

VISTA GOLD CORP
Form 10-Q
October 30, 2013

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 September 30, 2013

OR

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

For the transition period from _____ to _____

Commission File Number 1-09025

VISTA GOLD CORP.

(Exact name of registrant as specified in its charter)

British Columbia, Canada
(State or other jurisdiction of incorporation or organization)

98-0542444
(IRS Employer Identification No.)

Edgar Filing: VISTA GOLD CORP - Form 10-Q

Suite 5, 7961 Shaffer Parkway
Littleton, Colorado
(Address of principal executive offices)

80127
(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 x 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 x No

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 x

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 x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 81,788,835 common shares, without par value, outstanding as of October 28, 2013.

VISTA GOLD CORP.

(An Exploration Stage Enterprise)

FORM 10-Q

For the Quarter Ended September 30, 2013

INDEX

	Page
PART I — FINANCIAL INFORMATION	
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	1
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	13
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	32
ITEM 4. CONTROLS AND PROCEDURES	32
PART II — OTHER INFORMATION	
ITEM 1. LEGAL PROCEEDINGS	32
ITEM 1A. RISK FACTORS	33
ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	33
ITEM 3. DEFAULTS UPON SENIOR SECURITIES	33
ITEM 4. MINE SAFETY DISCLOSURE	33
ITEM 5. OTHER INFORMATION	34
ITEM 6. EXHIBITS	34
SIGNATURES	35

VISTA GOLD CORP. (An Exploration Stage Enterprise)

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollar amounts in U.S. dollars and in thousands, except shares)

	(Unaudited) September 30, 2013	December 31, 2012
Assets:		
Current assets:		
Cash and cash equivalents	\$ 4,329	\$ 18,281
Restricted cash	43	70
Marketable securities (Note 4)	231	626
Other investments (Note 5)	26,714	69,489
Other current assets	1,750	2,963
Total current assets	33,067	91,429
Non-current assets:		
Mineral properties (Note 6)	13,701	13,701
Plant and equipment, net (Note 7)	5,090	3,592
Assets held for sale (Note 7)	6,500	10,000
Amayapampa interest (Note 15)	4,813	4,813
Long-term investments	65	65
Long-term deferred tax asset	9,139	9,465
Total non-current assets	39,308	41,636
Total assets	\$ 72,375	\$ 133,065
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable	\$ 442	\$ 4,409
Debt (Note 8)	9,698	-
Accrued liabilities and other	1,415	1,839
Current deferred tax liability	9,139	24,839
Total current liabilities	20,694	31,087
Non-current liabilities:		
Other long-term liabilities	635	635
Total non-current liabilities	635	635
Total liabilities	21,329	31,722

Commitments and contingencies – (Note 14)

Shareholders' equity:

Common shares, no par value - unlimited shares authorized; shares outstanding: 2013 - 81,788,835 and 2012 - 81,563,498 (Note 9)	404,252	403,583
Additional paid-in capital (Note 10)	32,957	32,155
Accumulated other comprehensive income (loss) (Note 11)	(318)	2
Accumulated deficit (including during exploration stage: 2013 - \$186,773 and 2012 - \$135,325)	(385,845)	(334,397)
Total shareholders' equity	51,046	101,343
 Total liabilities and shareholders' equity	 \$ 72,375	 \$ 133,065

Approved by the Board of Directors

/s/ John M. Clark	/s/ Tracy A. Stevenson
John M. Clark	Tracy A. Stevenson
Director	Director

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

Edgar Filing: VISTA GOLD CORP - Form 10-Q

VISTA GOLD CORP. (An Exploration Stage Enterprise)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME/(LOSS) AND COMPREHENSIVE INCOME/(LOSS)

(Dollar amounts in U.S. dollars and in thousands, except shares and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,		Cumulative during Exploration Stage
	2013	2012	2013	2012	
Operating income and (expenses):					
Exploration, property evaluation and holding costs	\$ (2,213)	\$ (6,294)	\$ (15,220)	\$ (18,759)	\$ (110,479)
Corporate administration	(1,060)	(1,739)	(4,195)	(5,816)	(48,302)
Depreciation and amortization	(250)	(132)	(792)	(391)	(3,190)
Loss on extinguishment of convertible debt	-	-	-	-	(1,218)
Gain on disposal of mineral property, net	-	1,000	-	1,934	79,766
Write-down of mineral property	-	-	-	-	(250)
Total operating expense	(3,523)	(7,165)	(20,207)	(23,032)	(83,673)
Non-operating income and (expenses):					
Gain/(loss) on sale of marketable securities	(15)	1	(33)	145	8,016
Unrealized gain/(loss) on other investments (Note 5)	4,547	29,132	(42,775)	(13,184)	(55,791)
Write-down of marketable securities	-	-	-	-	(959)
Write-down of plant and equipment	(3,500)	-	(3,500)	-	(10,617)
Gain/(loss) on currency translation	(246)	183	126	100	(104)
Interest income	5	11	30	32	2,808
Interest expense	(193)	-	(399)	-	(4,511)
Other income/(expense)	(101)	32	(63)	204	(1,807)
	497	29,359	(46,614)	(12,703)	(62,965)

Edgar Filing: VISTA GOLD CORP - Form 10-Q

Total non-operating
income/(expense)

Income/(Loss) from continuing operations before income taxes	(3,026)	22,194	(66,821)	(35,735)	(146,638)
Deferred income tax benefit/(expense)	(1)	(9,925)	15,373	6,276	(2)
Income/(Loss) from continuing operations after income taxes	(3,027)	12,269	(51,448)	(29,459)	(146,640)
Loss from discontinued operations	-	-	-	-	(5,192)
Net income/(loss)	\$ (3,027)	\$ 12,269	\$ (51,448)	\$ (29,459)	\$ (151,832)

Other comprehensive gain/(loss):

Unrealized fair value increase/(decrease) on available-for-sale securities	45	70	(320)	(156)	(318)
Comprehensive income/(loss)	\$ (2,982)	\$ 12,339	\$ (51,768)	\$ (29,615)	\$ (152,150)

Basic:

Weighted average number of shares outstanding	81,788,835	75,859,161	81,711,289	73,183,166
Net income/(loss) per share	\$ (0.04)	\$ 0.16	(0.63)	\$ (0.40)

Diluted:

Weighted average number of shares outstanding	81,788,835	76,725,177	81,711,289	73,183,166
Net income/(loss) per share	\$ (0.04)	\$ 0.16	(0.63)	\$ (0.40)

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

VISTA GOLD CORP. (An Exploration Stage Enterprise)

UNAUDITED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Dollar amounts in U.S. dollars and in thousands, except share amounts)

	Common shares	Common stock	Additional paid-in capital	Accumulated Deficit	Accumulated other comprehensive income/(loss)	Total shareholders' equity
Balances at December 31, 2001	4,535,752	\$ 197,900	\$ 2,786	\$ (199,072)	\$ -	\$ 1,614
Shares issued, net of transaction costs	57,384,000	151,819	9,329	-	-	161,148
Warrants and options	-	-	10,866	-	-	10,866
Dividend-in-kind	-	-	-	(34,941)	-	(34,941)
Other comprehensive income	-	-	-	-	929	929
Net loss	-	-	-	(81,274)	-	(81,274)
Balances at December 31, 2010	61,919,752	\$ 349,719	\$ 22,981	\$ (315,287)	\$ 929	\$ 58,342
Shares issued, net of transaction costs	9,584,131	30,400	588	-	-	30,988
Warrants and options	-	-	1,101	-	-	1,101
Other comprehensive loss	-	-	-	-	(754)	(754)
Net income	-	-	-	51,546	-	51,546
Balances at December 31, 2011	71,503,883	\$ 380,119	\$ 24,670	\$ (263,741)	\$ 175	\$ 141,223
Shares issued, net of transaction costs	10,059,615	23,464	-	-	-	23,464
Warrants and options	-	-	7,485	-	-	7,485
Other comprehensive loss	-	-	-	-	(173)	(173)
Net loss	-	-	-	(70,656)	-	(70,656)
Balances at December 31, 2012	81,563,498	\$ 403,583	\$ 32,155	\$ (334,397)	\$ 2	\$ 101,343

Edgar Filing: VISTA GOLD CORP - Form 10-Q

Shares issued, net of transaction costs	225,337	259	-	-	-	259
Warrants and options	-	410	802	-	-	1,212
Other comprehensive loss	-	-	-	-	(320)	(320)
Net loss	-	-	-	(51,448)	-	(51,448)
Balances at September 30, 2013	81,788,835	\$ 404,252	\$ 32,957	\$ (385,845)	\$ (318)	\$ 51,046

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

VISTA GOLD CORP. (An Exploration Stage Enterprise)

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollar amounts in U.S. dollars and in thousands)

	Nine Months Ended		Cumulative during exploration stage
	September 30, 2013	2012	
Cash flows from operating activities:			
Net loss for the period	\$ (51,448)	\$ (29,459)	\$ (151,832)
Adjustments to reconcile net loss for the period to net cash used in operations:			
Depreciation and amortization	792	391	3,190
Stock-based compensation	1,212	3,036	13,263
Loss/ (gain) on disposal of marketable securities	33	(145)	(8,016)
Loss on extinguishment of convertible notes	-	-	1,218
Accrued interest and accretion of interest	-	-	3,519
Gain on disposal of mineral property	-	(1,934)	(80,035)
Write-down of non-current assets	3,500	-	10,867
Unrealized loss on other investments	42,775	13,184	55,791
Write down of marketable securities	-	-	959
Transaction costs	-	-	1,841
Deferred tax benefit	(15,373)	(6,276)	2
Other non-cash items	(66)	-	2,129
Change in working capital account items:			
Other current assets	1,491	(590)	(723)
Interest paid	-	-	(7,586)
Accounts payable, accrued liabilities and other	(4,392)	(1,402)	404
Net cash used in operating activities	(21,476)	(23,195)	(155,009)
Cash flows from investing activities:			
Purchases of marketable securities	-	(138)	(1,841)
Proceeds from sales of marketable securities	150	248	11,693
Acquisition of long-term investments	-	-	(3,632)
Additions to mineral property	-	-	(11,571)
Additions to plant and equipment	(2,290)	(861)	(24,933)
Change in restricted cash at Awak Mas	27	75	(43)
Proceeds from non-current asset disposals	-	4,500	6,740
Cash transferred to Allied Nevada Gold Corp., net of receivable	-	-	(24,517)
Net cash (used in)/provided by investing activities	(2,113)	3,824	(48,104)
Cash flows from financing activities:			
Proceeds from debt financing, net (Note 8)	9,637	-	9,637
Proceeds from equity financings, net	-	14,231	161,542
Repayment of convertible notes	-	-	(26,108)

Edgar Filing: VISTA GOLD CORP - Form 10-Q

Proceeds from exercise of warrants	-	1,365	40,754
Proceeds from exercise of compensation options	-	733	733
Proceeds from exercise of stock options	-	21	4,068
Issuance of convertible notes	-	-	28,345
Cash paid in lieu of capital stock issuances	-	-	(107)
Transaction costs	-	-	(1,841)
Net cash provided by financing activities	9,637	16,350	217,023
Increase/(decrease) in cash and cash equivalents	(13,952)	(3,021)	13,910
Decrease in cash and cash equivalents - discontinued operations	-	-	(10,255)
Net increase/(decrease) in cash and cash equivalents	(13,952)	(3,021)	3,655
Cash and cash equivalents, beginning of period	18,281	17,873	674
Cash and cash equivalents, end of period	\$ 4,329	\$ 14,852	\$ 4,329

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

VISTA GOLD CORP. (An Exploration Stage Enterprise)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts in U.S. dollars and in thousands, except per share, per option, per warrant and per ounce amounts unless otherwise noted)

1. Nature of Operations and Basis of Presentation

Vista Gold Corp. and its subsidiaries (collectively, “Vista,” the “Company,” the “Corporation,” “we,” “our” or “us”) operate in the gold mining industry. We are focused on the evaluation, acquisition, exploration and advancement of gold exploration and potential development projects, which may lead to gold production or value adding strategic transactions such as earn-in right agreements or leases to third parties, joint venture arrangements with other mining companies, or outright sales of assets for cash and/or other consideration. As such, we are considered an Exploration Stage Enterprise. Our 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, we look for opportunities to improve the value of our gold projects through exploration drilling and/or technical studies resulting in changes to the operating assumptions underlying previous engineering work.

