

Edgar Filing: VISTA GOLD CORP - Form 10KSB

VISTA GOLD CORP  
Form 10KSB  
March 22, 2002

-----  
-----

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
-----

FORM 10-KSB

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934  
For the fiscal year ended December 31, 2001

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 1-9025  
-----

VISTA GOLD CORP.

(Exact Name of Registrant as Specified in its Charter)

CONTINUED UNDER THE LAWS OF THE YUKON TERRITORY  
(State or other Jurisdiction of Incorporation or  
Organization)

NONE  
(IRS Employer  
Identification Number)

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)

-----  
SECURITIES TO BE REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS  
-----

NAME OF EACH EXCHANGE ON WHICH REGISTERED  
-----

Common shares without par value

American Stock Exchange  
The Toronto Stock Exchange

SECURITIES TO BE REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None.

INDICATE BY CHECK MARK WHETHER THE REGISTRANT: (1) HAS FILED ALL REPORTS

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

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 IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-KSB OR ANY AMENDMENT TO THIS FORM 10-KSB: /X/

REVENUES FOR THE MOST RECENT FISCAL YEAR: \$915,000

AGGREGATE MARKET VALUE OF OUTSTANDING COMMON SHARES HELD BY NON-AFFILIATES:

As of March 18, 2002, the aggregate market value of outstanding Common Shares of the registrant held by non-affiliates was approximately \$10,108,350.

OUTSTANDING COMMON SHARES: As of March 18, 2002, 112,315,040 Common Shares of the registrant were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: To the extent herein specifically referenced in Parts III and IV, the Management Information and Proxy Circular for the registrant's 2002 Annual General Meeting. See Parts III and IV.

TRANSITIONAL SMALL BUSINESS DISCLOSURE FORMAT: YES /X/ NO / /

---

---

### TABLE OF CONTENTS

	PAGE
	-----
GLOSSARY.....	1
CURRENCY.....	3
METRIC CONVERSION TABLE.....	3
UNCERTAINTY OF FORWARD-LOOKING STATEMENTS.....	3
PART I	
ITEM 1. BUSINESS.....	4
Overview.....	4
Refining and Marketing.....	4
Exploration and Business Development.....	5
Property Interests and Mining Claims.....	5
Reclamation.....	6
Government Regulation.....	6
Environmental Regulation.....	6
Competition.....	6
Employees.....	7
Risk Factors.....	7
ITEM 2. PROPERTIES.....	9
Hycroft Mine.....	9
Amayapampa.....	13
ITEM 3. LEGAL PROCEEDINGS.....	18
ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY	

Edgar Filing: VISTA GOLD CORP - Form 10KSB

HOLDERS.....	19
PART II	
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.....	20
Price Range of Common Shares.....	20
Dividends.....	20
Exchange Controls.....	20
Certain Canadian Income Tax Considerations for Non-Residents of Canada.....	20
ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	21
PAGE	
-----	
Introduction.....	21
Results of Operations.....	21
Outlook.....	23
ITEM 7. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.....	24
Management's Responsibility for Financial Information.....	24
Report of Independent Accountants...	25
Consolidated Financial Statements...	26
Notes to Consolidated Financial Statements.....	30
ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.....	44
PART III	
ITEM 9. DIRECTORS AND OFFICERS OF REGISTRANT.....	45
Directors.....	45
Executive Officers.....	46
Executive and Audit Committees.....	46
ITEM 10. COMPENSATION OF DIRECTORS AND OFFICERS.....	46
ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT....	47
ITEM 12. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS.....	47
PART IV	
ITEM 13. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K...	48
Documents Filed as Part of Report...	48
Reports on Form 8-K.....	51
SUPPLEMENTAL INFORMATION.....	52
SIGNATURES.....	53

GLOSSARY

"ADIT" means a horizontal or nearly horizontal passage driven from the surface

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

for the working or dewatering of a mine.

"AMALGAMATION" means the amalgamation of Granges and Da Capo effective on November 1, 1996.

"ASSAY" means to test ores or minerals by chemical or other methods for the purpose of determining the amount of valuable metals contained.

