

VISTA GOLD CORP  
Form S-3/A  
April 28, 2009

As filed with the Securities and Exchange Commission on April 28, 2009

Registration Statement No. 333 - 158633

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Amendment No. 1

To

**FORM S-3**

**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

**VISTA GOLD CORP.**

(Exact name of registrant as specified in its charter)

Yukon Territory

98-0542444  
(I.R.S. Employer Identification No.)

Edgar Filing: VISTA GOLD CORP - Form S-3/A

(State or other jurisdiction of incorporation or organization)

**Suite 5, 7961 Shaffer Parkway**

**Littleton, Colorado**

**(720) 981-1185**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Michael B. Richings**  
**Executive Chairman and Chief Executive Officer**  
**Vista Gold Corp.**  
**Suite 5, 7961 Shaffer Parkway**  
**Littleton, Colorado 80127**  
**(720) 981-1185**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

**Copies to:**

**Jason J. Brooks, Esq.**

**Kenneth G. Sam, Esq.**

**Melanie Bradley, Esq.**

**Jason K. Brenkert, Esq.**

Borden Ladner Gervais LLP

Dorsey & Whitney LLP

1200 Waterfront Centre

Republic Plaza Building, Suite 4700

200 Burrard Street, P.O. Box 48600

370 Seventeenth Street

Vancouver, B.C. Canada V7X 1T2

Denver, CO 80202-5647

**From time to time after the effective date of this registration statement**

**(Approximate date of commencement of proposed sale to public)**

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box.

## Edgar Filing: VISTA GOLD CORP - Form S-3/A

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer       Accelerated filer       Non-accelerated filer       Small reporting company

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

---

EXPLANATORY NOTE

This Registration Statement contains a prospectus relating to an offering of our securities on a delayed or continuous basis. Concurrently with the filing of this Registration Statement, Vista Gold Corp. filed a short form base shelf prospectus in Canada relating to the offering of the securities registered under this Registration Statement. Securities registered under this Registration Statement may be offered and sold in Canada and outside the United States.

---

The information in this prospectus is not complete and may be changed. We may not sell these securities until the Securities and Exchange Commission declares our registration statement effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject To Completion: Dated April 27, 2009

**VISTA GOLD CORP.**

**\$200,000,000**

**Common Shares**

**Debt Securities**

**Warrants**

**Subscription Receipts**

**Units**

Vista Gold Corp. may offer and sell, from time to time, up to \$200,000,000 aggregate initial offering price of the Company's common shares, without par value ( Common Shares ), debt securities ( Debt Securities ), warrants to purchase Common Shares or Debt Securities ( Warrants ), subscription receipts for Common Shares, Debt Securities, Warrants or any combination thereof ( Subscription Receipts ), or any combination thereof ( Units ) (collectively, the Common Shares, Debt Securities, Warrants, Subscription Receipts, and Units are referred to as the Securities ) in one or more transactions under this prospectus (the Prospectus ).

This Prospectus provides you with a general description of the Securities that the Company may offer. Each time the Company offers Securities, it will provide you with a prospectus supplement (the Prospectus Supplement ) that describes specific information about the particular Securities being offered and may add, update or change information contained in this Prospectus. You should read both this Prospectus and the Prospectus Supplement, together with any additional information which is incorporated by reference into this Prospectus. **This Prospectus may not be used to offer or sell securities without the Prospectus Supplement which includes a description of the method and terms of that offering.**

The Company may sell the Securities on a continuous or delayed basis to or through underwriters, dealers or agents or directly to purchasers. The Prospectus Supplement, which the Company will provide to you each time it offers Securities, will set forth the names of any underwriters, dealers or agents involved in the sale of the Securities, and any applicable fee, commission or discount arrangements with them. For additional information on the methods of sale, you should refer to the section entitled Plan of Distribution in this Prospectus.