We are currently conducting a strategic review of our portfolio of gold assets, focused on our Mt. Todd gold project in Northern Territory, Australia. Our portfolio of assets also includes approximately 24.9% of the common shares of Midas Gold Corp. (TSX: MAX), a company exploring for gold and developing the Golden Meadows project in the Yellow Pine-Stibnite District in Idaho; the Guadalupe de los Reyes gold/silver project in Mexico (a preliminary economic assessment on this project was completed in March 2013); the Awak Mas gold project in Indonesia (One Asia Resources Ltd. working to earn an 80% interest in this project); the Long Valley gold project in California and a royalty on the Amayapampa gold project in Bolivia (project being advanced by LionGold Corp Ltd).

These unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) and should be read in conjunction with the audited consolidated financial statements as of December 31, 2012 and 2011, in our Annual Report on Form 10-K for the year ended December 31, 2012. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts, which are based on information available as of the date of the financial statements. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, which are of a normal and recurring nature, necessary to present fairly in all material respects the financial results for the period presented. Operating results for the three and nine months ended September 30, 2013 are not necessarily indicative of the results that may be expected for the year ending December 31, 2013 or for any future period. The December 31, 2012 condensed consolidated balance sheets were derived from audited financial statements, but do not include all disclosures required in the annual financial statements by U.S. GAAP.

2. Liquidity

These unaudited condensed consolidated financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the normal course of business. Accordingly, the continuing operations of the Company are dependent upon our ability to secure sufficient funding and to generate future profits from operations. The underlying value and recoverability of the amounts shown as mineral properties, plant and equipment, assets held for sale, investments and other property interests in the consolidated balance sheets are also dependent on our ability to generate positive cash flow from operations and to continue to fund exploration and development activities that would lead to profitable production or proceeds from the disposition of these assets. There can be no assurance that we will be successful in generating future profitable operations, disposing of these assets or securing additional funding in the future on terms acceptable to us or at all. These unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or liabilities which might be necessary should we not be able to continue as a going-concern.

Management is strongly committed to careful cash management and maintaining liquidity. The Company's cash burn rate has been dramatically reduced since the first half of the year as several cash intensive programs such as water treatment, environmental impact statement, and preliminary feasibility study have been completed. In addition, several significant cost cutting measures have been introduced including a reduction of management positions, significant reductions in cash compensation for executives, senior management and the Company's Board of Directors, and the delay or elimination of all discretionary programs, including exploration activities. Other aggressive cost cutting measures, particularly at Mt. Todd, are being pursued. We continue to advance several important value-adding initiatives, including the authorization process for the Mt. Todd project environmental impact statement, none of which are capital intensive. The Company's cash burn rate is expected to be reduced to approximately \$3,250 for the fourth quarter of 2013, with further reductions to \$2,500 to \$3,000 per quarter planned for 2014, assuming a normal wet season in the Northern Territory.

VISTA GOLD CORP. (An Exploration Stage Enterprise)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts in U.S. dollars and in thousands, except per share, per option, per warrant and per ounce amounts unless otherwise noted)

Subsequent to the period end (Note 16), as a result of the sale of the Los Cardones gold project, the Company reduced its debt from approximately \$9,700 to approximately \$6,700, and expects to reduce the debt by a further \$3,000 (to approximately \$3,700) in January 2014, subject to the receipt of a \$6,000 final payment (to be made to us at the purchaser's option) from the sale of the Los Cardones gold project.

We believe that our current cash position, together with the proceeds from the sale of the Los Cardones gold project (Note 16) will be sufficient to fund the Company through the third quarter of 2014, subject to the \$6,000 final payment to be made to us at the purchaser's option. In addition, the Company will continue to seek other financing sources with priority given to non-dilutive sources such as sale of our used mill equipment and monetization of other non-core assets. However, there can be no assurance that we will be able to timely monetize the non-core assets at a value acceptable to us or at all. The Company also believes that given its ability to liquidate all or a portion of its Other Investments (Note 5), if necessary, it will have access to sufficient financing to fully repay its debt, and to fund operations well into 2015.

3. Recent Accounting Pronouncements

Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income

In February 2013, the Financial Accounting Standards Board ("FASB") issued guidance related to items reclassified from accumulated other comprehensive income. The new standard requires either in a single note or parenthetically on the face of the financial statements: (i) the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its sources; and (ii) the income statement line items affected by the reclassification. The standard was effective for us as of January 1, 2013, with early adoption permitted. The adoption of this guidance did not have a significant impact on our consolidated financial position, results of operations or cash flows.

Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists

In July 2013, the FASB issued guidance related to the financial statement presentation of an unrecognized tax benefit, a similar tax loss, or a tax credit carryforward exists. The new standard requires that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward unless certain circumstances exist. The standard is effective for us as of January 1, 2014, with early adoption permitted. The adoption of this guidance is not expected to have a significant impact on our consolidated financial position, results of operations or cash flows.

4. Marketable Securities

	At September 30, 2013			At December 31, 2012		
	Cost	Unrealized loss	Fair value	Cost	Unrealized gain	Fair value
Current Marketable Equity Securities	\$ 549	\$ (318)	\$ 231	\$ 624	\$ 2	\$ 626
	\$ 549	\$ (318)	\$ 231	\$ 624	\$ 2	\$ 626

During the year ended December 31, 2012, we determined that certain of our securities had an other-than-temporary decline in value and a write-down of \$39 was recorded in other income/(expense) in our Consolidated Statements of Income/(Loss) and Comprehensive Income/(Loss). There were no such write-downs during the nine months ended September 30, 2013. In January 2013, we received a non-cash distribution of \$109 that was paid in shares from an investment we held recorded in other income/(expense) in our Consolidated Statements of Income/(Loss) and Comprehensive Income/(Loss).

5. Other Investments

Midas Gold Corp. Combination

In April 2011, Vista completed a combination (the "Combination") with Midas Gold, Inc. As part of the Combination, each party contributed their respective interests in gold assets in the Yellow Pine-Stibnite District in Idaho to form a new Canadian private company named Midas Gold Corp. ("Midas Gold"). In exchange for the contribution of its equity interests in Idaho Gold Holding Company, the holding company in which we held our assets in the Yellow Pine-Stibnite District, Vista Gold U.S., Inc. ("Vista US") was issued

VISTA GOLD CORP. (An Exploration Stage Enterprise)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts in U.S. dollars and in thousands, except per share, per option, per warrant and per ounce amounts unless otherwise noted)

30,402,615 common shares in the capital of Midas Gold (“Midas Gold Shares”). Concurrently with the Combination, we purchased 1,400,000 Midas Gold Shares for an aggregate purchase price of \$3,632 as part of a Midas Gold private placement. Following completion of these transactions, Vista holds a total of 31,802,615 Midas Gold Shares, or 24.9% of the total Midas Gold Shares outstanding based on the latest Midas Gold Corp financial information available).

During the three and nine months ended September 30, 2013, we recorded an unrealized gain on the Midas Gold Shares of \$4,547 and an unrealized loss of \$42,775, respectively with a corresponding U.S. tax expense of \$1,670 and tax benefit of \$15,701, respectively. As of September 30, 2013, the fair value of the Midas Gold Shares we hold was \$26,714.

6. Mineral Properties

	At September 30, 2013	At December 31, 2012
Mt. Todd, Australia	\$ 2,146	\$ 2,146
Guadalupe de los Reyes, Mexico	2,752	2,752
Los Cardones, Mexico	8,053	8,053
Long Valley, United States	750	750
	\$ 13,701	\$ 13,701

See Note 16 for subsequent events related to mineral properties.

7. Plant and Equipment

September 30, 2013			December 31, 2012		
Cost	Accumulated depreciation and write	Net	Cost	Accumulated depreciation and write	Net

Edgar Filing: VISTA GOLD CORP - Form 10-Q

	downs				downs	
Mt. Todd, Australia	\$ 5,500	\$ 1,789	\$ 3,711	\$ 3,497	\$ 1,124	\$ 2,373
Los Cardones, Mexico	1,219	125	1,094	1,194	109	1,085
Guadalupe de los Reyes, Mexico	21	5	16	21	3	18
Corporate, United States	818	549	269	556	440	116
Awak Mas, Indonesia	242	242	-	242	242	-
	\$ 7,800	\$ 2,710	\$ 5,090	\$ 5,510	\$ 1,918	\$ 3,592
Assets held for sale (mill equipment)	\$ 10,000	\$ 3,500	\$ 6,500	\$ 10,000	\$ -	\$ 10,000

During the three months ended September 30, 2013, based on an independent assessment from a third party, the Company recorded an impairment charge of \$3,500 to write down the value of our mill equipment held for sale. The impairment is based on an estimated sale value of approximately \$7,300, net of commissions and other costs to sell of approximately \$800 and is included in our Consolidated Statements of Income/(Loss) and Comprehensive Income/(Loss) for the three and nine months ended September 30, 2013.

See Note 16 for subsequent events related to plant and equipment.

8. Debt

During March 2013, the Company entered into a credit agreement with Sprott Resources Lending Partnership (the “Lender”) for purposes of establishing a C\$10,000 (\$9,698) loan facility (the “2013 Facility”). The 2013 Facility originally matured March 2014, with early repayment of the 2013 Facility allowed, at the Company’s option, provided that at least four months interest has been paid.

The 2013 Facility bears an interest rate of 8% per annum, payable monthly. In addition to interest, the 2013 Facility provided the Lender total fees of 3.5% of the 2013 Facility amount, including C\$100 (\$99) in cash and the issuance of 125,798 Vista common shares. The 2013 Facility is secured by a general security agreement (“GSA”) with certain exclusions. If the Company completes an asset disposition or other financing subject to certain conditions the Company is required to utilize 50% of the net proceeds exceeding \$1,000 to repay the 2013 Facility up to the full amount outstanding. The Company is in compliance with all related debt covenants.

VISTA GOLD CORP. (An Exploration Stage Enterprise)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts in U.S. dollars and in thousands, except per share, per option, per warrant and per ounce amounts unless otherwise noted)

The Company and the Lender have reached an agreement, subject to certain conditions, to extend the maturity date of the 2013 Facility to March 2015. The Company has agreed to pledge all the Company's Midas Gold Shares (Note 5) as security and to pay the Lender an extension fee comprised of 486,382 Vista common shares.

9. Capital Stock

Common shares issued and outstanding

	Number of shares issued
As of December 31, 2012	81,563,498
Shares issued for restricted stock units	99,539
Shares issued in connection with debt issuance	125,798
As of September 30, 2013	81,788,835

During the nine months ended September 30, 2013, the Company issued 99,539 common shares in connection with the vesting of restricted stock units ("RSUs"). The Company also issued 125,798 common shares as part of the 2013 Facility (Note 8) which had a fair value of \$272 at the time of the debt issuance.