"BRECCIA" means rock consisting of fragments, more or less angular, in a matrix of finer-grained material or of cementing material.

"CLAIM" means a mining title giving its holder the right to prospect, explore for and exploit minerals within a defined area.

"COMMON SHARES" means common shares without par value of Vista Gold.

"COMPUTERSHARE" means Vista Gold's registrar and transfer agent, Computershare Trust Company of Canada (formerly Montreal Trust Company of Canada.

"CORPORATION" means the consolidated group consisting of Vista Gold Corp. and its subsidiaries Hycroft Resources & Development, Inc., Hycroft Lewis Mine, Inc., Vista Gold Holdings Inc., Vista Gold U.S. Inc., Granges Inc., Vista Gold (Antigua) Corp., Compania Inversora Vista S.A., Minera Nueva Vista S.A., Compania Exploradora Vistex S.A.

"CUT-OFF GRADE" means the minimum grade of ore used to establish reserves.

"DA CAPO" means Da Capo Resources Ltd., a predecessor of Vista Gold.

"DEPOSIT" means an informal term for an accumulation of mineral ores.

"DIAMOND DRILL" means a rotary type of rock drill that cuts a core of rock and is recovered in long cylindrical sections, two centimeters or more in diameter.

"DORE" means unrefined gold and silver bullion consisting of approximately 90% precious metals, which will be further refined to almost pure metal.

"GRANGES" means Granges Inc., a predecessor of Vista Gold.

"HEAP LEACH" means a gold extraction method that percolates a cyanide solution through ore heaped on an impervious pad or base.

"HYCROFT INC." means Hycroft Resources & Development, Inc., an indirect wholly-owned subsidiary of Vista Gold.

"HYCROFT LEWIS" means Hycroft Lewis Mine, Inc., an indirect wholly-owned subsidiary of Vista Gold.

"MERRILL-CROWE" means a process for recovering gold from solution by precipitation with zinc dust.

"MINERALIZATION" means material containing valuable minerals.

"MINERAL RIDGE INC." means Mineral Ridge Resources Inc., an indirect wholly-owned subsidiary of Vista Gold.

"ORE" means material containing valuable minerals that can be economically extracted.

"OXIDE RESERVE" or "OXIDE RESOURCE" means mineralized rock in which some of the original minerals have been oxidized. Oxidation tends to make the ore more porous and permits a more complete permeation of cyanide solutions so that

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

minute particles of gold in the interior of the minerals will be more readily dissolved.

1

"PROBABLE RESERVES" means reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

"PROVEN RESERVES" means reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth, and mineral content of reserves are well-established.

"RECOVERY" means that portion of the metal contained in the ore that is successfully extracted by processing, expressed as a percentage.

"RESERVES" or "ORE RESERVES" mean that part of a mineral deposit, which could be economically and legally extracted or produced at the time of the reserve determination.

"RESOURCE" or "MINERAL RESOURCE" means a deposit or concentration of minerals for which there is sampling information and geologic understanding for an estimate to be made of the contained minerals.

"RUN-OF-MINE" refers to mined ore of a size that can be processed without further crushing.

"SAMPLING" means selecting a fractional, but representative, part of a mineral deposit for analysis.

"STRIKE", when used as a noun, means the direction, course or bearing of a vein or rock formation measured on a level surface and, when used as a verb, means to take such direction, course or bearing.

"STRIKE LENGTH" means the longest horizontal dimension of an orebody or zone of mineralization.

"STRIPPING RATIO" means the ratio between waste and ore in an open pit mine.

"SULFIDE" means a compound of sulfur and some other element.

"TAILINGS" means material rejected from a mill after most of the valuable minerals have been extracted.

"TRENCHING" means prospecting in which subsurface strata are exposed by digging pits across the strike of a lode.

"VEIN" means a fissure, fault or crack in a rock filled by minerals that have traveled upwards from some deep source.

"VISTA GOLD" means Vista Gold Corp.

"VOLCANICLASTIC" means derived by ejection of volcanic material from a volcanic vent.

