
| Other long-term liabilities   | 228               | 228                  |
| Total liabilities   | 25,906            | 24,527               |
| Capital stock, no par value:  |                   |                      |
| Common - unlimited shares authorized; shares outstanding: 2009 - 34,475,829 and 2008 34,475,829 | 225,098           | 225,098              |
| Warrants  | 336               | 336                  |
| Options - Note 8  | 4,717             | 4,634                |
| Contributed surplus - Note 9  | 1,463             | 1,387                |
| Equity component of convertible notes - Note 7  | 6,298             | 6,298                |
| Accumulated other comprehensive income - Note 10  | 5,783             | 4,602                |
| Deficit - Note 2  | (192,997)         | (191,117)            |
| Total shareholders' equity  | 50,698            | 51,238               |
| Total liabilities and shareholders' equity  | \$ 76,604         | \$ 75,765            |

Subsequent events - Note 15

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**VISTA GOLD CORP. (An Exploration Stage Enterprise)****CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS - UNAUDITED**

| (U.S. dollars in thousands, except share data)                             | Three Months Ended March 31, |                   | Cumulative         |
|--|------------------------------|-------------------|--------------------|
|  | 2009                         | 2008              | during             |
|  |                              | (restated         | Exploration        |
|  |                              | note 2)           | Stage              |
| <b>Income:</b>   |                              |                   |                    |
| Interest income  | \$ 28                        | \$ 109            | \$ 2,556           |
| Other income   | 2                            | 3                 | 244                |
| Total other income   | \$ 30                        | \$ 112            | \$ 2,800           |
| <b>Costs and expenses:</b>   |                              |                   |                    |
| Exploration, property evaluation and holding costs                         | \$ (333)                     | \$ (246)          | \$ (3,171)         |
| Corporate administration and investor relations                            | (1,012)                      | (1,287)           | (20,957)           |
| Costs of Arrangement   |                              |                   | (2,901)            |
| Depreciation and amortization  | (52)                         | (39)              | (422)              |
| Gain/(loss) on currency translation  | (23)                         | (7)               | (416)              |
| Interest expense   | (579)                        | (184)             | (2,583)            |
| Write-down of marketable securities Note 4                                 | (112)                        |                   | (838)              |
| Gain/(loss) on disposal of marketable securities                           | (7)                          | 21                | 226                |
| Total costs and expenses   | (2,118)                      | (1,742)           | (31,062)           |
| Loss from continuing operations before income taxes                        | \$ (2,088)                   | \$ (1,630)        | \$ (28,262)        |
| Income tax benefit/(expense)   | 208                          | (272)             | 1,020              |
| Loss from continuing operations after income taxes                         | \$ (1,880)                   | \$ (1,902)        | \$ (27,242)        |
| Loss from discontinued operations  | \$                           | \$ (221)          | \$ (16,879)        |
| <b>Net loss</b>  | <b>\$ (1,880)</b>            | <b>\$ (2,123)</b> | <b>\$ (44,121)</b> |
| <b>Other comprehensive income:</b>   |                              |                   |                    |
| Unrealized fair-value increase/(decrease) of available-for-sale securities | 1,176                        | (1,523)           |                    |
| Realized (gain)/loss on available-for-sale securities                      | 5                            | (18)              |                    |
| Comprehensive loss   | \$ (699)                     | \$ (3,664)        |                    |
| Weighted average number of shares outstanding                              | 34,475,829                   | 34,002,312        |                    |
| Basic and diluted loss per share from continuing operations                | \$ (0.05)                    | \$ (0.06)         |                    |
| Basic and diluted loss per share   | \$ (0.05)                    | \$ (0.06)         |                    |

The accompanying notes are an integral part of these consolidated financial statements.



Table of Contents

**VISTA GOLD CORP. (An Exploration Stage Enterprise)**

**CONSOLIDATED STATEMENTS OF DEFICIT - UNAUDITED**

| (U.S. dollars in thousands)  | Three Months Ended March 31, |                             |
|------------------------------|------------------------------|-----------------------------|
|                              | 2009                         | 2008<br>(restated - note 2) |
| Deficit, beginning of period | \$ (191,117)                 | \$ (181,144)                |
| Net loss                     | (1,880)                      | (2,123)                     |
| Deficit, end of period       | \$ (192,997)                 | \$ (183,267)                |

*The accompanying notes are an integral part of these consolidated financial statements.*

Table of Contents**VISTA GOLD CORP. (An Exploration Stage Enterprise)****CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED**

| (U.S. dollars in thousands)   | Three Months Ended March 31, |                 | Cumulative      |
|---|------------------------------|-----------------|-----------------|
|   | 2009                         | 2008            | during          |
|   |                              | (restated       | Exploration     |
|   |                              | Note 2)         | Stage           |
| <b>Cash flows from operating activities:</b>  |                              |                 |                 |
| Loss for the period - continuing operations   | \$ (1,880)                   | \$ (1,902)      | \$ (27,242)     |
| <b>Adjustments to reconcile loss for the period to cash provided by / (used in) operations:</b> |                              |                 |                 |
| Depreciation and amortization   | 52                           | 39              | 445             |
| Stock-based compensation  | 125                          | 296             | 5,944           |
| (Gain)/loss on disposal of marketable securities  | 7                            | (21)            | (488)           |
| Future income tax (benefit)/expense   | (208)                        | 272             | (1,020)         |
| Accretion of convertible notes  | 260                          | 81              | 1,098           |
| Accrued interest  | 319                          | 104             | 1,487           |
| Write-down of marketable securities   | 112                          |                 | 838             |
| Other non-cash items  |                              |                 | 1,660           |
| <b>Change in operating assets and liabilities:</b>  |                              |                 |                 |
| Accounts receivable   | 7                            | (5)             | (518)           |
| Interest paid   |                              |                 | (2,342)         |
| Prepays and other   | 35                           | 43              | (251)           |
| Accounts payable, accrued liabilities and other   | (11)                         | (114)           | (892)           |
| <b>Net cash used in operating activities</b>  | <b>(1,182)</b>               | <b>(1,207)</b>  | <b>(21,281)</b> |
| <b>Cash flows from investing activities:</b>  |                              |                 |                 |
| Acquisition of marketable securities  |                              | (26)            | (1,026)         |
| Proceeds from sale of marketable securities   | 18                           | 58              | 1,107           |
| Additions to mineral properties, net of cost recoveries - Note 5                                | (911)                        | (1,385)         | (21,301)        |
| Acquisition of mineral property   |                              | (452)           | (3,332)         |
| Additions to plant and equipment - Note 6   | (209)                        | (16,308)        | (18,851)        |
| Proceeds on disposal of plant and equipment   |                              |                 | 52              |
| Cash transferred to Allied Nevada Gold Corp., net of receivable                                 |                              |                 | (24,517)        |
| <b>Net cash used in investing activities</b>  | <b>(1,102)</b>               | <b>(18,113)</b> | <b>(67,868)</b> |
| <b>Cash flows from financing activities:</b>  |                              |                 |                 |
| Net proceeds from equity financings   |                              |                 | 54,409          |
| Proceeds from exercise of warrants  |                              | 2,941           | 39,020          |
| Proceeds from exercise of stock options   |                              | 69              | 2,794           |
| Issuance of convertible notes, net of issuance costs - Note 7                                   |                              | 28,534          | 28,345          |
| Prepaid transaction costs   |                              |                 | (1,841)         |
| <b>Net cash provided by financing activities</b>  |                              | <b>31,544</b>   | <b>122,727</b>  |
| Net increase/(decrease) in cash and cash equivalents - continuing operations                    | (2,284)                      | 12,224          | 33,578          |
| Net decrease in cash and cash equivalents - discontinued operations                             |                              | (221)           | (23,270)        |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                     | <b>(2,284)</b>               | <b>12,003</b>   | <b>10,308</b>   |

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|   |                  |                  |                  |
|---|------------------|------------------|------------------|
| Cash and cash equivalents, beginning of period  | 13,266           | 16,686           | 674              |
| <b>Cash and cash equivalents, end of period</b> | <b>\$ 10,982</b> | <b>\$ 28,689</b> | <b>\$ 10,982</b> |
| Supplemental cash flow information - Note 12    |                  |                  |                  |

*The accompanying notes are an integral part of these consolidated financial statements.*

Table of Contents

**VISTA GOLD CORP. (AN EXPLORATION STAGE ENTERPRISE)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED**

*(U.S. dollars unless specified otherwise)*

1. *General*

The consolidated interim financial statements of Vista Gold Corp. (an Exploration Stage Enterprise) (the Corporation), as of March 31, 2009 have been prepared by the Corporation without audit and do not include all of the disclosures required by generally accepted accounting principles in Canada for annual financial statements. As described in Note 14, generally accepted accounting principles in Canada differ in certain material respects from generally accepted accounting principles in the United States. In the opinion of management, all of the adjustments necessary to fairly present the interim financial information set forth herein have been made. These adjustments are of a normal and recurring nature. The results of operations for interim periods are not necessarily indicative of the operating results of a full year or of future years. These interim financial statements should be read in conjunction with the financial statements and related footnotes included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008, as amended.