10. Additional Paid-in Capital

	Warrants	Stock options and RSUs	Compensation options	Other paid-in capital	Total additional paid-in capital
As of December 31, 2012	\$ 12,936	\$ 7,655	\$ 294	\$ 11,270	\$ 32,155
Stock options amortization	-	290	-	-	290

Edgar Filing: VISTA GOLD CORP - Form 10-Q

Restricted stock units expensed	-	922	-	-	922
Restricted stock units vested	-	(410)	-	-	(410)
Compensation options expired	-	-	(294)	294	-
As of September 30, 2013	\$ 12,936	\$ 8,457	\$ -	\$ 11,564	\$ 32,957

Warrants

Warrant activity is summarized in the following table:

	Warrants outstanding	Valuation	Weighted average exercise price per share	Weighted average remaining life (yrs.)	Intrinsic value
As of December 31, 2012	19,977,743	\$ 12,936	\$ 4.25	2.6	\$ -
As of September 30, 2013	19,977,743	\$ 12,936	\$ 4.25	1.8	\$ -

The 19,977,743 outstanding warrants expire in the following time frames: 2,666,666 expire in July 2014, 2,091,275 expire in December 2014, and 15,219,802 expire in October 2015.

Compensation Options

	Compensation options outstanding	Valuation	Weighted average exercise price per share	Expiry date	Weighted average remaining life (yrs.)
As of December 31, 2012	225,000	\$ 294	\$ 3.30	April 2013	0.3
Expired	(225,000)	(294)			
As of September 30, 2013	-	\$ -			

VISTA GOLD CORP. (An Exploration Stage Enterprise)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts in U.S. dollars and in thousands, except per share, per option, per warrant and per ounce amounts unless otherwise noted)

Stock-Based Compensation

Under our Stock Option Plan (the “Plan”) and our Long-Term Equity Incentive Plan (the “LTIP”), we may grant stock options and/or restricted stock units (“RSUs”) or restricted stock awards (“RSAs”) to our directors, officers, employees and consultants. The combined maximum number of our common shares that may be reserved for issuance under the Plan and the LTIP is a variable number equal to 10% of the issued and outstanding common shares on a non-diluted basis. Options under the Plan are granted from time to time at the discretion of the Board of Directors (“Board”), with vesting periods and other terms as determined by the Board. The LTIP is administered by the Board, which can delegate the administration to the Compensation Committee of the Board or to such other officers and employees of Vista as designated by the Board. Stock-based compensation expense for the three and nine months ended September 30, 2013 and 2012 is as follows:

	Three months ended September 30, 2013		Nine months ended September 30, 2013	
	2012	2013	2012	2013
Stock options	\$ 72	\$ 429	\$ 290	\$ 872
Restricted stock units	396	614	922	2,164
	\$ 468	\$ 1,043	\$ 1,212	\$ 3,036

As of September 30, 2013, stock options and RSUs had unrecognized compensation expense of \$24 and \$2,932, respectively, which is expected to be recognized over a weighted average period of 0.22 and 1.96 years, respectively.

Stock Options

A summary of stock option activity under the Plan as of September 30, 2013 and changes during the period then ended is set forth in the following table:

Edgar Filing: VISTA GOLD CORP - Form 10-Q

	Number of options	Weighted average exercise price per option	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding - December 31, 2012	3,102,500	\$ 2.80	2.68	\$ 637
Cancelled/Forfeited	(100,000)	3.24		
Expired	(755,000)	3.32		
Outstanding - September 30, 2013	2,247,500	\$ 2.61	2.41	\$ -
Exercisable - September 30, 2013	2,147,500	\$ 2.61	2.32	\$ -

A summary of the status of our unvested stock options as of September 30, 2013 and changes during the period then ended is set forth in the following table:

	Number of options	Weighted average grant-date fair value per option	Weighted average remaining amortization period (Years)
Unvested - December 31, 2012	300,000	\$ 1.47	
Vested	(200,000)	1.65	
Unvested - September 30, 2013	100,000	\$ 1.10	0.22

VISTA GOLD CORP. (An Exploration Stage Enterprise)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts in U.S. dollars and in thousands, except per share, per option, per warrant and per ounce amounts unless otherwise noted)

Restricted Stock Units

A summary of RSU activity under the LTIP as of September 30, 2013 and changes during the period then ended is set forth in the following table:

	Number of units	Weighted average grant-date fair value per unit
Unvested - December 31, 2012	1,994,507	\$ 3.52
Cancelled/forfeited	(351,340)	3.58
Vested	(116,875)	3.51
Granted	1,850,424	0.82
Unvested - September 30, 2013	3,376,716	\$ 2.03

In general, a portion of the RSUs vest over a defined period of time, usually three years, and the remainder vest subject to certain Company and/or share price performance criteria, provided the recipient continues to be affiliated with Vista on the vesting date.

11. Accumulated Other Comprehensive Income (Loss)

	Accumulated other comprehensive income (loss)
As of December 31, 2012	\$ 2
Other comprehensive loss due to change in fair market value of marketable securities during period before reclassifications	(287)
Reclassifications due to realization of gain/loss on sale of marketable securities ⁽¹⁾	(33)
Net current-period other comprehensive loss	(320)
As of September 30, 2013	\$ (318)

(1) Reclassified to gain/(loss) on sale of marketable securities on the Condensed Consolidated Statement of Income/(Loss) and Comprehensive Income/(Loss).

12. Geographic and Segment Information

We evaluate, acquire, explore and advance gold exploration and potential development projects, which may lead to gold production or value adding strategic transactions. These activities are focused principally in Australia, North America and Indonesia. We reported no revenues during the three and nine months ended September 30, 2013 and 2012. Geographic location of mineral properties and plant and equipment is provided in Notes 6 and 7, respectively. The Company has one reportable operating segment, consisting of evaluation, acquisition, and exploration activities.

13. Related Party Transactions

On April 1, 2009, we entered into an agreement with Sierra Partners LLC (“Sierra”) pursuant to which Sierra provided us with support for and analysis of our general corporate finance and strategy efforts. A founder and partner of Sierra is also one of our directors. As compensation for these services, we paid Sierra a monthly retainer fee of \$10 for the duration of the agreement, which was terminated on August 31, 2013. We paid to Sierra \$20 and \$80 during the three- and nine-month periods ended September 30, 2013 and \$30 and \$90 during the three- and nine-month periods ended September 30, 2012, respectively.

14. Commitments and Contingencies

Our exploration and development activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. As such, the future expenditures that may be required for compliance with these laws and regulations cannot be predicted. We conduct our operations to minimize effects on the environment and we believe that operations are in compliance with applicable laws and regulations in all material respects.

We have entered into, or may enter into, various agreements to find, lease or purchase mineral interests. These agreements typically require initial payments plus future payments for the life of the agreement, and may include provisions requiring the Company to pay a net smelter return (“NSR”) royalty on gold produced. The Company can at its discretion terminate any of these agreements within defined notice periods.

VISTA GOLD CORP. (An Exploration Stage Enterprise)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts in U.S. dollars and in thousands, except per share, per option, per warrant and per ounce amounts unless otherwise noted)

15. Fair Value Accounting

U.S. GAAP defines fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price) and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value using the following definitions (from highest to lowest priority):

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data by correlation or other means.
- Level 3 – Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable.

	Fair value at September 30, 2013		
	Total	Level 1	Level 3
Assets:			
Cash equivalents	\$ 1,351	\$ 1,351	\$ -
Marketable securities	231	231	-
Other investments (Midas Gold Shares)	26,714	26,714	-
Amayapampa interest	4,813	-	4,813
Mill equipment	6,500	-	6,500

	Fair value at December 31, 2012		
	Total	Level 1	Level 3
Assets:			

Edgar Filing: VISTA GOLD CORP - Form 10-Q

Cash equivalents	\$ 15,834	\$ 15,834	\$ -
Marketable securities	626	626	-
Other investments (Midas Gold Shares)	69,489	69,489	-
Amayapampa interest	4,813	-	4,813
Mill equipment	10,000	-	10,000

Our cash equivalent instruments, marketable securities and investment in Midas Gold Shares are classified as Level 1 of the fair value hierarchy as they are valued at quoted market prices in an active market.

The estimated fair value of the Amayapampa interest is based on probability-weighted cash flow scenarios discounted using a risk-adjusted discount rate (15%) and assumptions including future gold prices (average gold prices realized range from \$1,038 to \$1,247 per ounce, depending on timing of assumed start-up), estimated life-of-mine gold production (ranging from 350,000 to 650,000 ounces) and the expected timing of commercial production (periods ranging from 3 to 6 years or never), which are management's best estimates based on currently available information. Significant changes in any of the unobservable inputs in isolation would result in a significant change in fair value measurement. As a result of our analysis no change in fair value was deemed necessary as of September 30, 2013.

The Company incurred an impairment loss on certain mill equipment in 2013. This equipment was valued at \$6,500 and \$10,000 based on a third party assessment of the projected sale value, net of costs to sell and commissions, at September 30, 2013 and December 31, 2012, respectively. The mill equipment is categorized as assets held for sale on the Consolidated Balance Sheets.

At September 30, 2013, the assets classified within Level 3 of the fair value hierarchy represent 29% of the total assets measured at fair value. There were no transfers between levels in 2013.

VISTA GOLD CORP. (An Exploration Stage Enterprise)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts in U.S. dollars and in thousands, except per share, per option, per warrant and per ounce amounts unless otherwise noted)

16. Subsequent Events

During October 2013, Vista and Investure Group S.A. de C.V. (“Investure”) terminated the 2012 Earn-in Right Agreement whereby Investure could earn a 62.5% interest in the Los Cardones gold project located in Baja California Sur, Mexico, and entered into new agreements whereby Vista sold 100% of its debt and equity interests in the Los Cardones gold project (the “Los Cardones Sale”) to Investure and RPG Structured Finance S.a.R.L. (the “Purchasers”), for a total of \$13,000 (\$7,000 of which was paid in October 2013 and \$6,000 is payable in January 2014), subject to the Purchasers’ option to elect to not make this payment. If the Purchasers elect to not make the \$6,000 payment, Vista will retain the \$7,000 already received and 100% of the Los Cardones gold project will be returned to Vista.

Per the terms of Vista’s 2013 Facility, Vista repaid \$3,000 of the 2013 Facility using proceeds from the Los Cardones Sale.

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

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with our interim unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2013 and the related notes thereto, which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). This MD&A contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors. See "Note Regarding Forward-Looking Statements" below.

All dollar amounts stated herein are in thousands of U.S. dollars, except per share amounts and per ounce amounts. References to C\$ refer to Canadian currency, A\$ to Australian currency and \$ to United States currency.

Overview

Vista Gold Corp. and its subsidiaries (collectively, "Vista," the "Company," the "Corporation," "we," "our" or "us") operate in the gold mining industry. We are focused on the evaluation, acquisition, exploration and advancement of gold exploration and potential development projects, which may lead to gold production or value adding strategic transactions such as earn-in right agreements or leases to third parties, joint venture arrangements with other mining companies, or outright sales of assets for cash and/or other consideration. As such, we are considered an Exploration Stage Enterprise. Our 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, we look for opportunities to improve the value of our gold projects through exploration drilling and/or technical studies resulting in changes to the operating assumptions underlying previous engineering work.

We are currently conducting a strategic review of our portfolio of gold assets, focused on our Mt. Todd gold project in Northern Territory, Australia. Vista's portfolio of assets also includes approximately 24.9% of the common shares of Midas Gold Corp. (TSX: MAX), a company exploring for gold and developing the Golden Meadows project in the Yellow Pine-Stibnite District in Idaho; the Guadalupe de los Reyes gold/silver project in Mexico (a preliminary economic assessment on this project was completed in March 2013); the Awak Mas gold project in Indonesia (One Asia Resources Ltd. working to earn an 80% interest on this project); the Long Valley gold project in California and a royalty on the Amayapampa gold project in Bolivia (project being advanced by LionGold Corp Ltd).