"WASTE" means rock lacking sufficient grade and/or other characteristics of ore.

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

"YAMIN" means Sociedad Industrial Yamin Limitada, until February 7, 2000, a direct wholly-owned subsidiary of Vista Gold.

"ZAMORA" means Zamora Gold Corp.

2

### CURRENCY

Unless otherwise specified, all dollar amounts in this report are expressed in United States dollars.

### METRIC CONVERSION TABLE

TO CONVERT IMPERIAL MEASUREMENT UNITS	TO METRIC MEASUREMENT UNITS	MULTIPLY BY
Acres.....	Hectares.....	0.4047
Feet.....	Meters.....	0.3048
Miles.....	Kilometers.....	1.6093
Tons (short).....	Tonnes.....	0.9071
Gallons.....	Liters.....	3.7850
Ounces (troy).....	Grams.....	31.103
Ounces (troy) per ton (short).....	Grams per tonne.....	34.286

### UNCERTAINTY OF FORWARD-LOOKING STATEMENTS

This document, including any documents that are incorporated by reference as set forth on the face page under "Documents incorporated by reference", contains forwarding-looking statements concerning, among other things, projected annual gold production, mineral resources, proven or probable reserves and cash operating costs. Such statements are typically punctuated by words or phrases such as "anticipates", "estimates", "projects", "foresees", "management believes", "believes" and words or phrases of similar import. Such statements are subject to certain risks, uncertainties or assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Important factors that could cause actual results to differ materially from those in such forward-looking statements are identified in this document under "Item 1. Business--Risk Factors". Vista Gold assumes no obligation to update these forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting such statements.

3

### PART I

#### ITEM 1. BUSINESS.

##### OVERVIEW

The Corporation is engaged in the exploration for and the acquisition, development and operation of mineral properties in North and South America. Since 1971, the Corporation and its predecessor companies have held participating interests in seven mines, four of which were discovered by the Corporation. The Corporation has also operated five of the seven mines.

Vista Gold was originally incorporated on November 28, 1983 under the name

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

"Granges Exploration Ltd.". In November 1983, Granges Exploration Ltd. acquired all the mining interests of Granges AB in Canada. On June 28, 1985, Granges Exploration Ltd. and Pecos Resources Ltd. amalgamated under the name "Granges Exploration Ltd." and on June 9, 1989, Granges Exploration Ltd. changed its name to "Granges Inc.". On May 1, 1995, Granges and Hycroft Resources & Development Corporation were amalgamated under the name "Granges Inc.". Effective November 1, 1996, Granges and Da Capo Resources Ltd. amalgamated under the name "Vista Gold Corp.". Effective December 19, 1997, Vista Gold was continued from British Columbia to the Yukon Territory, Canada under the BUSINESS CORPORATIONS ACT (Yukon Territory).

During 2001, the Corporation's primary operation, the Hycroft mine in Nevada remained shut down pending improved gold prices. However, the Hycroft mine continued to be the principal source of earnings for the Corporation because gold and by-product silver continued to be produced from ore previously placed on the heap leach pads. See "Item 2. Properties--Hycroft Mine".

In 1998, the Corporation acquired 100% of the shares of Mineral Ridge Inc., the entity that owned the Mineral Ridge mine, a gold property located in Nevada. During 1999, Mineral Ridge Inc., sought protection under the U.S. Bankruptcy Code in order to begin the process of a permanent cessation of all mining activities. By the end of 2000, the court appointed trustee had sold all the assets of Mineral Ridge Inc. and in January 2001, the bankruptcy case was dismissed. See "Item 3. Legal Proceedings".

The Corporation owns the Amayapampa gold property in Bolivia for which a feasibility study was completed in 1997 and a revised feasibility study was completed in the first quarter of 2000.

The Corporation holds several mining claims in Canada and owns approximately a 25% equity interest in Zamora, a Canadian mineral exploration company with interests in mineral concessions in southern Ecuador. The Corporation performed no exploration or development activity in 2001.