2. *Nature of operations and changes in accounting policies*

*Nature of operations*

The Corporation evaluates, acquires and explores gold exploration and potential development projects. As such, the Corporation is considered an Exploration Stage Enterprise. The Corporation's 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 gold mineralization. In addition, the Corporation looks for opportunities to improve the value of its gold projects through exploration drilling, and/or reengineering the operating assumptions underlying previous engineering work.

In 2007, the Board of Directors and management reevaluated the corporate strategy regarding the development of the Corporation's more advanced projects. As a result of this reevaluation, the Corporation has begun moving its more advanced projects through advanced and pre-feasibility studies in preparation for mine development so that production decisions can be made on those projects.

Although the Corporation has reviewed and is satisfied with the title for all mineral properties in which it has a material interest, there is no guarantee that title to such concessions will not be challenged or impugned.

*Changes in accounting policies*

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Effective September 30, 2008, the Corporation adopted the Emerging Issues Committee Abstract 172 ( EIC 172 ), Income Statement Presentation of a Tax Loss Carryforward Recognized Following an Unrealized Gain in Other Comprehensive Income. EIC 172 provides guidance on whether the tax benefit from the recognition of previously unrecognized tax loss carryforwards consequent to the recording of unrealized gains in other comprehensive income, such as unrealized gains on available-for-sale financial assets, should be recognized in net income or in other comprehensive income. EIC 172 should be applied retrospectively, with restatement of prior periods from January 1, 2007, the date of adoption of the Canadian Institute of Chartered Accountants ( CICA ) Section 3855, Financial Instruments Recognition and Measurement.

The adoption of EIC 172 resulted in a reclassification of \$1,132,000 of income tax recovery from the accumulated other comprehensive income balance to the accumulated deficit as of December 31, 2007. It also increased the Corporation's three-month loss for the period ended March 31, 2008 by \$272,000.

In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets , which replaces Section 3062, Goodwill and Intangible Assets, and results in a withdrawal of CICA Section 3450, Research and Development Costs, and amendments to Accounting Guideline (AcG) 11, Enterprises in the Development Stage, and CICA Section 1000, Financial Statement Concepts. The standard intends to reduce the differences with International Financial Reporting Standards ( IFRS ) in the accounting for intangible assets and results in closer alignment with U.S. GAAP. Under current Canadian standards, more items are recognized as assets than under IFRS or U.S. GAAP. The objectives of CICA Section 3064 are to reinforce the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition; and clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing assets that do not meet the definition and recognition criteria are eliminated. This standard will be effective for fiscal years beginning on or after October 1, 2008. The Corporation has determined there is no impact on its current financial statements.

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### Table of Contents

#### 3. *Amayapampa disposal consideration*

On April 7, 2008, the Corporation entered into an agreement to dispose of its wholly-owned subsidiary Vista Gold (Antigua) Corp. ( Vista Gold Antigua ) to Republic Gold Limited ( Republic ). Vista Gold Antigua indirectly held the Corporation's interest in the Amayapampa gold project in Bolivia. Under the terms of the transaction, Republic agreed to pay to the Corporation, \$3.0 million in three payments of \$1.0 million. The first of these payments will be due and payable upon the start of Commercial Production (as defined in the purchase and sale agreement) 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 agreed to pay to the Corporation a net smelter return royalty ( NSR ) on the gold produced by or on behalf of Republic from the Amayapampa project in varying percentages depending on the price of gold per ounce. When gold is between \$500.01 and \$650.00 per ounce, a 2% NSR is payable, when the price of gold is between \$650.01 and \$750.00 per ounce, a 3% NSR is payable, and when the price of gold is \$750.01 per ounce and above, an NSR of 3.5% is payable. The NSR is capped at 720,000 gold equivalent ounces and no NSR payments are due to the Corporation if the gold price is below \$500 per ounce. The fair value of the consideration received upon the disposal of the Amayapampa project has been calculated as of March 31, 2009 using probability weighted cash flow scenarios and assumptions including future gold prices, estimated gold production and the timing of commencement of commercial production. These inputs in the income approach valuation model used by the Corporation are considered to be level three unobservable inputs as defined by SFAS No. 157, Fair Value Measurements. These are the Corporation's own assumptions based on management's best estimates and the best information available at the time.

#### 4. *Marketable securities*

| (U.S. dollars in thousands)      | Cost     | At March 31, 2009      |            | At December 31, 2008 |                        |            |
|----------------------------------|----------|------------------------|------------|----------------------|------------------------|------------|
|                                  |          | Unrealized gain/(loss) | Fair value | Cost                 | Unrealized gain/(loss) | Fair value |
| Allied Nevada Gold Corp. Note 15 | \$ 2,194 | \$ 6,756               | \$ 8,950   | \$ 2,194             | \$ 5,547               | \$ 7,741   |
| Esperanza Silver Corp.           | 10       | 40                     | 50         | 10                   | 35                     | 45         |
| Luzon Minerals Ltd.              | 12       | 12                     | 24         | 12                   |                        | 12         |
| Nevgold Resources Corp.          | 44       | 9                      | 53         | 44                   |                        | 44         |
| Other marketable securities      | 343      | (14)                   | 329        | 480                  | (169)                  | 311        |
|                                  | \$ 2,603 | \$ 6,803               | \$ 9,406   | \$ 2,740             | \$ 5,413               | \$ 8,153   |

At March 31, 2009, the Corporation determined that certain of its securities had become impaired. The write-down of \$112,000, less a tax benefit of \$16,000, has been included on our Statement of Consolidated Loss. The Corporation evaluated the remaining securities for impairment, but concluded that any decline in value was temporary due to the short amount of time that the security's fair market value was under cost.

#### 5. *Mineral properties*

| (U.S. dollars in thousands) | 2008                 |                   |                 | 2009                     |                      |                       | March 31, ending balance |
|-----------------------------|----------------------|-------------------|-----------------|--------------------------|----------------------|-----------------------|--------------------------|
|                             | December 31, balance | Acquisition costs | Option payments | Exploration & land costs | Capitalized interest | Year to date activity |                          |

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|                                   |           |    |       |    |        |        |           |
|-----------------------------------|-----------|----|-------|----|--------|--------|-----------|
| Long Valley, United States        | 960       |    | 1     |    | 1      |        | 961       |
| Yellow Pine, United States        | 878       |    |       |    |        |        | 878       |
| Paredones Amarillos, Mexico       | 9,237     |    | 477   |    | 763    |        | 10,477    |
| Guadalupe de los Reyes,<br>Mexico | 3,136     |    | (11)  |    | (11)   |        | 3,125     |
| Awak Mas, Indonesia               | 3,757     |    | 46    |    | 46     |        | 3,803     |
| Mt. Todd, Australia               | 11,967    |    | 429   |    | 429    |        | 12,396    |
| Other                             | 472       |    | 50    |    | 50     |        | 522       |
|                                   | \$ 30,407 | \$ | \$ 50 | \$ | \$ 942 | \$ 763 | \$ 1,755  |
|                                   |           |    |       |    |        |        | \$ 32,162 |

The recoverability of the carrying values of the Corporation's mineral properties is dependent upon the successful start-up and commercial production from, or sale, or lease, of these properties and upon economic reserves being discovered or developed on the properties. Development and/or start-up of any of these projects will depend, among other things, on management's ability to raise additional capital for these purposes. Although the Corporation has been successful in raising such capital in the past, there can be no assurance that it will be able to do so in the future.

Table of Contents

The Corporation has determined that no impairment provision is required. A write-down in the carrying values of one or more of the Corporation's mineral properties may be required in the future as a result of events and circumstances, such as the Corporation's inability to obtain all the necessary permits, resulting in an evaluation of gold resources and the application of an impairment test which is based on estimates of gold resources and gold prices.