Outlook

We do not currently generate operating cash flows. Our principal source of financing in the past has been the issuance of our common shares. The prices for gold equities, particularly those with early stage projects, have decreased steadily during the past nine months, and capital raising has become more difficult for mining companies which do not have producing assets. Consequently, raising sufficient amounts of capital on reasonable terms has become increasingly difficult. These conditions are expected to continue for the foreseeable future, and could affect our ability to raise sufficient capital on reasonable terms, if at all. We are committed to ensuring that the Company remains liquid and we will continue to identify and to execute meaningful cost cutting initiatives, and when opportune, monetize non-core assets. In addition, the Company will continue to seek other financing sources with priority given to non-dilutive sources such as sale of our used mill equipment and monetization of other non-core assets. However, there can be no assurance that we will be able to timely monetize the non-core assets at a value acceptable to us or at all. The Company also believes that given its ability to liquidate all or a portion of its Other Investments (Note 5 to the unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2013), if necessary, it will have access to sufficient financing to fully repay its debt, and to fund operations well into 2015.

We have engaged Endeavour Financial to evaluate the intrinsic value of our assets and to assist us in the development of strategies to preserve liquidity and enhance shareholder value.

Recent Corporate Events

On June 11, 2013, Vista Gold Corp. changed its jurisdiction of incorporation by continuing from the Yukon Territory, Canada to the Province of British Columbia, Canada (the "Continuation"). Our shareholders approved the Continuation at the annual general and special meeting of shareholders held on April 30, 2013. For further details on the Continuation see our Current Report on Form 8-K filed with the United States Securities and Exchange Commission (the "SEC") on June 12, 2013.

Results from Operations

Summary

For the three- and nine-month periods ended September 30, 2013, our principal focus has been our Mt. Todd gold project in Northern Territory, Australia. Consolidated net loss for the three months ended September 30, 2013 was \$3,027 or \$0.04 per basic share compared to consolidated net income for the same period in 2012 of \$12,269 or \$0.16 per basic share. Consolidated net loss for the nine months ended September 30, 2013 was \$51,448 or \$0.63 per basic share compared to consolidated net loss for the same period in 2012 of \$29,459 or \$0.40 per basic share. The principal components of these period-over-period changes are discussed below.

Exploration, property evaluation and holding costs

Exploration, property evaluation and holding costs were \$2,213 during the three-month period ended September 30, 2013 compared to \$6,294 for the same period in 2012. Exploration, property evaluation and holding costs were \$15,220 during the nine-month period ended September 30, 2013 compared to \$18,759 for the same period in 2012. During the first several months of 2013, costs were primarily associated with the significant water treatment program completed in the existing open pit, the pre-feasibility study and related activities, and environmental impact statement (“EIS”) preparation/environmental permitting at the Mt. Todd gold project. 2012 costs at Mt. Todd did not include water treatment costs but included a significant development drilling program. During the three months ended September 30, 2013, costs were focused on the completion of the EIS and normal dry season activities at the Mt. Todd gold project.

At the Los Cardones gold project, costs decreased substantially in 2013 from 2012 since, as of February 2012, Invecture Group, S.A. de C.V. (“Invecture”) has incurred all costs associated with the progression of this project under an earn-in right agreement (“Earn-in Right Agreement”). At our Guadalupe de los Reyes gold/silver project, costs decreased significantly in 2013 from 2012 as we incurred drilling costs in 2012 that were not incurred in 2013.

Corporate administration

Corporate administration costs of \$1,060 during the three-month period ended September 30, 2013 compared to \$1,739 for the same period in 2012. Corporate administration costs of \$4,195 during the nine-month period ended September 30, 2013 compared to \$5,816 for the same period in 2012. The decrease period over period was due to a

decrease in stock-based compensation and a decrease in audit and other professional service fees.

Depreciation and amortization

Depreciation and amortization expense was \$250 and \$132 for the three-month periods ended September 30, 2013 and 2012, respectively. Depreciation and amortization expense was \$792 and \$391 for the nine-month periods ended September 30, 2013 and 2012, respectively. The increase period-to-period was primarily attributable to increased capital expenditures at the Mt. Todd gold project during late 2012 and early 2013.

Gain on disposal of mineral property

Pursuant to a joint venture agreement with Awak Mas Holdings Pty. Ltd. (“AM Holdings”), whereby AM Holdings may earn an 80% interest in our Awak Mas gold project in Indonesia, we received certain cash payments in excess of the carrying value of the project, which resulted in a realized gain of \$1,000 and \$1,934 during the three and nine months ended September 30, 2012, respectively.

The Company had no similar transactions during the three and nine months ended September 30, 2013.

Non-operating income and expenses

Unrealized loss on other investments

Unrealized gain on other investments was \$4,547 and \$29,132 for the three months ended September 30, 2013 and 2012, respectively. Unrealized loss on other investments was \$42,775 and \$13,184 for the nine months ended September 30, 2013 and 2012, respectively. These amounts are the result of changes in fair value of our Midas Gold Shares.

Write-down of property, plant and equipment

During the three months ended September 30, 2013, based on an independent assessment from a third party, the Company recorded an impairment charge of \$3,500 to write down the value of our mill equipment held for sale. The impairment is based on an estimated sale value of approximately \$7,300, net of commissions and other costs to sell of approximately \$800 and is included in our Consolidated Statements of Income/(Loss) and Comprehensive Income/(Loss) for the three and nine months ended September 30, 2013. There were no such charges during the three and nine months ended September 30, 2012.

Deferred income tax benefit

The deferred income tax benefit/(expense) will fluctuate period-to-period based primarily on the change in the fair value of Vista Gold U.S., Inc.'s investment in Midas Gold Shares. To the extent our U.S. deferred tax assets exceed our U.S. deferred tax liabilities that primarily relate to Vista Gold U.S., Inc.'s investment in Midas Gold Shares, we establish a valuation allowance on our net U.S. deferred tax assets due to inability to determine that it is more likely than not that we will realize the benefit of the deferred tax assets. Deferred income tax expense was \$1 and deferred tax benefit was \$15,373 for the three and nine months ended September 30, 2013, respectively, compared to deferred income tax expense of \$9,925 and deferred tax benefit of \$6,276 for the three and nine months ended September 30, 2012, respectively.

Financial Position, Liquidity and Capital Resources

Cash used in operations

Net cash used in operating activities was \$21,476 for the nine-month period ended September 30, 2013, compared to \$23,195 for the same period in 2012. The decrease of was primarily the result of decrease in operating expenses as discussed above.

Investing activities

Net cash used in investing activities was \$2,113 for the nine-month period ended September 30, 2013 was primarily due to capitalized water treatment facility costs at the Mt. Todd gold project. Net cash provided by investing activities of \$3,824 for the same period in 2012 was primarily due to receipt of \$4,500 in accordance with option and earn-in agreements associated with certain mineral properties, which was partially offset by additions to plant and equipment of \$861.

Financing activities

Net cash provided by financing activities was \$9,637 for the nine months ended September 30, 2013 due to the completion of a loan facility in March 2013, as discussed below.

We received cash of \$733 from the exercise of compensation options, \$14,231 from an equity financing, and \$1,365 from the exercise of warrants during the nine months ended September 30, 2012.

Liquidity and Capital Resources

At September 30, 2013, we had working capital of \$12,373 compared with working capital of \$60,342 at December 31, 2012, representing a decrease of \$47,969. Our working capital decreased primarily due to the decrease in the fair value of our shares of Midas Gold, net of deferred tax benefit, the use of cash to fund operations and the addition of the 2013 Facility. Included in the \$12,373 working capital amount is \$4,329 of cash and cash equivalents.

During March 2013, we closed and drew a C\$10,000 (\$9,698) loan facility (the "2013 Facility". The 2013 Facility originally matured March 2014, with early repayment of the 2013 Facility allowed, at the Company's option, provided that at least four months interest has been paid. The 2013 Facility bears an interest rate of 8% per annum, payable monthly. The 2013 Facility is secured by a general security agreement ("GSA") with certain exclusions. If the Company completes an asset disposition or other financing, subject to certain conditions the Company is required to utilize 50% of the net proceeds exceeding \$1,000 to repay the 2013 Facility up to the full amount outstanding. The Company and the Lender have reached an agreement, subject to certain conditions, to extend the maturity date of the 2013 Facility to March 2015. The Company has agreed to pledge all the Company's Midas Gold Shares (Note 5) as security and to pay the Lender an extension fee comprised of 486,382 Vista common shares.

During October 2013, Vista and Invecture Group S.A. de C.V. (“Invecture”) terminated the 2012 Earn-in Right Agreement whereby Invecture could earn a 62.5% interest in the Los Cardones gold project located in Baja California Sur, Mexico, and entered into new agreements whereby Vista sold 100% of its debt and equity interests in the Los Cardones gold project (the Los Cardones Sale”) to Invecture and RPG Structured Finance S.a.R.L. (the “Purchasers”), for a total of \$13,000 (\$7,000 of which was paid in October 2013 and \$6,000 is payable in January 2014), subject to the Purchaser’s option to elect to not make this payment. If the Purchaser does not make the \$6,000 payment, Vista will retain the \$7,000 already received and 100% of the Los Cardones gold project will be returned to Vista.

Per the terms of Vista’s 2013 Facility, Vista repaid \$3,000 of the 2013 Facility using proceeds from the Los Cardones Sale.

After giving effect to the extended maturity date of the 2013 Facility, the Los Cardones Sale, and the partial payment of the 2013 Facility, working capital increases to approximately \$26,071 including cash and cash equivalents of \$8,329 (all other items remaining constant), and the balance of the 2013 Facility reduces to approximately \$6,700.

Management is strongly committed to careful cash management and maintaining liquidity. The Company’s cash burn rate has been dramatically reduced since the first half of the year as several cash intensive programs such as water treatment and preparation of the preliminary feasibility have been completed. In addition, several significant cost cutting measures have been introduced including a reduction of management positions, significant reductions in cash compensation for executives, senior management and the Company’s Board of Directors, and the delay or elimination of all discretionary programs, including exploration activities. Other aggressive cost cutting measures, particularly at Mt. Todd, are being pursued. We continue to advance several important value-adding initiatives, including the authorization process for the Mt. Todd project environmental impact statement, none of which are capital intensive. The Company’s cash burn rate is expected to be reduced to approximately \$3,250 for the fourth quarter of 2013, with further reductions to \$2,500 to \$3,000 per quarter planned for 2014, assuming a normal wet season in the Northern Territory.

In the past year, capital raising has become more difficult for junior mining companies which do not have producing assets and these conditions are expected to continue for the foreseeable future. Consequently, we may not be able to raise capital in sufficient amounts on reasonable terms, if at all.

The Company believes that its current cash position, together with the proceeds from the Los Cardones Sale (Note 16 of the unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2013) will be sufficient to fund the Company through the third quarter of 2014, subject to a \$6,000 final payment to be made to us at the Purchaser’s option. In addition, the Company will continue to seek other financing sources with

priority given to non-dilutive sources such as sale of our used mill equipment and monetization of other non-core assets. However, there can be no assurance that we will be able to timely monetize the non-core assets at a value acceptable to us or at all. The Company also believes that given its ability to liquidate all or a portion of its Other Investments (Note 5 to the unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2013), if necessary, it will have access to sufficient financing to fully repay its debt, and to fund operations well into 2015.

The continuing operations of the Company are dependent upon our ability to secure sufficient funding and to generate future profits from operations. The underlying value and recoverability of the amounts shown as mineral properties, plant and equipment, assets held for sale, investments and other property interests in our consolidated balance sheets are dependent on our ability to generate positive cash flow from operations and to continue to fund exploration and development activities that would lead to profitable production or proceeds from the disposition of these assets. There can be no assurance that we will be successful in generating future profitable operations, disposing of these assets or securing additional funding in the future on terms acceptable to us or at all. Our unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or liabilities which might be necessary should we not be able to continue as a going-concern.