The Common Shares are traded on the NYSE Amex and on the Toronto Stock Exchange under the symbol VGZ . On April 24, 2009, the last reported sale price of the Common Shares on the NYSE Amex was \$2.34 per share and on the Toronto Stock Exchange was Cdn\$2.80 per share. **There is currently no market through which the Securities, other than the Common Shares, may be sold and purchasers may not be able to resell the Securities purchased under this Prospectus. This may affect the pricing of the Securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these Securities and the extent of issuer regulation.** See Risk Factors and Uncertainties .

**Investing in the Securities involves risks. See Risk Factors and Uncertainties on page 5.**

**These Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission ( SEC ) or any state securities commission nor has the SEC or any state securities commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.**

**THE DATE OF THIS PROSPECTUS IS APRIL 27, 2009.**

---

TABLE OF CONTENTS

<b>ABOUT THIS PROSPECTUS</b>	<b>1</b>
<b>SUMMARY</b>	<b>2</b>
<b>RISK FACTORS AND UNCERTAINTIES</b>	<b>5</b>
<b>DOCUMENTS INCORPORATED BY REFERENCE</b>	<b>14</b>
<b>UNCERTAINTY OF FORWARD-LOOKING STATEMENTS</b>	<b>15</b>
<b>CAUTIONARY NOTE TO U.S. INVESTORS REGARDING RESERVE AND RESOURCE ESTIMATES</b>	<b>18</b>
<b>PRESENTATION OF FINANCIAL INFORMATION AND EXCHANGE RATE DATA</b>	<b>18</b>
<b>RECENT DEVELOPMENTS</b>	<b>19</b>
<b>USE OF PROCEEDS</b>	<b>19</b>
<b>RATIO OF EARNINGS TO FIXED CHARGES</b>	<b>19</b>
<b>DESCRIPTION OF COMMON SHARES</b>	<b>19</b>
<b>DESCRIPTION OF DEBT SECURITIES</b>	<b>19</b>
<b>DESCRIPTION OF WARRANTS</b>	<b>31</b>
<b>DESCRIPTION OF SUBSCRIPTION RECEIPTS</b>	<b>33</b>
<b>DESCRIPTION OF UNITS</b>	<b>36</b>
<b>PLAN OF DISTRIBUTION</b>	<b>38</b>
<b>CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR U.S. RESIDENTS</b>	<b>39</b>
<b>U.S. FEDERAL INCOME TAX CONSEQUENCES</b>	<b>40</b>
<b>INTERESTS OF NAMED EXPERTS AND COUNSEL</b>	<b>47</b>
<b>EXPERTS</b>	<b>47</b>
<b>WHERE YOU CAN FIND MORE INFORMATION</b>	<b>48</b>







**ABOUT THIS PROSPECTUS**



## Edgar Filing: VISTA GOLD CORP - Form S-3/A

This Prospectus is a part of a registration statement that the Company filed with the SEC utilizing a shelf registration process. Under this shelf registration process, the Company may sell any combination of the Securities described in this Prospectus in one or more offerings up to a total dollar amount of initial aggregate offering price of \$200,000,000. This Prospectus provides you with a general description of the Securities that we may offer. The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in a Prospectus Supplement and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price and any other specific terms of the offering; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, currency or the currency unit for which such Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any redemption terms, any sinking fund provisions, any exchange or conversion terms, whether payment on the Debt Securities will be senior or subordinated to the Company's other liabilities and obligations and any other specific terms; (iii) in the case of Warrants, the designation, number and terms of the Common Shares or Debt Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, and the currency or the currency unit in which the exercise price must be paid and any other specific terms; (iv) in the case of Subscription Receipts, the designation, number and terms of the Common Shares, Warrants or Debt Securities receivable upon satisfaction of certain release conditions, any procedures that will result in the adjustment of those numbers, any additional payments to be made to holders of Subscription Receipts upon satisfaction of the release conditions, the terms of the release conditions, terms governing the escrow of all or a portion of the gross proceeds from the sale of the Subscription Receipts, terms for the refund of all or a portion of the purchase price for Subscription Receipts in the event the release conditions are not met and any other specific terms; and (v) in the case of Units, the designation, number and terms of the Common Shares, Warrants, Debt Securities or Subscription Receipts comprising the Units. A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters set forth in this Prospectus.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See Plan of Distribution .