6. *Property, plant and equipment*

| (U.S. dollars in thousands) | March 31, 2009 |   |           | December 31, 2008 |   |           |
|-----------------------------|----------------|---|-----------|-------------------|---|-----------|
|                             | Cost           | Accumulated<br>Depreciation<br>and<br>Write-downs | Net       | Cost              | Accumulated<br>Depreciation<br>and<br>Write-downs | Net       |
| Paredones Amarillos, Mexico | 18,070         | 16  | 18,054    | 18,006            | 12  | 17,994    |
| Awak Mas, Indonesia         | 117            | 74  | 43        | 116               | 70  | 46        |
| Mt. Todd, Australia         | 724            | 198   | 526       | 584               | 170   | 414       |
| Corporate, United States    | 258            | 191   | 67        | 252               | 173   | 79        |
|                             | \$ 19,169      | \$ 479  | \$ 18,690 | \$ 18,958         | \$ 425  | \$ 18,533 |

7. *Brokered private placement of convertible notes*

On March 4, 2008, the Corporation completed a private placement in which the Corporation issued and sold \$30 million in aggregate principal amount of senior secured convertible notes (the "Notes"). The Notes are secured only by the assets at the Paredones Amarillos gold project. The Notes mature at face value on March 4, 2011 (the "Maturity Date"). The Notes pay interest of 10% per annum. Interest is payable each year in two installments on June 15 and December 15, and the principal is payable on the Maturity Date.

The Notes are convertible at the holder's or issuer's discretion in accordance with the terms of the Notes. The holder can convert all or part of the debt at any time prior to the Maturity Date or the business day immediately preceding the Redemption Date at a price of \$6.00 per common share, subject to adjustment in certain circumstances. The Redemption Date represents the date that the Notes will be redeemed in the event that the Corporation redeems the Notes.

The Corporation can convert all, but not part, of the Notes after March 4, 2009 if the weighted-average price of the Corporation's common shares as quoted on the NYSE AMEX ( "AMEX") has been equal to or greater than \$9.00 per share for 15 consecutive trading days. The notice of conversion must occur within 10 days of any such 15-day period and the share price must be equal to or greater than \$9.00 on the date the notice is delivered. The conversion price was originally \$6.00 per common share and is subject to adjustments in certain circumstances.

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 are issuable upon conversion of the Notes. Prior to the adjustment, 5 million Common Shares were issuable upon the conversion of the Notes.



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The Notes have been accounted for in accordance with EIC 164, Convertible and other Debt Instruments with Embedded Derivatives . Under EIC 164, the fair value of the conversion feature is recorded as equity. The issuance date fair value of the conversion feature was estimated to be \$6.8 million and was classified as the equity component of convertible notes with the residual balance of \$23.2 million being recorded as the fair value of the Corporation's obligation to make principal and interest payments and has been classified as long-term debt. The fees totaling \$1,988,000 related to the issuance of the Notes have been allocated pro-rata between debt issuance costs of \$1,531,000 and equity issuance costs of \$457,000.

The Corporation capitalizes interest and accretion based on expenditures on qualifying assets. As of March 31, 2009, the Corporation had qualifying expenditures of approximately \$17.1 million related to the equipment purchase for the Paredones Amarillos project. The Corporation has used approximately \$24.5 million for ongoing operations at the Paredones Amarillos project. This includes approximately \$17.1 million towards the purchase of gold processing equipment to be used at the Paredones Amarillos project. The remaining \$5.6 million raised from the private placement, is restricted for, and will be used for ongoing development at the Paredones Amarillos project.

A reconciliation of the carrying value of the long-term liability portion of the Notes is as follows:

|   |    |         |
|---|----|---------|
| Principal amount of the Notes                     | \$ | 30,000  |
| Issuance costs allocated to long-term liabilities |    | (1,531) |
| Conversion feature allocated to equity            |    | (6,755) |
| Carrying value of the Notes upon issuance         |    | 21,714  |
| Accretion expense                                 |    | 2,384   |
| Carrying value of the Notes at March 31, 2009     | \$ | 24,098  |

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Table of Contents

8. *Options to purchase Common Shares*

The fair value of stock options granted during the three-month period ended March 31, 2009, to employees and directors was estimated at the grant date using the Hull-White trinomial lattice option pricing model, using the following weighted average assumptions:

|                         | March 31, 2009 | March 31, 2008 |
|-------------------------|----------------|----------------|
| Expected volatility     | 76.42%         | N/A            |
| Risk-free interest rate | 1.80%          | N/A            |
| Expected lives (years)  | 5              | N/A            |

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Expected price volatility is based on the historical volatility of the Corporation's common shares. Changes in the subjective input assumptions can materially affect the fair value estimate. The expected term of the options granted is derived from the output of the option pricing model and represents the period of time that the options granted are expected to be outstanding. The risk-free rate for the periods within the contractual term of the option is based on the U.S. Treasury yield curve in effect at the date of grant.

A summary of option activity under the Corporation's Stock Option Plan as of March 31, 2009, and changes during the three-month period then ended is set forth in the following table:

|                                 | Number of<br>Shares Issuable<br>upon Option<br>Exercise | Weighted-<br>Average<br>Exercise Price<br>(\$ USD) | Weighted-<br>Average<br>Remaining<br>Contractual<br>Term | Aggregate<br>Intrinsic Value<br>(\$ 000) |
|---------------------------------|---|--|--|--|
| Outstanding - December 31, 2008 | 2,184,747   | \$ 4.39  | 3.55   | \$                                       |
| Granted                         | 50,000  | 2.15   |  |  |
| Expired                         | (18,968)  | 3.35   |  |  |
| Cancelled                       | (7,500)   | 4.13   |  |  |
| Forfeited                       | (2,500)   | 3.22   |  |  |
| Outstanding - March 31, 2009    | 2,205,779   | \$ 4.35  | 3.37   | \$ 2                                     |
| Exercisable - March 31, 2009    | 1,768,279   | \$ 4.63  | 3.11   | \$ 2                                     |

A summary of the fair-value changes included in options within Shareholders' Equity as of March 31, 2009 is set forth in the following table:

|                         | Fair Value<br>(\$ 000 s) |
|-------------------------|--------------------------|
| As of December 31, 2008 | \$ 4,634                 |

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|                                   |           |              |
|-----------------------------------|-----------|--------------|
| Expensed                          |           | 100          |
| Capitalized as mineral properties |           | 34           |
| Granted                           |           | 27           |
| Expired                           |           | (62)         |
| Cancelled                         |           | (14)         |
| Forfeited                         |           | (2)          |
| <b>As of March 31, 2009</b>       | <b>\$</b> | <b>4,717</b> |

The total number of options outstanding at the end of the quarter is 2,205,779 with exercise prices ranging from approximately \$1.69 to \$7.45 and remaining lives of 0.10 to 4.99 years. The total number of options outstanding represents 6.4% of issued capital.

A summary of the status of the Corporation's unvested stock options as of March 31, 2009, is set forth below:

Table of Contents

|                                  | Number of<br>Shares Issuable<br>upon Option<br>Exercise | Weighted-<br>Average Grant<br>Date Fair<br>Value (\$ USD) |
|----------------------------------|---|---|
| Unvested - December 31, 2008     | 415,000   | \$ 1.49   |
| Granted                          | 25,000  | 1.06  |
| Forfeited                        | (2,500)   | 1.30  |
| <b>Unvested - March 31, 2009</b> | <b>437,500</b>  | <b>\$ 1.30</b>  |

As of March 31, 2009, there was \$226,539 of unrecognized compensation expense related to the unvested portion of options outstanding. This expense is expected to be recognized over a weighted-average period of 0.4 years.