The current addresses, telephone and facsimile numbers of the offices of the Corporation are:

### EXECUTIVE OFFICE

-----

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

### REGISTERED AND RECORDS OFFICE

-----

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

### REFINING AND MARKETING

The gold and by-product silver produced at the Hycroft mine are refined by Metalor USA Refining Corporation in North Attleboro, Massachusetts. Gold and silver can be sold on numerous markets throughout the world, and the market price is readily ascertainable. Alternate refiners for the gold and silver produced at the Hycroft mine are available if necessary. As a result of the large number of available gold and silver purchasers, the Corporation is not dependent upon the sale to any one customer of either its gold or silver.

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

The profitability of gold and silver mining is directly related to the market price of the metal compared with the cost of production. The following is a brief description of factors affecting, and historical trends in, the market prices of gold, which accounts for most of the Corporation's revenue.

Gold prices fluctuate and are affected by numerous factors, including, but not limited to, expectations with respect to the rate of inflation, exchange rates (specifically, the U.S. dollar relative to other currencies), 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 and investments. Additionally, hedging activities by producers, consumers, financial institutions and individuals can affect gold supply and demand. Gold can be readily sold on numerous markets throughout the world and its market value can be ascertained at any particular time. As a result, the Corporation is not dependent upon any one customer for the sale of its product.

The Corporation has no forward sales commitments and does not currently hedge any gold production.

### EXPLORATION AND BUSINESS DEVELOPMENT

The Corporation's exploration and business development activities are focused on gold. In the United States, the Corporation has an exploration project at the Hycroft mine located in Nevada. In Bolivia, the Amayapampa properties represent both development and exploration projects. The Corporation's exploration headquarters are in Littleton, Colorado. The exploration department has a permanent staff of one geologist. Consultants and contract personnel are used on a project basis. The Corporation did not have sufficient funds to perform any exploration and development work in 2001.

### PROPERTY INTERESTS AND MINING CLAIMS

In the United States, most of the Corporation's exploration activities are conducted in the state of Nevada. Mineral interests may be owned in Nevada by (i) the United States, (ii) the state of Nevada, or (iii) private parties. Where prospective mineral properties are owned by private parties, or by the state, some type of property acquisition agreement is necessary in order for the Corporation to explore or develop such property. Generally, these agreements take the form of long term mineral leases under which the Corporation acquires the right to explore and develop the property in exchange for periodic cash payments during the exploration and development phase and a royalty, usually expressed as a percentage of gross production or net profits derived from the leased properties if and when mines on the properties are brought into production. Other forms of acquisition agreements are exploration agreements coupled with options to purchase and joint venture agreements. Where prospective mineral properties are held by the United States, mineral rights may be acquired through the location of unpatented mineral claims upon unappropriated federal land. If the statutory requirements for the location of a mining claim are met, the locator obtains a valid possessory right to develop and produce minerals from the claim. The right can be freely transferred and, provided that the locator is able to prove the discovery of locatable minerals on the claims, is protected against appropriation by the government without just compensation. The claim locator also acquires the right to obtain a patent or fee title to his claim from the federal government upon compliance with certain additional procedures.



## Edgar Filing: VISTA GOLD CORP - Form 10KSB

Mining claims are subject to the same risk of defective title that is common to all real property interests. Additionally, mining claims are self-initiated and self-maintained and therefore, possess some unique vulnerabilities not associated with other types of property interests. It is impossible to ascertain the validity of unpatented mining claims solely from an examination of the public real estate records and, therefore, it

5

can be difficult or impossible to confirm that all of the requisite steps have been followed for location and maintenance of a claim. If the validity of a patented mining claim is challenged by the Bureau of Land Management or Forest Service on the grounds that mineralization has not been demonstrated, the claimant has the burden of proving the present economic feasibility of mining minerals located thereon. Such a challenge might be raised when a patent application is submitted or when the government seeks to include the land in an area to be dedicated to another use.

### RECLAMATION

Although reclamation is conducted concurrently with mining whenever feasible, the Corporation generally is required to mitigate long-term environmental impacts by stabilizing, contouring, resloping, and revegetating various portions of a site after mining and mineral processing operations are completed. These reclamation efforts are conducted in accordance with detailed plans, which have been reviewed and approved by the appropriate regulatory agencies.