Please carefully read both this Prospectus and any Prospectus Supplement together with the documents incorporated herein by reference under Documents Incorporated by Reference and the additional information described below under Where You Can Find More Information.

**Owning securities may subject you to tax consequences both in Canada and the United States. This Prospectus or any applicable Prospectus Supplement may not describe these tax consequences fully. You should read the tax discussion in any Prospectus Supplement with respect to a particular offering and consult your own tax advisor with respect to your own particular circumstances.**

References in this Prospectus to \$ are to United States dollars. Canadian dollars are indicated by the symbol Cdn\$ .

You should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide you with information different from that contained in this Prospectus. The distribution or possession of this Prospectus in or from certain jurisdictions may be restricted by law. This Prospectus is not an offer to sell these Securities and is not soliciting an offer to buy these Securities in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or of any sale of the Securities. The Company's business, financial condition, results of operations and prospects may have changed since that date.

Edgar Filing: VISTA GOLD CORP - Form S-3/A

In this Prospectus and in any Prospectus Supplement, unless the context otherwise requires, references to Vista and the Company refer to Vista Gold Corp., either alone or together with its subsidiaries.



**SUMMARY**





**The Company**



## Edgar Filing: VISTA GOLD CORP - Form S-3/A

Vista Gold Corp. was originally incorporated on November 28, 1983 under the name Granges Exploration Ltd. . In November 1983, Granges Exploration Ltd. acquired all the mining interests of Granges AB in Canada. On June 28, 1985, Granges Exploration Ltd. and Pecos Resources Ltd. amalgamated under the name Granges Exploration Ltd. and on June 9, 1989, Granges Exploration Ltd. changed its name to Granges Inc. On May 1, 1995, Granges Inc. and Hycroft Resources & Development Corporation were amalgamated under the name Granges Inc. Effective November 1, 1996, Granges Inc. and Da Capo Resources Ltd. amalgamated under the name Vista Gold Corp. Effective December 17, 1997, Vista Gold Corp. was continued from British Columbia to the Yukon Territory, Canada under the *Business Corporations Act* (Yukon Territory). On September 22, 2006, the Company entered into an Arrangement and Merger Agreement (the Arrangement Agreement ) with Allied Nevada Gold Corp. ( Allied Nevada ), Carl Pescio and Janet Pescio (the Pescios ), pursuant to which the Company's Nevada-based mining properties and related assets were transferred to Allied Nevada and the Pescios' interests in certain Nevada-based mining properties and related assets were transferred to Allied Nevada. Completion of the transaction occurred on May 10, 2007. The current addresses, telephone and facsimile numbers of the offices of the Company are:

### **Executive Office**

Suite 5 - 7961 Shaffer Parkway  
Littleton, Colorado, USA 80127  
Telephone: (720) 981-1185  
Facsimile: (720) 981-1186

### **Registered and Records Office**

200 - 204 Lambert Street  
Whitehorse, Yukon Territory, Canada Y1A 3T2  
Telephone: (867) 667-7600  
Facsimile: (867) 667-7885

### **Business of the Company**



## Edgar Filing: VISTA GOLD CORP - Form S-3/A

The Company is currently engaged in the evaluation, acquisition, exploration and advancement of gold exploration and potential development projects. Historically, the Company'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 mineral resources and/or mineral reserves. In addition, the Company looks for opportunities to improve the value of its gold projects including through exploration drilling and re-engineering the operating assumptions underlying previous engineering work.

Beginning in 2007, the Company's Board of Directors and management decided to take on a new direction regarding the Company's more advanced gold projects. The Company plans to move its more advanced projects forward through advanced and pre-feasibility studies, so production decisions can be made on those projects.