9. *Contributed surplus*

|                             | March 31,<br>2009 | December 31,<br>2008 |
|-----------------------------|-------------------|----------------------|
| Balance, beginning of year  | \$ 1,387          | \$ 253               |
| Cancelled options Note 8    | 14                | 341                  |
| Expired options Note 8      | 62                | 262                  |
| Expired warrants            |                   | 531                  |
| <b>Balance, end of year</b> | <b>\$ 1,463</b>   | <b>\$ 1,387</b>      |

10. *Accumulated other comprehensive income*

A reconciliation of the amounts contained in accumulated other comprehensive income is as follows:

|  | Accumulated other<br>comprehensive income,<br>before tax (\$000 s) | Accumulated other<br>comprehensive income,<br>net of tax (\$000 s) |
|--|--|--|
| As of December 31, 2008                          | \$ 5,413   | \$ 4,602   |
| Increases to fair market value during the period | 1,383  | 1,176  |
| Increases due to realization of loss             | 7  | 5  |
| <b>As of March 31, 2009</b>                      | <b>\$ 6,803</b>  | <b>\$ 5,783</b>  |

11. *Financial instruments*

Financial assets and financial liabilities are classified into one of five categories: held-to-maturity, available-for-sale, held-for-trading, loans and receivables and other financial liabilities.

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All financial instruments classified as available-for-sale or held-for-trading are subsequently measured at fair value. Changes in the fair value of financial instruments designated as held-for-trading are charged or credited to the statement of loss for the relevant period, while changes in the fair value of financial instruments designated as available-for-sale, excluding impairments, are charged or credited to other comprehensive income until the instrument is realized. All other financial assets and liabilities are accounted for at cost or at amortized cost depending upon the nature of the instrument. After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method.

*Financial Assets*

The carrying amounts and fair values of financial assets are as follows:

| U.S. dollars in thousands         | Category              | March 31, 2009       |                  | December 31, 2008    |                  |
|-----------------------------------|-----------------------|----------------------|------------------|----------------------|------------------|
|                                   |                       | Estimated Fair Value | Carrying Value   | Estimated Fair Value | Carrying Value   |
| Cash and cash equivalents         | Held-for-trading      | \$ 10,982            | \$ 10,982        | \$ 13,266            | \$ 13,266        |
| Accounts receivable (1)           | Loans and receivables | 120                  | 120              | 127                  | 127              |
| Amayapampa disposal consideration | Held-for-trading      | 4,813                | 4,813            | 4,813                | 4,813            |
| Marketable securities (2)         | Available-for-sale    | 9,406                | 9,406            | 8,153                | 8,153            |
| <b>Total financial assets</b>     |                       | <b>\$ 25,321</b>     | <b>\$ 25,321</b> | <b>\$ 26,359</b>     | <b>\$ 26,359</b> |

Table of Contents

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- (1) Carrying amount is a reasonable approximation of fair value.
- (2) The fair value represents quoted market prices in an active market.

*Financial liabilities*

The carrying amounts and fair values of financial liabilities are as follows:

| U.S. dollars in thousands                    | Category                    | March 31, 2009       |                  | December 31, 2008    |                  |
|--|-----------------------------|----------------------|------------------|----------------------|------------------|
|  |                             | Estimated Fair Value | Carrying Value   | Estimated Fair Value | Carrying Value   |
| Accounts payable and accrued liabilities (1) | Other financial liabilities | \$ 1,403             | \$ 1,403         | \$ 803               | \$ 803           |
| Other long-term liabilities                  | Other financial liabilities | 228                  | 228              | 225                  | 228              |
| Convertible notes (2)                        | Other financial liabilities | 26,642               | 24,098           | 25,896               | 23,496           |
| <b>Total financial assets</b>                |                             | <b>\$ 28,273</b>     | <b>\$ 25,729</b> | <b>\$ 26,924</b>     | <b>\$ 24,527</b> |

- 
- (1) Carrying amount is a reasonable approximation of fair value.
- (2) The carrying value of the convertible notes is being accreted to their maturity value over their expected life using the effective interest rate method.

*Financial instrument risk exposure and risk management*

The Corporation is exposed in varying degrees to a variety of financial instrument related risks. Management approves and monitors the risk management processes. The types of risk exposure and the way in which such exposure is managed is provided as follows:

*Credit risk*

The Corporation's credit risk is primarily attributable to its cash and cash equivalents. The Corporation monitors its cash and cash equivalents in order to limit its exposure to credit risk. The Corporation does not have any financial assets that are invested in asset-backed commercial paper.

*Liquidity risk*

The Corporation's objective is that there is sufficient capital in order to meet short term business requirements, after taking into account the Corporation's holdings of cash and cash equivalents and cash flows from financing activities. The Corporation's cash and cash equivalents are held in interest bearing liquid savings accounts.

*Market risk*

The significant market risk exposure to which the Corporation is exposed is interest rate risk. The Corporation's policy is to invest cash at floating rates of interest in short-term highly liquid cash savings accounts in order to maintain liquidity. Fluctuations in interest therefore have little impact on the value of cash equivalents and short term investments. With respect to financial liabilities, the convertible notes are not subject to interest rate risk because they bear interest at a fixed rate and are not subject to fluctuations in interest.

12. *Supplemental cash flow information*

There were no significant non-cash transactions during the three-month period ended March 31, 2009.

Significant non-cash transactions during the three-month period ended March 31, 2008 included the Corporation's issuance of 213,503 Common Shares as partial compensation for the acquisition of interests in various mineral properties adjacent to the Corporation's Guadalupe de los Reyes project in Mexico as well as the issuance of 200,000 Common Share purchase warrants to Casimir Capital LP as partial compensation for serving as agent for the Corporation's private placement of the Notes.

13. *Geographic and segment information*

The Corporation evaluates, acquires and explores gold exploration and potential development projects. These activities are focused principally in Mexico, Australia, North America and Indonesia. The Corporation reported no revenues in the three-month period ended March 31, 2009, or for the same period in 2008. Geographic segmentation of mineral properties and plant and equipment is provided in Notes 5 and 6.

Table of Contents

14. *Differences between Canadian and United States generally accepted accounting principles*

The Corporation prepares its financial statements in accordance with accounting principles generally accepted in Canada, which differ in some respects from those in the United States. The significant differences between generally accepted accounting principles ( GAAP ) in Canada and in the United States, as they relate to these financial statements, are as follows:

(a) In accordance with U.S. GAAP, exploration, mineral property evaluation and holding costs are expensed as incurred. When proven and probable reserves are determined for a property and a bankable feasibility study is completed, then subsequent development costs on the property would be capitalized. Total capitalized cost of such properties is measured periodically for recoverability of carrying value under SFAS No. 144. Under Canadian GAAP, all such costs are permitted to be capitalized.

(b) Under Canadian corporate law, the Corporation underwent a capital reduction in connection with the amalgamation of Granges, Inc. ( Granges ) and Hycroft Resources & Development, Inc. whereby share capital and contributed surplus were reduced to eliminate the consolidated accumulated deficit of Granges as of December 31, 1994, after giving effect to the estimated costs of amalgamation. Under U.S. corporate law, no such transaction is available and accordingly is not allowed under U.S. GAAP.

(c) In accordance with U.S. GAAP (SFAS No. 123R), the fair value of all options granted after January 1, 2006 is calculated at the date of grant and expensed over the expected vesting period. On transition to this new standard, the unvested portion of options granted to employees before January 1, 2006 is expensed over the remaining vesting period using the fair value on the date of grant. Prior to January 1, 2006, the Corporation did not record any compensation cost on the granting of stock options to employees and directors as the exercise price was equal to or greater than the market price at the date of grants for U.S. GAAP purposes under APB Opinion No. 25. SFAS No. 123R essentially aligns U.S. GAAP with Canadian GAAP for accounting for stock-based compensation.

(d) In accordance with U.S. GAAP, the entire amount of convertible debt is classified as a liability and recorded at fair value on the date of issuance. Under Canadian GAAP, the fair value of the conversion feature of the convertible debt is classified as equity and the residual balance is classified as a liability. Under Canadian GAAP a portion of the debt issuance costs were allocated to equity. Under U.S. GAAP all issuance costs were allocated to debt. The liability portion is accreted each period in amounts which will increase the liability to its full face amount of the convertible instrument as of the maturity date.

(e) In accordance with U.S. GAAP (SFAS No. 109), the reversal of a valuation allowance which is directly related to the gain or loss of available-for-sale securities, when a Corporation has no expectations of taxable income in future periods, is recorded in other comprehensive income/(loss). Under Canadian GAAP, the Corporation adopted EIC 172, effective September 30, 2008. This standard requires the recognition of the tax benefit or loss of previously unrecognized tax loss carryforwards associated with the unrealized holding gains and losses of available-for-sale securities to be recognized in net income or net loss. This abstract required retrospective restatement of all prior periods beginning with January 1, 2007. The adoption of EIC 172 resulted in a future income tax expense being recorded as part of the Corporation's Net Loss, whereas under SFAS 109 the future income tax expense would be recorded as part of the Corporation's Comprehensive Loss.