Management estimates the remaining reclamation costs for the Hycroft mine to be \$2.9 million. These costs have been charged to earnings over the life of the mine and the provision as of December 31, 2001 was \$3.1 million. An amended Crofoot/Lewis Mine Reclamation Plan that included the new Brimstone deposit was submitted to the Nevada Bureau of Land Management (the "BLM") in March 1994. In April 1995, the BLM approved the plan and a surety bond in the amount of \$5.1 million was posted to secure reclamation obligations under the plan.

### GOVERNMENT REGULATION

Mining operations and exploration activities are subject to various national, state, provincial and local laws and regulations in the United States, Bolivia, Canada and other jurisdictions, which govern prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters. The Corporation has obtained or has pending applications for those licenses, permits or other authorizations currently required to conduct its operations. The Corporation believes that it is in compliance in all material respects with applicable mining, health, safety and environmental statutes and the regulations passed thereunder in the United States, Canada, Bolivia and the other jurisdictions in which the Corporation operates. There are no current orders or directions with respect to the foregoing laws and regulations.

### ENVIRONMENTAL REGULATION

The Corporation's mining operations and exploration activities are subject to various federal, state and local laws and regulations governing protection of the environment. These laws are continually changing and, as a general matter, are becoming more restrictive. The Corporation's policy is to conduct business in a way that safeguards public health and the environment. The Corporation believes that its operations are conducted in material compliance with applicable laws and regulations.

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

Changes to current local, state or federal laws and regulations in the jurisdictions where the Corporation operates could require additional capital expenditures and increased operating and/or reclamation costs. Although the Corporation is unable to predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could render certain mining operations uneconomic.

During 2001, there were no material environmental incidents or non-compliance with any applicable environmental regulations.

### COMPETITION

The Corporation competes with other mining companies in connection with the acquisition of gold and other precious metals properties. There is competition for the limited number of gold acquisition

6

opportunities, some of which is with other companies having substantially greater financial resources than the Corporation. As a result, the Corporation may have difficulty acquiring attractive gold mining properties.

The Corporation believes no single company has sufficient market power to affect the price or supply of gold in the world market.

### EMPLOYEES

As at December 31, 2001, the Corporation had 10 full-time employees, of which five were employed at the Hycroft mine, one was employed in exploration activities in Littleton, Colorado and four were employed at the Corporation's executive office.

The Hycroft mine has never experienced a loss of production due to a work stoppage. The Corporation considers its relations with its employees to be satisfactory.

### RISK FACTORS

#### FLUCTUATING PRICES

The Corporation's revenues are expected to be, in large part, derived from the mining and sale of gold and other precious metals or interests related thereto. The price of those commodities has fluctuated widely, and is affected by numerous factors beyond the control of the Corporation, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, central bank activities, interest rates, global or regional consumption patterns (such as the development of gold coin programs), speculative activities and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of precious metals, and therefore the economic viability of any of the Corporation's projects, cannot accurately be predicted.

### EXPLORATION

Substantial expenditures are required to establish ore reserves through drilling and analysis, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

### OPERATING HAZARDS AND RISKS

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

### MINORITY INTEREST IN PROPERTIES

Third parties hold minority interests in certain of the Corporation's properties. Under Bolivian law, a minority interest in a mining concession is an undivided interest in that concession and the holder of such a

7

minority interest may take action to restrict all exploration and development of the mining concessions by the holder of the majority interest if such exploration and development is conducted without the minority owner's permission. Furthermore, if the majority and minority parties wish to separate their interests, but are unable to agree as to the method of division or purchase of the property, the parties must file a request for division before a Bolivian civil court.