Currently, the Company's holdings include the Paredones Amarillos gold project in Mexico; the Mt. Todd gold project in Australia; the Guadalupe de los Reyes gold project in Mexico; the Yellow Pine gold project in Idaho; the Awak Mas gold project in Indonesia; the Long Valley gold project in California; and mining claims in Colorado and Utah. The Company also owns approximately 25% of the shares of Zamora Gold Corp., a company exploring for gold in Ecuador. Additional information about these projects is available in the Company's amendment number one to its Annual Report on Form 10-K/A for the year ended December 31, 2008, filed on Form 10-K/A under Item 2. Properties. In April 2008, the Company sold its Amayapampa gold project in Bolivia to Republic Gold Limited, an Australian mining company (see Significant Developments in 2008 - Sale of Amayapampa Gold Project, Bolivia in the Company's Annual Report on Form 10-K for the year ended December 31, 2008).

The Company does not produce gold and does not currently generate operating earnings. Through fiscal 2008 and fiscal 2009 to date, funding to acquire and explore gold properties and to operate the Company has been principally acquired through equity and debt financings (consisting of private placements of equity units consisting of Common Shares and warrants to purchase Common Shares, public offerings of Common Shares and, in March 2008, a brokered private placement of senior secured convertible notes (the Notes)) and the sale of securities held by the Company (consisting of the sale of shares of Allied Nevada Gold Corp. held by the Company). The Company expects to continue to raise capital through additional equity and/or debt financings, and through the exercise of stock options and warrants. The Company anticipates raising funds for interim financing needs through various bridge loan or convertible debt alternatives.



**The Securities Offered under this Prospectus**





## Edgar Filing: VISTA GOLD CORP - Form S-3/A

The Company may offer the Common Shares, Debt Securities, Warrants, Subscription Receipts, or Units with a total value of up to \$200,000,000 million from time to time under this Prospectus, together with any applicable Prospectus Supplement and related free writing prospectus, at prices and on terms to be determined by market conditions at the time of offering. This Prospectus provides you with a general description of the Securities the Company may offer. Each time the Company offers Securities, it will provide a Prospectus Supplement that will describe the specific amounts, prices and other important terms of the Securities, including, to the extent applicable:

- designation or classification;
- aggregate principal amount or aggregate offering price;
- maturity, if applicable;
- original issue discount, if any;
- rates and times of payment of interest or dividends, if any;
- redemption, conversion, exchange or sinking fund terms, if any;
- conversion or exchange prices or rates, if any, and, if applicable, any provisions for changes to or adjustments in the conversion or exchange prices or rates and in the securities or other property receivable upon conversion or exchange;
- ranking;
- restrictive covenants, if any;
- voting or other rights, if any; and
- important United States federal income tax considerations.

A Prospectus Supplement and any related free writing prospectus that the Company may authorize to be provided to you may also add, update or change information contained in this Prospectus or in documents the Company has incorporated by reference. However, no Prospectus Supplement or free writing prospectus will offer a security that is not registered and described in this Prospectus at the time of the effectiveness of the registration statement of which this Prospectus is a part.

The Company may sell the Securities on a continuous or delayed basis to or through underwriters, dealers or agents or directly to purchasers. The Prospectus Supplement, which the Company will provide to you each time it offers Securities, will set forth the names of any underwriters, dealers or agents involved in the sale of the Securities, and any applicable fee, commission or discount arrangements with them.

### *Common Shares*



## Edgar Filing: VISTA GOLD CORP - Form S-3/A

The Company may offer Common Shares. Holders of Common Shares are entitled to one vote per Common Share on all matters that require shareholder approval. Holders of our Common Shares are entitled to dividends when and if declared by the Board of Directors of the Company. Our Common Shares are described in greater detail in this Prospectus under Description of Common Shares.

### *Debt Securities*

The Company may offer debt securities from time to time, in one or more series, as either senior or subordinated debt or as senior or subordinated convertible debt. The debt securities will be issued under one or more documents called indentures, which are contracts between the Company and a trustee for the holders of the debt securities. In this Prospectus, the Company has summarized certain general features of the debt securities under Description of Debt Securities. The Company urges you, however, to read any Prospectus Supplement and any free writing prospectus that the Company may authorize to be provided to you related to the series of debt securities being offered, as well as the complete indentures that contain the terms of the debt securities. A form of indenture has been filed as an exhibit to the registration statement of which this Prospectus is a part, and supplemental indentures and forms of debt securities containing the terms of debt securities being offered will be filed as exhibits to the registration statement of which this Prospectus is a part, or incorporated by reference from a current report on Form 8-K that the Company files with the SEC.