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The significant differences in the consolidated statements of loss and comprehensive loss relative to U.S. GAAP were:

Table of Contents**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS - UNAUDITED**

| (U.S. dollars in thousands, except share data)                                   | Three Months Ended March 31, |            | Cumulative<br>during<br>Exploration<br>Stage |
|--|------------------------------|------------|--|
|  | 2009                         | 2008       |  |
| Net loss Canadian GAAP   | \$ (1,880)                   | \$ (2,123) | \$ (44,121)                                  |
| Exploration, property evaluation and holding costs - continuing operations (a)   | (942)                        | (1,482)    | (14,125)                                     |
| Exploration, property evaluation and holding costs - discontinued operations (a) |                              |            | 4,016  |
| Accretion on convertible notes (d)   | 260                          |            | 1,097  |
| Amortization of debt issuance costs (d)  | (62)                         |            | (287)  |
| Future income tax (benefit)/expense (e)  | (208)                        | 272        | (1,020)                                      |
| Financing costs  |                              |            | (222)  |
| Stock-based compensation expense (c)   |                              |            | 2,251  |
| Beneficial conversion feature  |                              |            | (2,774)                                      |
| Net loss U.S. GAAP   | (2,832)                      | (3,333)    | (55,185)                                     |
| Unrealized gain/(loss) on marketable securities (e)                              | 1,390                        | (1,813)    | (782)  |
| Comprehensive loss U.S. GAAP   | \$ (1,442)                   | \$ (5,146) | \$ (55,967)                                  |
| Basic and diluted loss per share U.S. GAAP                                       | \$ (0.08)                    | \$ (0.10)  |  |

Table of Contents

The significant differences in the consolidated statements of cash flows relative to U.S. GAAP were:

**CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED**

| (U.S. dollars in thousands)   | Three Months Ended March 31, |            | Cumulative<br>during<br>Exploration<br>Stage |
|---|------------------------------|------------|--|
|   | 2009                         | 2008       |  |
| Cash flows from operating activities,<br>Canadian GAAP                            | \$ (1,182)                   | \$ (1,207) | \$ (21,281)                                  |
| Additions to mineral properties, net (a)  | (877)                        | (1,347)    | (15,653)                                     |
| Cash flows from operating activities, U.S.<br>GAAP                                | (2,059)                      | (2,554)    | (36,934)                                     |
| Cash flows from investing activities,<br>Canadian GAAP                            | (1,102)                      | (18,113)   | (67,868)                                     |
| Additions to mineral properties, net (a)  | 877                          | 1,347      | 15,653                                       |
| Cash flows from investing activities, U.S.<br>GAAP                                | (225)                        | (16,766)   | (52,215)                                     |
| Cash flows from financing activities,<br>Canadian GAAP                            |                              | 31,544     | 122,727                                      |
| Cash flows from financing activities, U.S.<br>GAAP                                |                              | 31,544     | 122,727                                      |
| Net increase/(decrease) in cash and cash<br>equivalents - continuing operations   | (2,284)                      | 12,224     | 33,578                                       |
| Net increase/(decrease) in cash and cash<br>equivalents - discontinued operations | (2,284)                      | (221)      | (23,270)                                     |
|   | (2,284)                      | 12,003     | 10,308                                       |
| Cash and cash equivalents, beginning of<br>period                                 | 13,266                       | 16,686     | 674  |
| Cash and cash equivalents, end of period  | \$ 10,982                    | \$ 28,689  | \$ 10,982                                    |

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Table of Contents

The significant differences in the consolidated balance sheets as at March 31, 2009, and December 31, 2008, relative to U.S. GAAP were:

**CONSOLIDATED BALANCE SHEETS - UNAUDITED**

| (U.S. \$000 s)                            | March 31, 2009 |                |               | December 31, 2008 |                |               |
|---|----------------|----------------|---------------|-------------------|----------------|---------------|
|   | Per Cdn. GAAP  | Cdn./U.S. Adj. | Per U.S. GAAP | Per Cdn. GAAP     | Cdn./U.S. Adj. | Per U.S. GAAP |
| Current assets                            | \$ 20,939      | \$             | \$ 20,939     | \$ 22,012         | \$             | \$ 22,012     |
| Property, plant and equipment             |                |                |               |                   |                |               |
| (a)                                       | 50,852         | (21,634)       | 29,218        | 48,940            | (20,433)       | 28,507        |
| Other assets                              | 4,813          |                | 4,813         | 4,813             |                | 4,813         |
| Total assets                              | \$ 76,604      | \$ (21,634)    | \$ 54,970     | \$ 75,765         | \$ (20,433)    | \$ 55,332     |
| Current liabilities                       | 1,580          |                | 1,580         | 803               |                | 803           |
| Convertible notes (d)                     | 24,098         | 4,537          | 28,635        | 23,496            | 4,995          | 28,491        |
| Other long-term liabilities               | 228            |                | 228           | 228               |                | 228           |
| Total liabilities                         | 25,906         | 4,537          | 30,443        | 24,527            | 4,995          | 29,522        |
| Capital stock (b),(c)                     | 225,098        | 75,282         | 300,380       | 225,098           | 75,282         | 300,380       |
| Special warrants                          |                | 222            | 222           |                   | 222            | 222           |
| Warrants and options (c)                  | 5,053          | (242)          | 4,811         | 4,970             | (304)          | 4,666         |
| Contributed surplus (b),(c)               | 1,463          | 5,203          | 6,666         | 1,387             | 5,265          | 6,652         |
| Equity component of convertible notes (d) | 6,298          | (6,298)        |               | 6,298             | (6,298)        |               |
| Other comprehensive income (e)            | 5,783          | 1,110          | 6,893         | 4,602             | 901            | 5,503         |
| Deficit (a),(b),(c),(e)                   | (192,997)      | (101,448)      | (294,445)     | (191,117)         | (100,496)      | (291,613)     |
| Total shareholders equity                 | 50,698         | (26,171)       | 24,527        | 51,238            | (25,428)       | 25,810        |
| Total liabilities & shareholders equity   | \$ 76,604      | \$ (21,634)    | \$ 54,970     | \$ 75,765         | \$ (20,433)    | \$ 55,332     |

In March 2008, the FASB issued Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities*. The new standard is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. It is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Corporation has determined this standard had no impact on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements*. SFAS No. 160 establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary (minority interest) is an ownership interest in the consolidated entity that should be reported as equity in the Consolidated Financial Statements and separate from the parent company's equity. Among other requirements, this standard requires consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. It also requires disclosure, on the face of the Consolidated Statement of Loss, of the amounts of consolidated net loss attributable to the parent and to the noncontrolling interest. This statement became effective for the Corporation on January 1, 2009. As of March 31, 2009, the Corporation did not have any minority interests.

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In December 2007, the FASB issued SFAS No. 141 (revised 2007), Business Combinations ( SFAS No. 141(R) ). SFAS No. 141(r) establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree and the goodwill acquired. SFAS No. 141(r) also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS No. 141(r) is effective for fiscal years beginning after December 15, 2008. The Corporation had no business combinations during the quarter ended March 31, 2009, therefore this standard had no impact on our consolidated financial statements.

Table of Contents

15. *Subsequent events*

*Sale of Allied Nevada Gold Corp. common shares*

On April 3, 2009 the Corporation announced that it had sold all of its 1,529,848 shares of Allied Nevada Gold Corp. ( *Allied* ) for \$9,016,088. These shares had a book value of \$2,194,397 and when sold, resulted in a realized gain of \$6,821,691. In May 2007, the Corporation completed a transaction that resulted in the formation of Allied and the transfer of the Corporation's Nevada properties to Allied. The Allied shares sold by the Corporation were retained in connection with this transaction to facilitate the payment of any taxes payable by the Corporation in respect of the transaction. The Corporation has determined that there are no other taxes payable by it in respect of the transaction and made the decision to sell the Allied shares at the appropriate time and use the cash for project development requirements.