Common shares issued and outstanding

	Number of shares issued
As of December 31, 2012	81,563,498
Shares issued for restricted stock units	99,539
Shares issued in connection with debt issuance	125,798
As of September 30, 2013	81,788,835

During the nine months ended September 30, 2013, the Company issued 99,539 common shares in connection with the vesting of restricted stock. The Company also issued 125,798 common shares as part of the 2013 Facility, which had a fair value of \$272 at the time of the debt issuance.

Fair Value Accounting

	Fair value at September 30, 2013		
	Total	Level 1	Level 3
Assets:			
Cash equivalents	\$ 1,351	\$ 1,351	\$ -
Marketable securities	231	231	-
Other investments (Midas Gold Shares)	26,714	26,714	-
Amayapampa interest	4,813	-	4,813
Mill equipment	6,500	-	6,500

Our cash equivalent instruments, marketable securities and investment in Midas Gold Shares are classified as Level 1 of the fair value hierarchy as they are valued at quoted market prices in an active market.

The estimated fair value of the Amayapampa interest is based on probability-weighted cash flow scenarios discounted using a risk-adjusted discount rate (15%) and assumptions including future gold prices (average gold prices realized range from \$1,038 to \$1,247 per ounce, depending on timing of assumed start-up), estimated life-of-mine gold production (ranging from 350,000 to 650,000 ounces) and the expected timing of commercial production (periods ranging from 3 to 6 years or never), which are management's best estimates based on currently available information. Significant changes in any of the unobservable inputs in isolation would result in a significant change in fair value measurement. As a result of our analysis no change in fair value was deemed necessary as of September 30, 2013.

The Company incurred an impairment loss on certain mill equipment in 2013. This equipment was valued at \$6,500 and \$10,000 based on a third party assessment of the projected sale value, net of costs to sell and commissions, at September 30, 2013 and December 31, 2012, respectively. The mill equipment is categorized as assets held for sale on the Consolidated Balance Sheets.

At September 30, 2013, the assets classified within Level 3 of the fair value hierarchy represent 29% of the total assets measured at fair value. There were no transfers between levels in 2013.

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

At September 30, 2013, our contractual obligations consist of our 2013 Facility, discussed above, and a \$635 obligation for the balance due on our acquisition of certain land for our Los Cardones gold project, which is due upon the achievement of certain milestones and is recorded in other long-term liabilities in our Consolidated Balance Sheets. However, the obligation associated with the Los Cardones gold project transferred to the Purchasers pursuant to the Los Cardones Sale, which is discussed above.

Transactions with Related Parties

Agreement with Sierra Partners LLC

On April 1, 2009, we entered into an agreement with Sierra Partners LLC (“Sierra”) pursuant to which Sierra provided us with support for and analysis of our general corporate finance and strategy efforts. A founder and partner of Sierra is also one of our directors. As compensation for these services, we paid Sierra a monthly retainer fee of \$10 for the duration of the agreement, which was terminated on August 31, 2013. We paid to Sierra \$20 and \$80 during the three- and nine-month periods ended September 30, 2013 and \$30 and \$90 during the three- and nine-month periods ended September 30, 2012, respectively.

Project Updates

Mt. Todd Gold Project, Australia

In April 2013, the Northern Territory (“NT”) Government awarded our Mt. Todd gold project Major Project Status, signifying the NT Government's support for the timely and responsible development of the Mt. Todd gold project. Major Project Status is awarded by the NT Government to projects that have the potential to provide significant economic opportunities for the Northern Territory and its citizens. Major Project Status prospectively provides a process and structure for decisions regarding matters of importance to the project to be made in an efficient and timely manner. Major Project Status is coordinated by a Cabinet-level committee and implementation is supervised by the office of the Chief Minister, thereby hopefully minimizing potential for delays in obtaining critical decisions.

In May 2013, we completed a prefeasibility study (the “PFS”) at our Mt. Todd gold project in Northern Territory, Australia pursuant to Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”). The technical report was filed on SEDAR on June 28, 2013, and is entitled “NI 43-101 Technical Report - Mt. Todd Gold Project 50,000 tpd Preliminary Feasibility Study – Northern Territory, Australia” and was issued on June 28, 2013 with an effective date of May 29, 2013.

The PFS evaluates two development scenarios including a 50,000 tonne per day (“tpd”) project that develops more of the Mt. Todd resource (the “Base Case”) and generates a larger Net Present Value (“NPV”) and a smaller and higher-grade 33,000 tpd project that focuses on maximizing return and operating margins (the “Alternate Case”).

Highlights of the 50,000 tpd Base Case include:

- a 5% increase in contained gold ounces in the measured and indicated categories (+394,361 ozs) compared to the previous resource estimate (September 2012); and estimated proven and probable reserves of 5.90 million ounces of gold (223 million tonnes at 0.82 g Au/t) at a cut-off grade of 0.40 g Au/t, an increase of 44% from the Company's January 2011 prefeasibility study(1);
- average annual production of 369,850 ounces of gold per year over the mine life, including average annual production of 481,316 ounces of gold per year during the first five years of operations;
- life of mine average cash costs of \$773 per ounce, including average cash costs of \$662 per ounce during the first five years of operations;
- a 13 year operating life;
- after-tax NPV_{5%} of \$591.3 million and internal rate of return of 15.9% at \$1,450 per ounce gold prices, increasing to \$876.6 million and 21.1%, respectively, at \$1,600 per ounce gold prices; and
- initial capital requirements of \$1,046 million

Highlights of the 30,000 tpd Alternate Case include:

.

- estimated proven and probable reserves of 3.56 million ounces of gold (124 million tonnes at 0.90 g Au/t) at a cut-off grade of 0.45 g Au/t(1);
- average annual production of 262,826 ounces of gold per year over the mine life, including average annual production of 294,502 ounces of gold per year during the first five years of operations;
 - life of mine average cash costs of \$684 per ounce, including average cash costs of \$676 per ounce during the first five years of operations;
 - an 11 year operating life;
 - after-tax NPV_{5%} of \$440.2 million and internal rate of return of 16.9% at \$1,450 per ounce gold prices, increasing to \$615.6 million and 21.4%, respectively, at \$1,600 per ounce gold prices; and
 - Initial capital requirements of \$761 million.

(1) Cautionary note to U.S. investors: Proven and probable reserves are estimated in accordance with NI 43-101 and do not constitute SEC Industry Guide 7 compliant reserves see the section heading “Cautionary Note to United States Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves” below.

Base Case Scenario Presented in PFS

Highlights of the PFS Base Case scenario are presented in the table below:

Base Case (50,000 tpd) @ \$1,450/oz Au	Years 1-5		Life of Mine ("LOM") (13 years)	
	Annual Average	Total	Annual Average	Total
Average Milled Grade (g/t)	1.03		0.82	
Payable Gold (000's ozs)	481	2,407	370	4,808
Gold Recovery	82.0%		81.5%	
Cash Costs (\$/oz)	\$662		\$773	
Strip Ratio (waste:ore)	2.5		2.7	
Initial Capital (\$ millions)			\$1,046	
Pre-tax NPV _{5%} (\$ millions)			\$1,094	
After-tax NPV _{5%} (\$ millions)			\$591	
IRR (Pre-tax/After-tax)			21.8% / 15.9%	
After-tax Payback (Production Years)			3.5	

Note: Economics presented using \$1,450/oz gold and a flat \$1.00 USD : \$1.00 AUD exchange rate and assumes deferral of certain Territory tax obligations as well as realization of equipment salvage values at the end of the mine life.

The following table provides additional details of the Mt. Todd gold project's Base Case economics at variable gold price and Australian dollar assumptions:

After-Tax NPV _{5%} , in Millions ForEx USD/AUD	Base Case (50,000 tpd) Gold Price per Ounce							
	\$1,200	\$1,300	\$1,400	\$1,450	\$1,500	\$1,600	\$1,700	\$1,800
USD\$1.10	(\$51.4)	\$155.9	\$352.1	\$448.4	\$543.8	\$734.5	\$924.9	\$1,114.1
USD\$1.00	\$108.1	\$304.5	\$496.1	\$591.3	\$686.6	\$876.6	\$1,065.6	\$1,255.1
USD\$0.90	\$258.5	\$448.3	\$638.8	\$733.6	\$828.3	\$1,017.2	\$1,206.5	\$1,395.9
USD\$0.80	\$400.6	\$591.0	\$780.0	\$874.4	\$968.9	\$1,157.9	\$1,347.2	\$1,536.1

Note: Changes in Foreign Exchange rates are only applied to operating costs and not applied to either initial or sustaining capital costs.

Base Case key capital expenditures for initial and sustaining capital requirements are identified in the following table:

Capital Expenditures (\$ Millions)	Initial Capital	Sustaining Capital
Base Case (50,000) tpd)	Capital	Capital
Capitalized Stripping & Dewatering	\$57	\$40
Mobile Equipment	\$139	\$151
Process Facility	\$410	-

Edgar Filing: VISTA GOLD CORP - Form 10-Q

Tailings	\$20	\$184
Power Plant	\$91	-
Water Supply & Treatment	\$19	-
Owners Cost	\$203	(\$10)
Sub-Total	\$938	\$366
Contingency	\$107	\$23
Salvage Value		(\$124)
Mine Closure	\$1	\$94
Total Capital	\$1,046	\$359
Total Capital per payable ounce gold	\$218	\$75

Note: Amounts may not add due to rounding. The negative value in the sustaining capital category of the owners' cost line is the recapture of the cash component of the project's cash reclamation bond, which is spend as cash under the Mine Closure category.

The following table presents a breakdown of Base Case operating costs. The project includes a 76MW gas-fired power plant in the initial capital. The Base Case project consumes all power generated during the operating life. Self-generated power creates significant savings in operating costs compared to a grid-sources power solution. During the four years of reclamation and closure, the PFS assumes we will continue to generate power and will sell that power into the Northern Territory electrical grid, for which there is a known market and indicative purchase rates have been provided by the government-owned utility.

Operating Cost - Base Case (50,000 tpd)	First 5 Years		LOM Cost	
	Per tonne processed	Per ounce	Per tonne processed	Per ounce
Mining	\$8.18	\$302.30	\$6.95	\$321.88
Processing	\$8.71	\$321.47	\$8.78	\$406.86
Site General and Administrative	\$0.49	\$18.27	\$0.50	\$22.94
Jawoyn Royalty	\$0.39	\$14.50	\$0.31	\$14.50
Water Treatment	\$0.07	\$2.60	\$0.10	\$3.39
Refining Costs	\$0.09	\$3.19	\$0.07	\$3.19
Power Credit	-	-	-	-
Total Cash Costs	\$17.93	\$662.06	\$16.70	\$772.76

Note: Jawoyn Royalty and Refining Costs calculated at \$1,450 per ounce of gold. Amounts may not add due to rounding.

The 50,000tpd Base Case mine plan contains plan contains 209.5 million tonnes of ore mined from the Batman open pit plus 13.4 million tonnes of ore from the existing heap leach pad that is processed through the mill at the end of the mine life. Together, 222.8 million tonnes of ore containing 5.901 million ounces of gold at an average grade of 0.82 g Au/t are processed over the 13 year operating life. Total gold recovered is expected to be 4.808 million ounces. Average annual gold production over the life of mine is 369,850 ounces, averaging 481,316 ounces during the first five years of operations, with 580,472 ounces produced in the first year of operations. Commercial production would begin following two years of construction and commissioning.