*Warrants*



## Edgar Filing: VISTA GOLD CORP - Form S-3/A

The Company may offer Warrants for the purchase of Common Shares or Debt Securities, in one or more series, from time to time. The Company may issue Warrants independently or together with Common Shares, Debt Securities, or Subscription Receipts, and the Warrants may be attached to or separate from such securities.

The Warrants will be evidenced by warrant certificates and may be issued under one or more warrant indentures, which are contracts between the Company and a warrant trustee for the holders of the Warrants. In this prospectus, the Company has summarized certain general features of the Warrants under Description of Warrants. The Company urges you, however, to read any Prospectus Supplement and any free writing prospectus that the Company may authorize to be provided to you related to the series of Warrants being offered, as well as the complete warrant indentures and warrant certificates that contain the terms of the Warrants. Specific warrant indentures will contain additional important terms and provisions and will be filed as exhibits to the registration statement of which this Prospectus is a part, or incorporated by reference from a current report on Form 8-K that the Company files with the SEC.

### *Subscription Receipts*





## Edgar Filing: VISTA GOLD CORP - Form S-3/A

The Company may issue Subscription Receipts, which will entitle holders to receive upon satisfaction of certain release conditions and for no additional consideration, Common Shares, Debt Securities, Warrants or any combination thereof. Subscription Receipts will be issued pursuant to one or more subscription receipt agreements, each to be entered into between the Company and an escrow agent, which will establish the terms and conditions of the Subscription Receipts. Each escrow agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. A copy of the form of subscription receipt agreement will be filed as an exhibit to the registration statement of which this Prospectus is a part, or will be incorporated by reference from a current report on Form 8-K that the Company files with the SEC.

### *Units*



## Edgar Filing: VISTA GOLD CORP - Form S-3/A

The Company may offer Units consisting of Common Shares, Debt Securities, Warrants and/or Subscription Receipts to purchase any of such securities in one or more series. In this Prospectus, we have summarized certain general features of the Units under Description of Units. The Company urges you, however, to read any Prospectus Supplement and any free writing prospectus that the Company may authorize to be provided to you related to the series of Units being offered. The Company may evidence each series of units by unit certificates that the Company will issue under a separate unit agreement with a unit agent. The Company will file as exhibits to the registration statement of which this Prospectus is a part, or will incorporate by reference from a current report on Form 8-K that the Company files with the SEC, the unit agreements that describe the terms of the series of Units the Company is offering before the issuance of the related series of Units.

### **Ratio of Earnings to Fixed Charges**

The Company's ratio of earnings to fixed charges for the year ended December 31, 2008 is less than one-to-one. See Ratio of Earnings to Fixed Charges .

**THIS PROSPECTUS MAY NOT BE USED TO OFFER OR SELL ANY SECURITIES UNLESS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.**

**RISK FACTORS AND UNCERTAINTIES**



## Edgar Filing: VISTA GOLD CORP - Form S-3/A

*Investing in the Securities involves a high degree of risk. Prospective investors in a particular offering of Securities should carefully consider the following risks, as well as the other information contained in this Prospectus, any applicable Prospectus Supplement, and the documents incorporated by reference herein before investing in the Securities. If any of the following risks actually occurs, the Company's business could be materially harmed. The risks and uncertainties described below are not the only ones the Company faces. Additional risks and uncertainties, including those of which the Company is currently unaware or that the Company deems immaterial, may also adversely affect the Company's business.*

***The Company is a passive foreign investment company for U.S. tax purposes, which can have a materially adverse effect on a U.S. shareholder's economic return on investment in the Company's Common Shares.***

For U.S. federal income tax purposes, the Company was classified as a passive foreign investment company ( PFIC ) under section 1297 of the U.S. Internal Revenue Code of 1986, as amended (the Code ) for its taxable year ended December 31, 2008, and likely will be a PFIC in subsequent taxable years until it has significant operating income. Classification of a corporation as a PFIC is a tax attribute which may have a material adverse effect on a U.S. shareholder's economic return. Whether, and to what extent, there will be a material adverse effect depends to a very large extent on whether a U.S. shareholder makes certain elections in timely fashion. These elections are discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, under Part II Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities Certain U.S. Federal Income Tax Considerations . Each U.S. investor in the Company's Common Shares is urged to review that discussion and consult an independent U.S. tax adviser, because the PFIC rules are complex.