*Filing of short form based shelf prospectus and shelf registration statement on Form S-3*

On April 17, 2009, the Corporation announced that it filed a preliminary short form base shelf prospectus with the securities commissions in each province and territory of Canada (other than Quebec) and a corresponding shelf registration statement on Form S-3 with the United States Securities and Exchange Commission ( *SEC* ) and on April 27, 2009, the Corporation announced that it filed a final short form base shelf prospectus (collectively, the *Offering Documents* ). The registration statement on Form S-3 was declared effective by the SEC on April 30, 2009. The *Offering Documents* will allow the Corporation to make offerings of common shares, debt securities, warrants, subscription receipts or units for initial aggregate proceeds of up to \$200 million during the next 25 months to potential purchasers in each province and territory of Canada (other than Quebec) and the United States. The Corporation expects that it will need to fund the initial capital requirements for the construction and development of its Paredones Amarillos gold project, once necessary permits and approvals have been received. Although the initial financings under the *Offering Documents* are expected to be used for the construction and development of our existing properties, the proceeds from financings under the *Offering Documents* may also be used by the Corporation to fund development of its other existing or acquired mineral properties, acquisitions, working capital requirements, repayment of outstanding indebtedness from time-to-time or for other general corporate purposes. The *Offering Documents* provide the Corporation with a flexible and efficient approach for completing future financings for corporate growth and development.

Table of Contents

**ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**





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Management's Discussion and Analysis ( MD&A ) of the consolidated operating results and financial condition of Vista Gold Corp. ( Vista or Vista Gold ) for the three-month period ended March 31, 2009 has been prepared based on information available to us as of April 17, 2009. This MD&A should be read in conjunction with the consolidated financial statements of Vista Gold for the three years ended December 31, 2008 and the related notes thereto, which have been prepared in accordance with generally accepted accounting principles ( GAAP ) in Canada. Reference to Note 19 to the consolidated annual financial statements and Note 14 to the consolidated interim financial statements for the period ended March 31, 2009 (the Consolidated Financial Statements ), should be made for a discussion of differences between Canadian and United States GAAP and their effect on the financial statements. All amounts stated herein are in U.S. dollars in thousands, except per share and per ounce amounts, unless otherwise noted.

### **Results from Operations**

Our consolidated net loss for the three-month period ended March 31, 2009, was \$1,880 or \$0.05 per share compared to a consolidated net loss of \$2,123 or \$0.06 per share for the same period in 2008. The decrease in the consolidated net loss of \$243 from the respective prior period is primarily due to a decrease in the loss from discontinued operations of \$221 as there were no disposals during the 2009 period and a decrease in corporate administration and investor relations expense of \$275. Also, for the 2009 period, there was a future income tax benefit of \$208 compared to a future income tax loss of \$272 for the same period during 2008. Offsetting these amounts was an increase in interest expense of \$395, an increase in exploration, property evaluation and holding costs of \$87, an increase in the write-down of marketable securities of \$112 and a decrease in interest income of \$81.

#### *Exploration, property evaluation and holding costs*

Exploration, property evaluation and holding costs were \$333 for the three-month period ended March 31, 2009, approximately level with \$246 for the same period in 2008. There were no significant variances as we continue to move our projects towards development decisions.

#### *Corporate administration and investor relations*

Corporate administration and investor relations costs decreased to \$1,012 during the three-month period ended March 31, 2009, compared with \$1,287 for the same period in 2008. The decrease of \$275 was primarily due to a decrease in stock-based compensation expense of \$171 compared to the prior period. This decrease is primarily due to a decrease in the number of options granted during the prior year and vesting over time as well as an increase in the stock-based compensation amount being capitalized as mineral properties. Also, audit, tax and Sarbanes-Oxley compliance fees decreased by \$87 from the 2008 period as we work with our auditors and outside consultants to reduce these fees.

#### *Depreciation and amortization*

Depreciation and amortization expense increased to \$52 during the three-month period ended March 31, 2009 compared to \$39 for the same period in 2008. The increase of \$13 from the respective prior period is mostly due to capital expenditures at both the Mt. Todd gold project and the Paredones Amarillos gold project during 2008 and 2009 that have begun to be depreciated.

#### *Interest expense*

Interest expense increased to \$579 during the three-month period ended March 31, 2009 compared to \$184 for the same period in 2008. This increase is because the senior secured convertible notes (the Notes ) were issued on March 4, 2008 and therefore only 27 days of interest were recorded for the 2008 period. Of the 2009 amount, \$259 is attributable to the accretion of the debt discount and \$320 is attributable to interest expense. These amounts are approximately 43% of the full interest expense associated with the issuance of the Notes. We capitalized the remaining 57% as additions to mineral properties in accordance with SFAS No. 34 and our accounting policy.

*Other income and expense*

*Loss on disposal of marketable securities*

There was a loss of \$7 on the disposal of marketable securities for the three-month period ended March 31, 2009, compared to a gain of \$21 for the same period in 2008. The loss for the 2009 period resulted from the sale of securities that had a book value of \$24 and the gain from the 2008 period resulted from the sale of securities that had a book value of \$37.

At March 31, 2009, we held marketable securities available for sale with a quoted market value of \$9,406. With the exception of our shares of Allied Nevada Gold Corp. common stock, as discussed herein, we purchased the securities for investing purposes with the intent to hold the securities until such time it would be advantageous to sell the securities at a gain. Although there can be no

Table of Contents

reasonable assurance that a gain will be realized from the sale of the securities, we monitor the market status of the securities consistently in order to mitigate the risk of loss on the investment. At March 31, 2009, also included in marketable securities were 1,529,848 shares of Allied Nevada Gold Corp. at a quoted market value of \$8,950. Subsequent to March 31, 2009, on April 3, 2009, we sold all 1,529,848 common shares of Allied Nevada Gold Corp. for \$9,016.

*Interest income*

During the three months ended March 31, 2009 we realized \$28 in interest income as compared to \$109 for the same period in 2008. The decrease of \$81 from the prior period is due to reduced cash balances for the 2009 period as well as falling interest rates in the market.

*Income tax (benefit)/expense*

Effective September 30, 2008, the Corporation adopted the Emerging Issues Committee Abstract 172 ( EIC 172 ), Income Statement Presentation of a Tax Loss Carryforward Recognized Following an Unrealized Gain in Other Comprehensive Income. EIC 172 provides guidance on whether the tax benefit from the recognition of previously unrecognized tax loss carryforwards consequent to the recording of unrealized gains in other comprehensive income, such as unrealized gains on available-for-sale financial assets, should be recognized in net income or in other comprehensive income. EIC 172 should be applied retrospectively, with restatement of prior periods from January 1, 2007, the date of adoption of CICA 3855.

During the three-month period ended March 31, 2009, the future income tax benefit was \$208 compared to a future income tax expense of \$272 for the 2008 period. The recognition of a benefit as compared to the expense from prior period is attributable to the market gaining during the first quarter of 2009, in which we have had an unrealized gain as compared to 2008 where we had an unrealized loss.

*Write-down of marketable securities*

The write-down of marketable securities was \$112 for the three-month period ended March 31, 2009. There were no write-downs reported during the same period in 2008. At March 31, 2009, Vista Gold evaluated the market value of its available-for-sale securities and found that certain securities had become impaired. These securities were written down to their fair market value as of March 31, 2009.

**Financial Position, Liquidity and Capital Resources**

*Cash used in operations*

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Net cash used in operating activities was \$1,182 for the three-month period ended March 31, 2009, compared to \$1,207 for the same period in 2008. The decrease of \$25 is the result of a decrease of non-cash items of \$104 and a decrease in cash used for accounts payable, accrued liabilities and other of \$103, which is partially offset by a decrease in the consolidated net loss of \$22.

### *Investing activities*

Net cash used in investing activities decreased to \$1,102 for the three-month period ended March 31, 2009, from \$18,113 for the same period in 2008. The decrease of \$17,011 is mostly due to a decrease in the additions to property, plant and equipment of \$16,099. During 2008 we completed a brokered private placement of \$30,000 principal amount of the Notes (see Consolidated Financial Statements Note 7) and we have used \$16,000 of the proceeds towards the purchase of gold processing equipment to be used at our Paredones Amarillos project, which included the costs of relocating the equipment to Edmonton, Alberta, Canada. There was no similar purchase during the three-month period ended March 31, 2009.

### *Financing activities*

There was no cash provided by or used in financing activities for the three-month period ended March 31, 2009. Net cash provided by financing activities was \$31,544 for the three-month period ended March 31, 2008. During the three-month period ended March 31, 2008 we completed a brokered private placement, in which we offered and sold \$30,000 principal amount of the Notes (see Consolidated Financial Statements Note 7). Proceeds to Vista after legal and other fees were \$28,534. Also, during the three-month period ended March 31, 2008, warrants exercised produced cash proceeds of \$2,941 and stock option exercises produced cash proceeds of \$69.