The following table highlights the Base Case production schedule:

Years	Ore Mined (kt)	Waste mined (kt)	Strip Ratio (W:O)	Milled Ore (kt)	Milled Grade (g/t)	Contained Ounces (kcozs)	Mill Production (kcozs)
(1)	11,764	24,761	2.1	-	-	-	-
1	28,101	33,803	1.2	17,799	1.24	708	580
2	20,983	55,290	2.6	17,750	0.92	525	430
3	23,941	78,227	3.3	17,750	1.07	613	502
4	18,285	71,608	3.9	17,750	0.82	471	386
5	29,066	58,329	2.0	17,799	1.08	620	508
6	7,561	71,279	9.4	17,750	0.71	408	334
7	4,777	54,405	11.4	17,750	0.55	312	256
8	7,078	45,482	6.4	17,750	0.53	301	247
9	10,700	38,710	3.6	17,799	0.57	325	266

Edgar Filing: VISTA GOLD CORP - Form 10-Q

10	24,331	27,864	1.1	17,750	0.83	473	388
11	22,861	2,592	0.1	17,750	1.14	653	535
12	-	-	-	17,750	0.57	324	258
13	-	-	-	9,659	0.54	168	117
Total	209,451	562,349	2.7	222,805	0.82	5,901	4,808

Note: Amounts may not add due to rounding. Total milled ore includes material from the heap leach pad that is processed at the end of the mine life.

The table below illustrates the updated reserve and resource estimate for the Project. The effective date of the Batman deposit resource estimate is March 18, 2013. The effective date of the heap leach resource estimate is May 29, 2013.

Mt. Todd Gold Project Reserves, Base Case (50,000 tpd) 0.40 g Au/t cut-off. Reserves calculated at \$1,360 per ounce of gold

	Batman Deposit			Heap Leach Pad			Quigleys Deposit			Total		
	Tonnes (000s)	Grade (g/t)	Contained Ounces	Tonnes (000s)	Grade (g/t)	Contained Ounces	Tonnes (000s)	Grade (g/t)	Contained Ounces	Tonnes (000s)	Grade (g/t)	Contained Ounces
Proven	72,495	0.88	2,057	-	-	-	-	-	-	72,495	0.88	2,057
Probable	136,955	0.82	3,612	13,354	0.54	232	-	-	-	150,309	0.80	3,844
Proven and Probable	209,451	0.84	5,669	13,354	0.54	232	-	-	-	222,805	0.82	5,901

Mt. Todd Gold Project Resources Base Case (50,000 tpd)

	Batman Deposit			Heap Leach Pad			Quigleys Deposit			Total		
	Tonnes (000s)	Grade (g/t)	Contained Ounces	Tonnes (000s)	Grade (g/t)	Contained Ounces	Tonnes (000s)	Grade (g/t)	Contained Ounces	Tonnes (000s)	Grade (g/t)	Contained Ounces
Measured	77,793	0.88	2,193	-	-	-	571	0.98	18	78,364	0.88	2,211
Indicated	201,792	0.80	5,209	13,354	0.54	232	6,868	1	181	222,014	0.79	5,622
Measured and Indicated	279,585	0.82	7,401	13,354	0.54	232	7,439	0.83	199	300,378	0.81	7,832
Inferred	72,458	0.74	1,729	-	-	-	11,767	0.85	320	84,225	0.76	2,049

Note: Measured and indicated resources include proven and probable reserves. Batman and Quigleys resources are quoted at a 0.40g Au/t cut-off grade. Heap leach resources are the average grade of the heap, no cut-off applied. Economic analysis conducted on proven and probable reserves.

Cautionary note to U.S. investors: Proven and probable reserves are estimated in accordance with NI 43-101 and do not constitute SEC Industry Guide 7 compliant reserves see the section heading "Cautionary Note to United States Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves" below.

Alternative Case Scenario Presented in PFS

The key differences between the Base Case and the alternative case include:

- a 33,000 tpd mining facility versus a 50,000 tpd facility in the Base Case with associated lower mining rates and a smaller fleet; and
- a reserve pit shell of \$925/oz versus \$1,360/oz in the Base Case and the application of a higher cut-off grade (0.45g Au/t versus 0.40g Au/t).

Highlights of the PFS alternative case scenario are presented in the table below:

Edgar Filing: VISTA GOLD CORP - Form 10-Q

Alternate Case (30,000 tpd) @ \$1,450/oz Au	Years 1-5		LOM (11 years)	
	Annual Average	Total	Annual Average	Total
Average Milled Grade (g/t)	0.95		0.90	
Payable Gold (000's ozs)	295	1,473	263	2,891
Gold Recovery	82.0%		81.2%	
Cash Costs (\$/oz)	\$676		\$684	
Strip Ratio (waste:ore)	2.1		2	
Initial Capital (\$ millions)			\$761	
Pre-tax NPV _{5%} (\$ millions)			\$777	
After-tax NPV _{5%} (\$ millions)			\$440	
IRR (Pre-tax/After-tax)			22.1% / 16.9%	
After-tax Payback (Production Years)			3.2	

Note: Economics presented using \$1,450/oz gold and a flat \$1.00 USD : \$1.00 AUD exchange rate and assumes deferral of certain Territory tax obligations as well as realization of equipment salvage values at the end of the mine life.

The following table provides additional details of the project's alternative case economics at variable gold price and Australian dollar assumptions:

After-Tax NPV ^{5%} , in Millions	Base Case (50,000 tpd) Gold Price per Ounce							
ForEx USD/AUD	\$1,200	\$1,300	\$1,400	\$1,450	\$1,500	\$1,600	\$1,700	\$1,800
USD\$1.10	\$58.5	\$187.2	\$305.1	\$363.2	\$421.5	\$538.2	\$655.5	\$773.2
USD\$1.00	\$146.4	\$265.6	\$381.9	\$440.2	\$498.5	\$615.6	\$733.2	\$850.9
USD\$0.90	\$225.6	\$342.4	\$458.8	\$517.1	\$575.8	\$693.2	\$810.9	\$928.6
USD\$0.80	\$303.3	\$419.3	\$535.9	\$594.6	\$653.2	\$770.9	\$888.6	\$1,006.3

Note: Changes in Foreign Exchange rates are only applied to operating costs and not applied to either initial or sustaining capital costs.

Alternate Case key capital expenditures for initial and sustaining capital requirement are identified in the table below:

Capital Expenditures (\$ Millions)	Initial Capital	Sustaining Capital
Alternative Case (33,000 tpd)		
Capitalized Stripping & Dewatering	\$24	\$38
Mobile Equipment	\$77	\$73
Process Facility	\$310	-
Tailings	\$19	\$86
Power Plant	\$64	-
Water Supply & Treatment	\$11	-
Owners Cost	\$75	(\$14)
Sub-Total	\$680	\$183
Contingency	\$80	\$11
Salvage Value	-	(\$77)
Mine Closure	\$1	\$94
Total Capital	\$761	\$211
Total Capital per payable ounce gold	\$263	\$73

Note: Amounts may not add due to rounding. The negative value in the sustaining capital category of the owners' cost line is the recapture of the cash component of the project's cash reclamation bond, which is spend as cash under the Mine Closure category.

The following table presents a breakdown of Alternate Case operating costs. The Alternate Case project includes a 58MW gas-fired power plant in initial capital. During the operating life, the power plant generates excess power and Vista has assumed a power credit against operating costs. Additionally, during the four years of reclamation and closure, Vista intends to generate and sell power into the Northern Territory electrical grid, for which there is a known market and indicative purchase rates have been provided by the government-owned utility.

Edgar Filing: VISTA GOLD CORP - Form 10-Q

Operating Cost - Alternate Case (33,000 tpd)	First 5 Years		LOM Cost	
	Per tonne processed	Per ounce	Per tonne processed	Per ounce
Mining	\$6.55	\$260.99	\$5.49	\$234.75
Processing	\$9.37	\$373.32	\$9.51	\$406.86
Site General and Administrative	\$0.74	\$29.42	\$0.74	\$31.63
Jawoyn Royalty	\$0.36	\$14.50	\$0.34	\$4.50
Water Treatment	\$0.08	\$3.17	\$0.11	\$3.55
Refining Costs	\$0.08	\$3.19	\$0.07	\$3.19
Power Credit	(\$0.23)	(\$15.99)	(\$0.23)	(\$10.05)
Total Cash Costs	\$16.97	\$675.61	\$15.99	\$684.43

Note: Jawoyn Royalty and Refining Costs calculated at \$1,450 per ounce of gold. Amounts may not add due to rounding.

The 33,000 tpd Alternate Case mine plan contains 110.4 million tonnes of ore mined from the Batman open pit plus 13.4 million tonnes of ore from the existing heap leach pad that is processed through the mill at the end of the mine life. Together, 123.7 million tonnes of ore containing 3.562 million ounces of gold at an average grade of 0.90 g Au/t are processed over the 11 year operating life. Total gold recovered is expected to be 2.891 million ounces. Average annual gold production over the life of mine is 262,826 ounces, averaging 294,502 ounces during the first five years of operations, with 417,166 ounces produced in the first year of operations. Commercial production would begin following two years of construction and commissioning.

The table below highlights the Alternate Case production schedule:

Years	Ore Mined (kt)	Waste mined (kt)	Strip Ratio (W:O)	Milled Ore (kt)	Milled Grade (g/t)	Contained Ounces (kozs)	Mill Production (kozs)
(1)	3,407	8,483	2.5	-	-	-	-
1	16,872	23,714	1.4	11,747	1.35	509	417
2	12,013	23,611	2.0	11,715	0.86	323	265
3	17,775	22,960	1.3	11,715	1.16	438	359
4	4,921	35,191	7.2	11,715	0.63	237	194
5	10,331	24,062	2.3	11,747	0.77	289	237
6	17,311	23,934	1.4	11,715	1.17	442	361
7	2,681	31,629	11.8	11,715	0.65	245	201
8	8,501	22,889	2.7	11,715	0.73	277	227
9	12,597	6,209	0.5	11,747	0.99	375	308
10	3,964	49	-	11,715	0.83	314	244
11	-	-	-	6,482	0.54	113	79
Total	110,374	222,732	2.0	123,728	0.90	3,562	2,891

Note: Amounts may not add due to rounding. Total milled ore includes material from the heap leach pad that is processed at the end of the mine life.

Project Description

Gold mineralization in the Batman deposit at the Project occurs in sheeted veins within silicified greywackes/shales/siltstones. The Batman deposit strikes north-northeast and dips steeply to the east. Higher grade zones of the deposit plunge to the south. The core zone is approximately 200-250 meters wide and 1.5 km long, with several hanging wall structures providing additional width to the orebody. Mineralization is open at depth as well as along strike, although the intensity of mineralization weakens to the north and south along strike.

The Project is designed to be a conventional, owner-operated, large open-pit mining operation that will utilize large-scale mining equipment in a blast/load/haul operation. Ore is planned to be processed in a large comminution circuit consisting of a gyratory crusher, two cone crushers, two High Pressure Grinding Roll (“HPGR”) crushers, and three ball mills as discussed in greater detail below. Vista plans to recover gold in a conventional carbon-in-leach (“CIL”) recovery circuit.

Metallurgy, Processing and Infrastructure

Our metallurgic test work programs support: (1) ore hardness estimates at the Batman deposit that are consistent and do not change at depth; (2) the selection of HPGR technology as part of the comminution circuit; (3) estimated gold recovery rates based on optimized grind size and leach conditions; and (4) the processing of material from the historic heap leach pad at the end of the proposed mine life.

Ore Hardness

Samples used for the test work program were sourced from eight holes from the Company's 2010 and 2011 drilling program that were oriented to intersect the main Batman deposit beneath the existing pit and are believed to be representative of the ore within the limits of the preliminary feasibility pit.

Twenty of the samples were subjected to Bond ball mill work index (“BWi”) tests, the SMC Test (drop-weight and specific gravity tests) as well as Compressive Strength Tests and Crushing Work Index (“CWI”) tests. The results of the BWi tests show an average BWi value of 26.2 kWh/t with a maximum value of 28.2 kWh/t and a minimum value of 23.6 kWh/t.

The results of this test work support two main conclusions: (1) that the hardness of ore at the Batman deposit is relatively constant; and (2) that ore at the Batman deposit does not change at depth.