***Feasibility study results and preliminary assessment results are based on estimates that are subject to uncertainty.***

Feasibility studies are used to determine the economic viability of a deposit, as are pre-feasibility studies and preliminary assessments. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. Generally accepted levels of confidence are plus or minus 15% for feasibility studies, plus or minus 25-30% for pre-feasibility studies and plus or minus 35-40% for preliminary assessments. These levels reflect the levels of confidence that exist at the time the study is completed. While these studies are based on the best information available to the Company for the level of study, the Company cannot be certain that actual costs will not significantly exceed the estimated cost. While the Company incorporates what it believes is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that the contingency factor is adequate.

***The economic viability of a deposit is based on many factors that are subject to uncertainty.***

Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates of future gold prices. Resource estimates are based on the assay results of many intervals from many drill holes and the interpolation of those results between holes. There is no certainty that metallurgical recoveries obtained in bench scale or pilot plant scale tests will be achieved in commercial operations. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the orebody, ground and mining conditions, expected recovery rates of the gold from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and as a result, the Company cannot give any assurance that its development or exploration projects will become operating mines. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change as the result of changing commodity and supply costs. If a mine is developed, actual operating results may differ from those anticipated in a feasibility study.

***There may be delays in commencement of construction on the Paredones Amarillos gold project.***

## Edgar Filing: VISTA GOLD CORP - Form S-3/A

Delays in commencement of construction could result from delays in receiving the required governmental permits including the Change of Land Use Permit ( CUSF ) and the Temporary Occupation Permit ( TOP ) (for the life of the project), or from factors such as availability and performance of engineering and construction contractors, suppliers and consultants, availability of required equipment and receipt of required governmental approvals. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which we depend, or lack of availability of required equipment, or delay or failure to receive required governmental approvals,

could delay or prevent commencement of construction on the Paredones Amarillos gold project. There can be no assurance whether or when construction at the Paredones Amarillos gold project will commence or that the necessary personnel, equipment or supplies will be available to the Company if and when construction is commenced. If the Company is unable to acquire permits to mine the property, then it will have no reserves under SEC Industry Guide 7.

***The final status of the Company's required governmental permits for the Paredones Amarillos gold project could negatively impact its mineral reserves.***

The Company has not yet received its required governmental permits for the Paredones Amarillos gold project. We decided to apply for a new CUSF and have presented an application for a TOP for the use of the federal land which overlies the Paredones Amarillos deposit. The TOP is a necessary pre-requisite for the CUSF application. The Company has not yet received the TOP, which was expected by the end of 2008. Communications that the Company's advisors have had with the office of the General Director of Mines of the Ministry of Economy (the department responsible for awarding the TOP) indicate that the approval process is proceeding normally, but at a slower pace than expected. However, there are many variables and uncertainties involved throughout the TOP and CUSF approval process and approval is not guaranteed. If the Company is unable to secure a TOP and CUSF, Mexican law will prohibit it from mining the Paredones Amarillos gold project and, accordingly, the Company will have no reserves at Paredones Amarillos under SEC Industry Guide 7.

***Increased costs could affect the Company's financial condition.***

The Company anticipates that costs at its projects including the Paredones Amarillos gold project, Mt. Todd gold project and its Awak Mas gold project as well as other properties that it may explore or develop, will frequently be subject to variation from one year to the next due to a number of factors, such as changing ore grade, metallurgy and revisions to mine plans in response to the physical shape and location of the ore body. In addition, costs are affected by the price of commodities such as fuel and electricity. Such commodities are, at times, subject to volatile price movements, including increases that could make production at certain operations less profitable. A material increase in costs at any significant location could have a significant effect on the Company's profitability.