### *Liquidity and Capital Resources*

At March 31, 2009, our total assets were \$76,604 compared to \$75,765 at December 31, 2008, representing an increase of \$839. At March 31, 2009, we had working capital of \$19,359 compared to \$21,209 at December 31, 2008, representing a decrease of \$1,850. This decrease relates primarily to a reduction in cash balances from year end, which is offset by an increase in our marketable

Table of Contents

securities balances due to better market conditions.

The principal component of working capital at both March 31, 2009 and December 31, 2008, is cash and cash equivalents of \$10,982 and \$13,266, respectively. Other components include marketable securities (March 31, 2009 \$9,406; December 31, 2008 \$8,153) and other liquid assets (March 31, 2009 - \$551; December 31, 2008 - \$593).

As a result of the delay in the issuance of the Change of Land Use Permit at the Paredones Amarillos project and the current uncertainty in the resource and financial markets, management has adopted a revised plan and budget for the year 2009. The plan continues those programs necessary to expedite the development of the Paredones Amarillos project, while minimizing expenditures in other areas. We expect that in the event that financing for the Paredones Amarillos project is not available on acceptable terms in 2009, Vista has sufficient working capital to fund its planned operations at least through the end of 2010, without additional financing. We will continue to examine potential funding alternatives for the project, which may include project financing, debt financing or equity financing.

On April 17, 2009, we announced that we filed a preliminary short form base shelf prospectus in Canada and a corresponding shelf registration statement in the United States with the Securities and Exchange Commission ( SEC ). On April 27, 2009, we announced that we filed a final short form base shelf prospectus in Canada and an amended Form S-3 with the SEC. The Form S-3 was declared effective on April 30, 2009. See Other Subsequent Events, below.

**Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements required to be disclosed in this Quarterly Report on Form 10-Q.

**Contractual Obligations**

| Contractual Obligations       | Total     | Payments due by period (in thousands) |              |              |                      |
|-------------------------------|-----------|---------------------------------------|--------------|--------------|----------------------|
|                               |           | Less than<br>1 year                   | 1 to 3 years | 3 to 5 years | More than<br>5 years |
| Long-term debt obligations(1) | \$ 36,750 | \$ 3,000                              | \$ 33,750    | \$           | \$                   |
| Purchase obligations(2)       | \$ 400    | \$ 200                                | \$ 200       | \$           | \$                   |
| Operating lease obligations   | \$ 42     | \$ 42                                 | \$           | \$           | \$                   |
| Total                         | \$ 37,192 | \$ 3,242                              | \$ 33,950    | \$           | \$                   |

(1) Long-term debt obligations including interest payments related to the Corporation's issuance of the Notes, are discussed in the Consolidated Financial Statements Note 7.

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(2) Purchase obligations include option payments totaling \$400 on the Guadalupe de los Reyes and Long Valley projects. For the Guadalupe de los Reyes Project, we still have outstanding \$100, which is to be paid in less than a year. For the Long Valley project, we still have outstanding \$300, of which \$100 is to be paid in less than a year and \$200 is to be paid in 1 to 3 years.

### **Other**

#### ***Paredones Amarillos Gold Project Permit Update***

On January 12, 2009, we announced an update to the permitting status at our Paredones Amarillos gold project in Mexico. As previously announced (see press releases dated July 2 and September 8, 2008), Vista Gold indicated that it had decided to apply for a new Change of Land Use Permit ( CUSF ). In a press release dated November 10, 2008, we indicated that we had presented an application for a Temporary Occupation Permit ( TOP ) for the use of the federal land which overlies the deposit. The TOP is a necessary pre-requisite for the CUSF application. We have not yet received the TOP. Communications with the office of the General Director of Mines in the Ministry of Economy (the department responsible for awarding the TOP) indicate that the approval process is proceeding normally. We have the necessary environmental permit and have completed the other prerequisite studies for the submittal of the CUSF permit application and will file that permit application as soon as the TOP is received.

#### ***Mt. Todd Gold Project Technical Study Results and Metallurgical Test Program Update***

In late January 2009, we announced the results of an updated Canadian National Instrument 43-101 ( NI 43-101 ) technical study on the Batman Deposit completed for us by Tetra Tech MM, Inc. of Golden, Colorado. This estimate was completed under the direction of Mr. John Rozelle, P.G., an independent Qualified Person, utilizing standard industry software and estimation methodology. The report is titled Mt Todd Gold Project Gold Resource Update, Northern Territory, Australia and is dated

Table of Contents

February 27, 2009. It is available on SEDAR. The updated estimate of mineralized material (mineral resource estimate under Canadian guidelines) incorporates the results of 7,367 assay intervals from 14 drill holes (all core holes) drilled by Vista Gold in 2008. These results are in addition to the results of 100,685 assay intervals from 755 drill holes (250 core, 435 reverse circulation and 70 rotary drill holes) completed previously by Vista Gold and the previous owners and/or operators of the properties, which were used in the previous updates of the Mt. Todd resource estimate. Based on the report, under SEC Industry Guide 7 guidelines, mineralized material for the Batman deposit, above a cut-off grade of 0.015 gold ounces per ton, is estimated at 165,985,000 tons grading 0.027 gold ounces per ton, and represents an increase of 57% in mineralized material over the prior estimate.

At the same cut-off grade, under NI 43-101, measured mineral resources are estimated at 49,212,000 tons grading 0.029 gold ounces per ton, indicated mineral resources are estimated at 116,773,000 tons grading 0.027 gold ounces per ton and inferred mineral resources are estimated at 73,551,000 tons grading 0.025 gold ounces per ton. **Cautionary Note to U.S. Investors: Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. U.S. Investors should read the Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates contained in our Annual Report on Form 10-K (as amended) for the year ended December 31, 2008, concerning the difference between resources and reserves .**

A metallurgical testing program using the core obtained in the 2007 and 2008 drilling programs is in progress. The goals of the program are to define the process flowsheet for the processing the Mt. Todd ore and to determine other key processing parameters, including energy requirements. As we announced in November 2008, preliminary tests using high pressure grinding rolls have been successful, indicating a reduction in crushing and grinding energy requirements compared to conventional technologies of approximately 30%. We plan to conduct additional studies in 2009 which will be used in the completion of a preliminary feasibility study for a project similar in scope to that considered in the previously published preliminary assessment (January 4, 2007).

***Subsequent events***

*Sale of Allied Nevada Gold Corp. common shares*

On April 3, 2009 Vista announced that it had sold all of its 1,529,848 shares of Allied Nevada Gold Corp. ( Allied ) for \$9,016. These shares had a book value of \$2,194 and when sold, resulted in a realized gain of \$6,822. In May 2007, Vista completed a transaction that resulted in the formation of Allied and the transfer of Vista's Nevada properties to Allied. The Allied shares sold by Vista were retained in connection with this transaction to facilitate the payment of any taxes payable by Vista in respect of the transaction. Vista has determined that there are no other taxes payable by it in respect of the transaction and made the decision to sell the Allied shares at the appropriate time and use the cash for project development requirements.

*Filing of short form based shelf prospectus and shelf registration statement on Form S-3*

On April 17, 2009, Vista announced that it filed a preliminary short form base shelf prospectus with the securities commissions in each province and territory of Canada (other than Quebec) and a corresponding shelf registration statement on Form S-3 with the SEC and on April 27, 2009, Vista announced that it filed a final short form base shelf prospectus (collectively, the Offering Documents ). The Form S-3 was declared

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effective by the SEC on April 30, 2009. The Offering Documents will allow Vista to make offerings of common shares, debt securities, warrants, subscription receipts or units for initial aggregate proceeds of up to \$200 million during the next 25 months to potential purchasers in each province and territory of Canada (other than Quebec) and the United States. Vista expects that it will need to fund the initial capital requirements for the construction and development of its Paredones Amarillos gold project, once necessary permits and approvals have been received. Although the initial financings under the Offering Documents are expected to be used for the construction and development of our existing properties, the proceeds from financings under the Offering Documents may also be used by Vista to fund development of its other existing or acquired mineral properties, acquisitions, working capital requirements, repayment of outstanding indebtedness from time-to-time or for other general corporate purposes. The Offering Documents provide Vista with a flexible and efficient approach for completing future financings for corporate growth and development.