This test work validates the Company's prior test work and supports Vista's comminution circuit design, which is designed to crush and grind ore with an average BWi of 27.4 kWh/t, a 5% factor of safety above the average BWi and closer to the 75th percentile of BWi test results.

HPGR Selection

Our proposed comminution circuit incorporates the use of a large gyratory crusher and two large cone crushers for the primary and secondary stages, but contemplates the use of HPGRs as the third-stage of the crushing circuit. Much of our test work has focused on confirming the use of HPGRs.

Initially, we ran a series of parallel tests comparing a semi-autogenous grinding (“SAG”)/ball mill circuit with an HPGR crushing and ball mill circuit. Based on the test work completed, HPGR technology was selected. Industry experience has shown HPGRs to produce micro-fracturing in particles that reduce the overall particle strength and generate a greater distribution of fine material in the ball mill feed, reducing downstream ball mill energy requirements. The ore at the Batman deposit consists of silicified greywackes/shales/siltstones and test work has shown the HPGRs tend to fracture ore at the Batman deposit along the bedding planes more than micro-fracturing. The result, however, is consistent with other industry HPGR applications in that the HPGR product produces a lower BWi feed for the ball mills. The test results indicate the SAG mill circuit produced a product with an average BWi of 26.4 kWh/t compared to the HPGR crushed product with an average BWi of 24.8 kWh/t, a reduction of over 6%.

Additionally, material crushed in the HPGR test resulted in up to 10% of the HPGR product being fine enough to by-pass the ball mills entirely and proceed straight to the leach circuit. Vista has incorporated this HPGR advantage in its comminution circuit design.

The test work also assessed the difference in power requirements between a primary/SAG/ball mill circuit, a conventional 3-stage crush/ball mill circuit, and a 3-stage HPGR/ball mill circuit to generate a 90 µm P80 product. The assessment concluded that the 3-stage HPGR/ball mill circuit has a significantly lower specific energy requirement than the primary/SAG/ball mill option and that a finer grind size can be achieved with the HPGR crushed material compared to conventionally crushed material ground for the same period of time.

This test work also confirms our prior test work and supports our comminution circuit design. The use of HPGRs is anticipated to (a) produce a product that can be ground more efficiently (lower BWi) in the ball mills; and (b) reduce energy requirements when compared to a SAG mill design.

Gold Recoveries

Our focus was to solve the high reagent consumption, poor gold recovery and copper leaching issues encountered by previous operators. Historic core samples indicated the presence of cyanide soluble secondary copper mineralization (chalcocite and bornite) in ore at the Batman deposit, and as such, our initial focus was to develop a flowsheet that

incorporated the production of a copper concentrate.

However our drill programs from 2007–2012 indicated a significant change in the mineralogy of ore at the Batman deposit with depth with copper mineralogy changing from cyanide soluble secondary copper to non-cyanide soluble primary copper mineralization (chalcopyrite). The change in mineralogy occurs at approximately 40 meters below surface and the majority of the ore containing cyanide soluble secondary copper was mined by previous operators. As a result, more than 96% of ore at the Batman deposit contains low-to-non-cyanide soluble primary copper mineralization. Therefore, our recovery circuit has been simplified and focuses only on recovering gold from ore at the Batman deposit through a conventional Carbon in Leach (“CIL”) circuit.

The remainder of our test work relating to gold recovery focused on optimal grind size, pre-conditioning of ore with lime (to reduce cyanide consumption), the identification of a reagent to suppress copper leaching (lead nitrate was selected), and optimal cyanide concentration.

After determining the optimal leach conditions, 99 samples covering a range of head grades from throughout the Batman deposit were subjected to leach tests resulting in gold extraction between 75% and 85%, with an average of 81.7%, net of solution losses. Cyanide consumption was estimated at 0.77kg/t and lime consumption was estimated at 0.91kg/t.

This test work validates our prior recovery estimates (82%), indicates little gold recovery variability throughout the Batman deposit, and supports Vista's recovery plant design utilizing a conventional, industry-proven, CIL circuit.

Existing Heap Leach Pad

In addition to analysis of freshly-mined ore from the Batman deposit, Vista has analyzed the potential to incorporate nearly 13.4 million tonnes of material on the existing heap leach pad into the Mt. Todd gold project. The original Mt. Todd gold project started as a heap leach operation with historic records indicating that the average grade of material placed on the pad was 0.96 g Au/t. Although the material was partially leached in the mid-1990s, Vista has drilled 24 air-rotary holes into the heap leach pad and assayed 361 samples, and created a 3D resource model that has an average grade of 0.54 g Au/t.

Initial evaluation efforts focused on re-starting the heap leach pad. Bottle roll and column tests were completed, both of which supported the leachability of the material with gold recovery rates around 35%. However, poor in situ permeability rates caused Vista to ultimately abandon plans to re-start the heap.

We subsequently submitted two heap leach variability composites and two drill hole composites from the leach pad for CIL cyanidation leach test work. The samples were ground to P80 passing 90 µm and pre-treated with lime and 100g/t of lead nitrate to suppress copper leaching. The material was then leached for 24 hours. These results support recovery rates of 70% for this material when processed through the CIL plant.

Because the Mt. Todd gold project was an operating mine, infrastructure exists that reduces initial capital expenditure and significantly reduces capital risk related to infrastructure construction, which has been a major source of capital overruns in the mining industry over the last decade. Existing mining infrastructure items include:

- an existing tailings storage facility that will receive two raises and is expected to contain the initial 62 million tonnes of material processed;
- an existing fresh water storage reservoir that will receive a two-meter dam raise and will harvest stormwater sufficient to provide process water for year-round operations;
- a natural gas pipeline at site that can supply sufficient natural gas to meet the project's energy requirements and would save considerably on project operating costs compared to grid-supplied power;
- a paved road to site;
- current electrical connection to the Northern Territory electric grid; and
- reduced earthworks costs due to the process plant location being the same as the previous process plant, which has already been cleared and graded.

Other benefits of the Mt. Todd gold project's Northern Territory location include:

.

the Stuart highway – the main North / South highway in the Northern Territory is less than 15km from the project site;

- rail line parallel to the Stuart highway; and
- the regional center of Katherine (population approximately 12,000) less than 60 km from site and the Northern Territory capital of Darwin less than 300 km from the project site, which has port access.

In June 2013, we also completed and submitted an initial environmental impact statement (“EIS”) to the Environmental Protection Agency of the NT Government (“NTEPA”) for review. This submission starts concurrent agency review and public consultation periods,

the latter of which will close during August 2013. Following closure of the public consultation and agency review periods, the NTEPA will provide a consolidated set of comments to us, which we will respond to in a final EIS and submit for approval. We believe that we remain on track to receive permits around the end 2013.

Guadalupe de los Reyes Gold/Silver Project, Mexico

Preliminary Economic Assessment

In March 2013, we completed of a preliminary economic assessment (“PEA”) for the Guadalupe de los Reyes gold/silver project in Sinaloa, Mexico which evaluated the viability of a 1,500 tonne per day (540,000 tonne per annum) processing facility with positive results. The PEA was completed pursuant to Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects. The technical report was filed on SEDAR on March 5, 2013 and is entitled “NI 43-101 Technical Report – Preliminary Economic Assessment of Guadalupe de los Reyes Gold/Silver Project – Sinaloa, Mexico” and was issued on March 4, 2013 with an effective date of February 8, 2013.

The PEA is intended to provide only an initial review of the Guadalupe de los Reyes gold/silver project's potential and is preliminary in nature. The PEA includes inferred resources that are considered to be too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the economic results described in the PEA will be realized.

Project Economics

The following table provides details on the Project’s economics at variable gold price assumptions.

Financials @ 8% discount rate		Gold/Silver Price Assumptions				
		\$1,184/ Units	\$1,332/ \$22.40	\$1,480/ \$25.20	\$28 Case)	(Base \$1,628/ \$30.80
Average Gold Cash						
Costs	US\$/oz	631	631	631	631	631
After-Tax NPV	US\$M	10.9	34.1	57.3	80.3	103.3
IRR (After-Tax)	%	11	16	21	25	29
Payback (After-Tax)	Years	6.0	4.0	3.6	3.4	3.2

Project Concept

The Guadalupe de los Reyes gold/silver project, as currently envisioned, consists of five small open pits within the Guadalupe de los Reyes system, all located within approximately 2.5km of each other. Conventional open pit methods are recommended for mining the five deposits.

The deposits are typical of a low sulfidation epithermal system with mineralization occurring in westward dipping structural zones that range from a few meters to tens of meters in thickness. The gold occurs as microscopic-sized, free to quartz-encapsulated electrum associated with silver sulfides. Historic metallurgic testwork focused on heap leach recovery methods; however Vista believes that finer grind size through milling could lead to better recoveries. Vista's testwork has focused on gold extraction under a conventional mill and CIL circuit and has resulted in an estimated average gold recovery of 93% and a range of silver recoveries, dependent on the specific deposit tested.

Mill throughput is assumed to be 1,500 tonnes per day or 540,000 tonnes per year. With this assumed production rate, the mine life would be approximately 11 years, with 5.5 million tonnes of material processed. The mine would have an overall strip ratio of 11.7 tonnes of waste rock per tonne of economic mineralized rock. Gold accounts for approximately 80% of the value of the payable metals with silver accounting for the balance.

Mineral Resources

The mineral resources utilized in this PEA are summarized in the table below.

Resource Classification	Metric Tonnes	Gold Grade (grams Au/t)	Silver Grade (grams Ag/t)	Contained Gold Ounces	Contained Silver Ounces
Indicated ⁽¹⁾	6,842,238	1.73	28.71	380,323	6,315,407
Inferred ⁽¹⁾	3,246,320	1.49	34.87	155,209	3,639,163

(1) Cautionary note to U.S. investors: See the section entitled “Cautionary Note to U. S. Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves” below.

Capital Costs

Capital costs estimates were done based on fourth quarter 2012, un-escalated U.S. dollars and are summarized in the table below. Minor rounding errors may occur.

Area	Detail	Pre-Production (in millions of dollars)	Sustaining	Total
Direct Costs	Mine	8.2	6.7	14.8
	Mill	36.7	-	36.7
	Tailings	6.5	15.5	22.0
	Infrastructure	12.3	-	12.3
Mine Closure		-	5.0	5.0
Owner Costs		4.8	-	4.8
Contingency (30% applied to all)		20.5	8.2	28.7
Total Capex Estimate with Contingency		88.9	35.4	124.3
Capex Without Contingency		68.4	27.2	95.6

Amounts may not add due to rounding.

Operating Costs

Operating cost estimates were based on fourth quarter of 2012 un-escalated U.S. dollars and are summarized in the table below. Minor rounding errors may occur.

Item	Unit Cost Estimate		Cash Costs \$/Au Ounce Payable
	\$/t Mined	\$/t Milled	
Mining	1.31	16.61	223
Processing		23.48	315
General and Administrative		1.50	20
Environmental		0.50	7
Total (without silver credits)		42.06	564

Amounts may not add due to rounding.

Annual Production

Year	Ore Mined (kt)	Gold Grade (g/t)	Contained Gold (kcozs)	Silver Grade (g/t)	Contained Silver (kcozs)	Waste (kt)	Strip Ratio
(1)	2	1.69	0.11	16.79	1.08	895	447.5
1	540	1.89	32.79	12.35	214.42	2,698	5.0
2	540	1.89	32.79	12.35	214.42	2,698	5.0
3	540	1.89	32.79	12.35	214.42	2,698	5.0
4	540	3.51	60.93	34.20	593.84	3,592	6.7
5	540	1.69	29.35	16.79	291.51	4,058	7.5
6	540	1.69	29.35	16.79	291.51	4,058	7.5
7	540	1.69	29.35	16.79	291.51	4,058	7.5
8	540	1.48	25.67	26.31	456.83	46,935	8.6
9	540	1.57	27.22	38.43	667.19	7,479	13.9
10	540	2.54	44.08	99.51	1,727.57	15,444	28.6
11	104	2.54	8.49	99.51	332.72	12,215	117.5
Total/Avg	5,506	1.99	352.92	29.92	5,297.02	64,561	11.7

Exploration Upside

Vista's 2011-2012 exploration program was designed to confirm the existing resource and test the potential for higher gold and silver grades at depth. The minimal amount of deep drilling conducted by the Company together with historical records indicate that the stockwork of the low sulfidation epithermal vein system that is the host for the deposits evaluated in the PEA consolidate into high-grade vein systems with widths that could be mined by underground mining methods. We believe there is a possibility that with time and the appropriate exploration expenditures, a high-grade underground-mineable resource could potentially be developed.