***A shortage of equipment and supplies could adversely affect the Company's ability to operate its business.***

The Company is dependent on various supplies and equipment to carry out its mining exploration and development operations. The shortage of such supplies, equipment and parts could have a material adverse effect on the Company's ability to carry out its operations and therefore limit or increase the cost of production.

***We cannot be certain that the Company's acquisition, exploration and development activities will be commercially successful.***

The Company currently has no properties that produce gold in commercial quantities. Substantial expenditures are required to acquire existing gold properties, to establish mineral reserves through drilling and analysis, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. The Company cannot be assured that any mineral reserves or mineral resources acquired or discovered will be in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.



*The price of gold is subject to fluctuations, which could adversely affect the realizable value of the Company's assets and potential future results of operations and cash flow.*

The Company's principal assets are mineral reserves and mineral resources. The Company intends to attempt to acquire additional properties containing mineral reserves and mineral resources. The price that the Company pays to acquire these properties will be, in large part, influenced by the price of gold at the time of the acquisition. The Company's potential future revenues are expected to be, in large part, derived from the mining and sale of gold from these properties or from the outright sale or joint venture of some of these properties. The value of these mineral reserves and mineral resources, and the value of any potential gold production therefrom, will vary in proportion to variations in gold prices. The price of gold has fluctuated widely, and is affected by numerous factors beyond the Company's control including, but not limited to, international, economic and political trends, expectations of inflation, currency exchange fluctuations, central bank activities, interest rates, global or regional consumption patterns and speculative activities. The effect of these factors on the price of gold, and therefore the economic viability of any of the Company's projects, cannot accurately be predicted. Any drop in the price of gold would adversely affect the Company's asset values, cash flows, potential revenues and profits.

***Mining exploration, development and operating activities are inherently hazardous.***

Mineral exploration involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has direct or indirect interests will be subject to all the hazards and risks normally incidental to exploration, development and production of gold and other metals, any of which could result in work stoppages, damage to property and possible environmental damage. The nature of these risks is such that liabilities might exceed any liability insurance policy limits. It is also possible that the liabilities and hazards might not be insurable, or, the Company could elect not to be insured against such liabilities due to high premium costs or other reasons, in which event, the Company could incur significant costs that could have a material adverse effect on its financial condition.

***Calculations of mineral reserves and of mineral resources are estimates only, subject to uncertainty due to factors including metal prices, inherent variability of the ore, and recoverability of metal in the mining process.***

There is a degree of uncertainty attributable to the calculation of reserves and corresponding grades dedicated to future production. Until mineral reserves are actually mined and processed, the quantity of ore and grades must be considered as estimates only. In addition, the quantity of mineral reserves and ore may vary depending on metal prices. Estimates of mineral resources are subject to uncertainty as well. The estimating of mineral reserves and mineral resources is a subjective process and the accuracy of such estimates is a function of the quantity and quality of available data and the assumptions used and judgments made in interpreting engineering and geological information. There is significant uncertainty in any mineral reserve or mineral resource estimate, and the actual deposits encountered and the economic viability of mining a deposit may differ materially from the Company's estimates. Estimated mineral reserves or mineral resources may have to be recalculated based on changes in metal prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence estimates of mineral reserves or mineral resources. Any material change in the quantity of mineral reserves, mineralization, grade or stripping ratio may affect the economic viability of the Company's properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

***The Company's exploration and development operations are subject to environmental regulations, which could result in the Company incurring additional costs and operational delays.***

All phases of the Company's operations are subject to environmental regulation. Environmental legislation is evolving in some countries or jurisdictions in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's projects. The Company is currently subject to U.S. federal and state government environmental regulations with respect to its properties in Idaho and California in the United States. The Company is also currently subject to environmental regulations with respect to its properties in Mexico, Australia and Indonesia.

*U.S. Federal Laws*

The U.S. Bureau of Land Management requires tha