### **Changes in Accounting Policies and Recent Accounting Pronouncements**

#### *Changes in accounting policies*

Effective September 30, 2008, we adopted the Emerging Issues Committee Abstract 172 ( EIC 172 ), Income Statement Presentation of a Tax Loss Carryforward Recognized Following an Unrealized Gain in Other Comprehensive Income. EIC 172 provides guidance on whether the tax benefit from the recognition of previously unrecognized tax los carryforwards consequent to the



Table of Contents

recording of unrealized gains in other comprehensive income, such as unrealized gains on available-for-sale financial assets, should be recognized in net income or in other comprehensive income. EIC 172 should be applied retrospectively, with restatement of prior periods from January 1, 2007, the date of adoption of CICA (as defined below) Section 3855, Financial Instruments Recognition and Measurement.

The adoption of EIC 172 resulted in a reclassification of \$1,132 of income tax recovery from the accumulated other comprehensive income balance to the accumulated deficit as of December 31, 2007. It also increased the Corporation's three-month loss for the period ended March 31, 2008 by \$272.

Effective January 1, 2009, we adopted the following standards updates by the Canadian Institute of Chartered Accountants (CICA). These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, which replaces Section 3062, Goodwill and Intangible Assets, and results in a withdrawal of CICA Section 3450, Research and Development Costs, and amendments to Accounting Guideline (AcG) 11, Enterprises in the Development Stage, and CICA Section 1000, Financial Statement Concepts. The standard intends to reduce the differences with International Financial Reporting Standards (IFRS) in the accounting for intangible assets and results in closer alignment with U.S. GAAP. Under current Canadian standards, more items are recognized as assets than under IFRS or U.S. GAAP. The objectives of CICA Section 3064 are to reinforce the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition; and clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing assets that do not meet the definition and recognition criteria are eliminated. The standard will also provide guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets, whether separately acquired or internally developed. This standard will be effective for fiscal years beginning on or after October 1, 2008. The Corporation has determined there is no impact on its current financial statements.

**Certain U.S. Federal Income Tax Considerations**

**NOTICE PURSUANT TO IRS CIRCULAR 230: NOTHING CONTAINED IN THIS SUMMARY CONCERNING ANY U.S. FEDERAL TAX ISSUE IS INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, BY A U.S. HOLDER (AS DEFINED IN MATERIAL REFERENCED BELOW), FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES UNDER THE CODE (AS DEFINED BELOW). THIS SUMMARY WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS DOCUMENT. EACH U.S. HOLDER SHOULD SEEK U.S. FEDERAL TAX ADVICE, BASED ON SUCH U.S. HOLDER'S PARTICULAR CIRCUMSTANCES, FROM AN INDEPENDENT TAX ADVISOR.**

Vista has been a passive foreign investment company (PFIC) as defined under Section 1297 of the U.S. Internal Revenue Code of 1986, as amended (the Code), in recent years and expects to continue to be a PFIC in the future. Current and prospective United States shareholders should consult their tax advisors as to the tax consequences of PFIC classification and the U.S. federal tax treatment of PFICs. Additional information on this matter is included in Vista's Annual Report on Form 10-K for the year ended December 31, 2008, as amended, under Part II, Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities - U.S. Federal Income Tax Consequences.

**Note Regarding Forward-Looking Statements**

This document and any document (or portion thereof) incorporated by reference into this document, contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and 21E of the U.S. Securities Exchange Act of 1934, as amended, 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;

Table of Contents

- timing and receipt of required land use, environmental and other permits for the Paredones Amarillos gold project and timing for starting and completion of drilling and testing programs at the Paredones Amarillos gold project;
- plans to confirm the validity of the Change of Land Use Permit for the Paredones Amarillos gold project and timing and outcome for confirmation of the status of this permit and timing and outcome for alternative application for an interim Change of Land Use Permit for the drilling program and a new Change of Land Use Permit for the Paredones Amarillos gold project;
- timing and outcome for application for the Temporary Occupation Permit for mining activities at the Paredones Amarillos gold project;
- 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;
- plans for evaluation of the Mt. Todd gold project, including estimates of silver, copper and gold resources;
- preliminary assessment results and plans for a pre-feasibility study at the Mt. Todd gold project;
- results of drilling programs and prospects for exploration and conversion of resources at 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 the Notes and potential redemption or conversion of the Notes;
- future gold prices;

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- future business strategy, competitive strengths, goals and expansion and growth of our business;
- Vista's 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; and
- future share price and valuation for Vista and for marketable securities held by Vista.

The words estimate, plan, anticipate, expect, intend, believe, will, may and similar expressions are intended to identify 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 our required governmental permits for the Paredones Amarillos gold project;

Table of Contents

- 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;

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- 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 our 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;
- 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 the risk factors contained in our Annual Report on Form 10-K (as amended) for the year ended December 31, 2008, under Part I Item 1A. Risk Factors. The foregoing section of our 2008 Form 10-K (as amended) is incorporated in this filing and investors should refer to it. 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.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are engaged in the acquisition of gold projects and related activities including exploration engineering, permitting and the preparation of feasibility studies. The value of our properties is related to the price of gold and changes in the price of gold could affect our ability to generate revenue from our portfolio of gold projects.

Gold prices may fluctuate widely from time to time and are affected by numerous factors, including the following: expectations with



Table of Contents

respect to the rate of inflation, exchange rates, interest rates, global and regional political and economic circumstances and governmental policies, including those with respect to gold holdings by central banks. The price of gold fell to a 20-year low of \$253 in July 1999 and has risen significantly since that time to reach a level of \$865 by December 31, 2008 and was \$917 at March 31, 2009 and \$885 at May 1, 2009. The demand for, and supply of, gold affect gold prices, but not necessarily in the same manner as demand and supply affect the prices of other commodities. The supply of gold consists of a combination of new mine production and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organizations and private individuals. The demand for gold primarily consists of jewelry and investments. Additionally, hedging activities by producers, consumers, financial institutions and individuals can affect gold supply and demand. While gold can be readily sold on numerous markets throughout the world, its market value cannot be predicted for any particular time.

Because we have exploration operations in North America, Indonesia and Australia we are subject to foreign currency fluctuations. We do not engage in currency hedging to offset any risk of currency fluctuations as insignificant monetary amounts are held in foreign currencies for land holding costs related to the properties owned.

On March 7, 2008, we announced the closing of a private placement in which we offered and sold \$30 million in aggregate principal amount of the Notes (see Consolidated Financial Statements Note 7). 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. We do not consider our interest rate risk exposure to be significant at this time.

**ITEM 4. CONTROLS AND PROCEDURES**



**DISCLOSURE CONTROLS AND PROCEDURES**

The principal executive officer and principal financial officer have evaluated the effectiveness of the Corporation's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act)) as of March 31, 2009. Based on the evaluation, the principal executive officer and principal financial officer concluded that the disclosure controls and procedures in place are effective to ensure that information required to be disclosed by the Corporation, including consolidated subsidiaries, in reports that the Corporation files or submits under the Exchange Act, is recorded, processed, summarized and reported on a timely basis in accordance with applicable time periods specified by the U.S. Securities and Exchange Commission rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Corporation in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Corporation's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

**CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING**

There has been no change in the Corporation's internal control over financial reporting during the quarter ended March 31, 2009, that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

**PART II - OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

We are not aware of any material pending or threatened litigation or of any proceedings known to be contemplated by governmental authorities which are, or would be, likely to have a material adverse effect upon us or our operations, taken as a whole.

**ITEM 1A. RISK FACTORS**

There have been no material changes from the risk factors set forth in our 2008 Form 10-K.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

Table of Contents

**ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

None.

**ITEM 5. OTHER INFORMATION**

None.

Table of Contents

**ITEM 6. EXHIBITS**

- (a) Exhibits
  - 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the *Securities Exchange Act of 1934*, as amended
  - 31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the *Securities Exchange Act of 1934*, as amended
  - 32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the *Sarbanes-Oxley Act of 2002*
  - 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the *Sarbanes-Oxley Act of 2002*

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**VISTA GOLD CORP.**  
(Registrant)

Date: May 6, 2009

By:

*/s/ Michael B. Richings*  
Michael B. Richings  
Executive Chairman and Chief Executive Officer

Date: May 6, 2009

By:

*/s/ Gregory G. Marlier*  
Gregory G. Marlier  
Chief Financial Officer