The Guadalupe de los Reyes gold/silver project is without known mineral reserves under SEC Industry Guide 7 and the proposed program at Guadalupe de los Reyes is exploratory in nature.

For the remainder of 2013, our expenditures on the Guadalupe de los Reyes gold/silver project will be restricted to property holding costs and community support initiatives as the Company is primarily focused on the continued evaluation of the Mt. Todd gold project.

These Project Updates have been reviewed and approved by Mr. John W. Rozelle, Senior Vice President of Vista, under whose direction the Company's technical reports are being carried out. Mr. Rozelle is a qualified person as defined by NI 43-101.

Cautionary Note to U.S. Investors Regarding Estimates of Measured, Indicated and Inferred Resources and Proven and Probable Reserves

The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") – CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (the "CIM Definition Standards"). These definitions differ from the definitions in SEC's Industry Guide 7 ("SEC Industry Guide 7") under the United States Securities Act of 1933, as amended (the "Securities Act"). Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves, and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of a mineral deposit in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all, or any part, of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of

inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures.

Certain U.S. Federal Income Tax Considerations

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, 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, 2012, under “Part II. Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Certain United States Federal Income Tax Considerations.”

Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 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 Quarterly Report that address activities, events or developments that the Company expects or anticipates 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:

- proposed use of proceeds from the Company’s 2013 Facility;
- our expectation that is we are able to raise the cash necessary for full repayment of the 2013 Facility when it is due and may potentially seek additional sources of financing;
- estimates of future operating and financial performance;
- potential funding requirements and sources of capital, including potential near-term sources of additional cash;
- our anticipated cash burn rate for the fourth quarter of 2013, and our anticipated reductions to our cash burn rate for 2014;
- the Company’s estimates of its future cash position;
- the potential monetization of our non-core assets;
- our expectation that raising capital for mining companies without producing assets will continue to be difficult for the foreseeable future, and the potential impact of this on our ability to raise capital in sufficient amounts on reasonable terms;
- our planned deferral of significant development commitments until market conditions improve;
- our potential ability to generate proceeds from operations or the disposition of our assets;
- the timing, performance and results of feasibility studies;
- plans and anticipated effects of the holding of 24.9% of the issued and outstanding shares of Midas Gold Shares;
- our potential entry into agreements to find, lease or purchase mineral interests;
-

plans for evaluation and advancement of the Mt. Todd gold project, including the Company's plans to complete an environmental impact statement for the project;

- pre-feasibility study results at the Mt. Todd gold project, including the Base Case and Alternate Case development scenarios;
- the Company's belief that it remains on track to receive permits for the Mt. Todd gold project around the end of 2013;

- a shortage of skilled labor, equipment and supplies;
- whether our acquisition, exploration and development activities, as well as the realization of the market value of our assets will be commercially successful and whether any transactions we enter into will maximize the realization of the market value of our assets;
- trading price of our securities and our ability to raise funds in new share offerings due to future sales of common shares in the public or private market and our ability to raise funds from the exercise of our warrants;
- risks related to our 2013 Facility;
- the lack of dividend payments by us;
- the success of future joint ventures, partnerships and other arrangements relating to our properties;
- the market price of the securities held by us;
- our ability to timely monetize our shares of Midas Gold;
- our lack of production and experience in producing;
- reclamation liabilities, including reclamation requirements at the Mt. Todd gold project;
- our history of losses from operations;
- future water supply issues;
- environmental lawsuits;
- lack of adequate insurance to cover potential liabilities;
- our ability to retain and hire key personnel;
- fluctuations in the price of gold;
- inherent hazards of mining exploration, development and operating activities;
- the accuracy of calculations of mineral reserves, mineral resources and mineralized material fluctuations therein based on metal prices, inherent vulnerability of the ore and recoverability of metal in the mining process;
- changes in environmental regulations to which our exploration and development operations are subject;
- changes in climate change regulations;
- changes in corporate governance and public disclosure regulations;
- uncertainty related to our receipt of future payments in connection with our disposal of the Amayapampa gold project;
- intense competition in the mining industry;
- our ability 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;
- potential challenges to the title to our mineral properties;
- political and economic instability in Mexico and Indonesia;
- fluctuation in foreign currency values; and
- our likely status as a PFIC for U.S. federal tax purposes.

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 for the year ended December 31, 2012, under “Part I-Item 1A. Risk Factors” and “Part II-Item 2. Risk Factors” below. 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, as well as our marketable securities and our investment in Midas Gold, is related to the price of gold, and changes in the price of gold could affect the value of, and/or 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: expectations with 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 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, industry, and investments. Additionally, hedging activities by producers, consumers, financial institutions and individuals can affect gold supply and demand. The market value for gold cannot be predicted for any particular time.

Because we have exploration operations in Mexico, Indonesia and Australia, we are subject to foreign currency fluctuations. We do not engage in currency hedging to offset any risk of currency fluctuations.

ITEM 4. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

At the end of the period covered by this Quarterly Report on Form 10-Q for the period ended September 30, 2013, an evaluation was carried out under the supervision of and with the participation of our management, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of the design and operations of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act). Based on that evaluation, the CEO and the CFO have concluded that as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective in ensuring that: (i) information required to be disclosed by us in reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

In the second quarter of 2013, we implemented a new financial accounting system. The implementation was not made in response to any significant deficiency or material weakness in our internal control over financial reporting. System controls and functionality were reviewed and successfully tested prior and subsequent to implementation. Management believes that the new system has been successfully implemented and is functioning as required to provide timely and accurate financial reporting. There has been no other change in our internal control over financial reporting during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our 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 that are, or would be, likely to have a material adverse effect upon us or our operations, taken as a whole.

ITEM 1A. RISK FACTORS

Except as set forth below, there have been no material changes from the risk factors set forth in our Annual Report Form 10-K for the year ended December 31, 2012 as filed with the SEC on March 13, 2013.

We may be unable to timely pay our obligations under our outstanding credit facility, which may result in us losing some of our assets covered by the general security agreement or pledge of Midas Gold Shares related to the credit facility to the extent necessary to cover our obligations and may adversely affect our assets, results of operations and future prospects.

During March 2013, we entered into a credit agreement with Sprott Resources Lending Partnership (the “Lender”) for purposes of establishing a C\$10,000 (\$9,698) loan facility (the “2013 Facility”). The 2013 Facility bears an interest rate of 8% per annum, payable monthly. The 2013 Facility originally had a maturity date of March 2014, which has been extended by one year, to March 2015, by mutual agreement of us and the Lender, subject to the payment of a 3.5% extension fee, which is payable in our common shares. The 2013 Facility is secured by a general security agreement with exclusions for our Mt. Todd gold project and the mill equipment held for sale.

During October 2013, the Company and the Lender reached an agreement, subject to certain conditions, to extend the maturity date of the 2013 Facility to March 2015. The Company has agreed to pledge all the Company’s Midas Gold Shares as security and to pay the Lender an extension fee comprised of 486,382 Vista common shares. The interest rate remains unchanged at 8% per annum.

If we are unable to timely satisfy our obligations under the 2013 Facility, including timely payment of the interest when due and payment of the principal amount at maturity and we are not able to re-negotiate the terms of the facility, the Lender will have rights under the general security agreement and the pledge agreement to potentially seize or sell our assets, including our shares of Midas Gold, to satisfy our obligations under the 2013 Facility. Any failure to timely meet our obligations under the 2013 Facility may adversely affect our assets, results of operations and future prospects.

The Purchasers of the Los Cardones project may elect to not make a \$6,000 payment to us by January 31, 2014, which may severely reduce our expected working capital and negatively affect our liquidity.

During October 2013, Vista and Invecture Group S.A. de C.V. (“Invecture”) terminated the 2012 Earn-in Right Agreement whereby Invecture could earn a 62.5% interest in the Los Cardones gold project located in Baja California Sur, Mexico, and entered into new agreements whereby Vista sold 100% of its debt and equity interests in the Los Cardones gold project (the “Los Cardones Sale”) to Invecture and RPG Structured Finance S.a.R.L. (the “Purchasers”), for a total of \$13,000 (\$7,000 of which was paid in October 2013 and \$6,000 is payable in January 2014), subject to the Purchasers’ option to elect to not make this payment. If the Purchasers elect to not make the \$6,000 payment, Vista will retain the \$7,000 already paid and 100% of the Los Cardones gold project will be returned to Vista.

If the \$6,000 payment is not made, the Company believes that its current cash position, together with the \$7,000 proceeds from the Los Cardones Sale will be sufficient to fund the Company through the second quarter of 2014; and the balance of the Company’s 2013 Facility would not be reduced by \$3,000. The Company would also assume all of the responsibilities associated with maintaining the Los Cardones gold project.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

We consider health, safety and environmental stewardship to be a core value for the Company.

Pursuant to Section 1503(a) of the recently enacted United States Dodd-Frank Wall Street Reform and Consumer Protection Act of 2011 (the “Dodd-Frank Act”), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United

States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities under the regulation of the Federal Mine Safety and Health Administration (“MSHA”) under the United States Federal Mine Safety and Health Act of 1977 (the “Mine Act”). During the fiscal period ended September 30, 2013, our U.S exploration properties were not subject to regulation by the MSHA under the Mine Act and consequently no disclosure is required under Section 1503(a) of the Dodd-Frank Act.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

- 3.01 Certificate of Continuation, previously filed as Exhibit 3.1 to the Registrant’s Form 8-K filed with the SEC on June 12, 2013.
- 3.02 Notice of Articles, previously filed as Exhibit 3.2 to the Registrant’s Form 8-K filed with the SEC on June 12, 2013.
- 3.03 Articles, previously filed as Exhibit 3.3 to the Registrant’s Form 8-K filed with the SEC on June 12, 2013.
- 10.1 Credit Agreement Modification Agreement, previously filed as Exhibit 1.01 to the Registrant’s Form 8-K filed with the SEC on September 26, 2013.
- 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.
- 101.INS⁽¹⁾ XBRL Instance Document
- 101.SCH⁽¹⁾ XBRL Taxonomy Extension – Schema
- 101.CAL⁽¹⁾ XBRL Taxonomy Extension – Calculations
- 101.DEF⁽¹⁾ XBRL Taxonomy Extension – Definitions
- 101.LAB⁽¹⁾ XBRL Taxonomy Extension – Labels
- 101.PRE⁽¹⁾ XBRL Taxonomy Extension – Presentations

(1) Submitted Electronically Herewith. Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Statements of Income/(Loss) and Comprehensive

Edgar Filing: VISTA GOLD CORP - Form 10-Q

Income/(Loss) for the three and nine months ended September 30, 2013 and 2012, (ii) Consolidated Balance Sheets at September 30, 2013 and December 31, 2012, (iii) Consolidated Statements of Cash Flows for the nine months ended September 30, 2013 and 2012, and (iv) Notes to Consolidated Financial Statements.

34

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: October 30, 2013 By: /s/ Frederick H. Earnest
Frederick H. Earnest
Chief Executive Officer

Date: October 30, 2013 By: /s/ John F. Engele
John F. Engele
Chief Financial Officer