### CALCULATION OF RESERVES AND GOLD RECOVERY

There is a degree of uncertainty attributable to the calculation of reserves and corresponding grades being mined or dedicated to future production. Until reserves are actually mined and processed, the quantity of ore and grades must be considered as an estimate only. In addition, the quantity of reserves and ore may vary depending on metal prices. Any material change in the quantity of reserves, mineralization, grade or stripping ratio may affect the economic viability of the Corporation's properties. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

### ENVIRONMENTAL FACTORS

All phases of the Corporation's operations are subject to environmental regulation. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations.

### COMPETITION AND AGREEMENTS WITH OTHER PARTIES

The mining industry is intensely competitive in all of its phases, and the Corporation competes with many companies possessing greater financial resources and technical facilities than itself. Competition could adversely affect the

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

Corporation's ability to acquire capital, to attract skilled employees, or to obtain suitable producing properties or prospects for mineral exploration in the future.

### CONFLICTS OF INTEREST

Certain directors of the Corporation are officers and/or directors of, or are associated with other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. In the event that any such conflict of interest arises, a director who has such a conflict will disclose the conflict to a meeting of the directors of the company in question and will abstain from voting for or against approval of any matter in which such director may have a conflict. In appropriate cases, the company in question will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. In accordance with the laws of the Yukon Territory, the directors of all companies are required to act honestly, in good faith and in the best interests of a company for which they serve as a director.

### TITLE TO ASSETS

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

### POLITICAL AND ECONOMIC INSTABILITY IN SOUTH AMERICA

Certain of the Corporation's exploration and development interests are in Bolivia and Ecuador. As a result, the Corporation may be affected by risks associated with political or economic instability in those

8

countries. The risks include, but are not limited to: military repression, extreme fluctuations in currency exchange rates, labor instability or militancy, mineral title irregularities and high rates of inflation. Changes in mining or investment policies or shifts in political attitude in the aforementioned countries may adversely affect the Corporation's business. Operations may be affected in varying degrees by government regulation with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The effect of these factors cannot be accurately predicted.

### FOREIGN CURRENCY

The Corporation's operations throughout North and South America render the Corporation subject to foreign currency fluctuations, which may materially affect financial position and results. The Corporation does not engage in currency hedging to offset any risk of currency fluctuations.

### CASH RESOURCES AND LIQUIDITY

The Corporation believes that it has sufficient financial resources to continue producing gold from previously mined ore at the Hycroft mine. However, the Corporation will have to raise additional funds from external sources in order to restart mining activities at the Hycroft mine or begin construction and development activities at the Amayapampa project in Bolivia. There can be no assurance that additional financing will be available at all or on acceptable terms and, if additional financing is not available, the Corporation may have to substantially reduce or cease its operations.

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

In January 2002, the Corporation announced that it had finalized an agency agreement for a private placement financing of \$3.8 million, subject to shareholder and regulatory approval. This is discussed in Item 7, Consolidated Financial Statements, Note 14.

### REPORTS TO SECURITY HOLDERS

The Corporation files reports with the United States Securities and Exchange Commission (the "SEC") as required under United States' securities laws. These reports, proxy and information statements, and other information regarding the Corporation and other issuers that file electronically with the SEC can be found on the SEC's Internet site at [www.sec.gov](http://www.sec.gov).

### ITEM 2. PROPERTIES.

Detailed information is contained herein with respect to the Hycroft mine and the Amayapampa properties. Vista Gold holds the Hycroft mine through its wholly-owned subsidiaries, Vista Gold Holdings Inc., Hycroft Resources Development, Inc. and Hycroft Lewis Mine, Inc. Vista Gold holds the Bolivian properties through its wholly-owned subsidiaries, Vista Gold (Antigua) Corp., Compania Inversora Vista S.A., Minera Nueva Vista S.A., and Compania Exploradora Vistex S.A. Estimates of reserves and production herein are subject to the effect of changes in metal prices and to the risks inherent in mining and processing operations.

#### HYCROFT MINE

The Hycroft mine and related facilities are located 54 miles (86 kilometers) west of Winnemucca, Nevada. The mine is an open-pit, heap leaching operation that produces gold and by-product silver. In 1983, the Lewis Mine commenced operation as a small heap-leach gold mine. The Corporation acquired the Lewis mine in early 1987 and completed construction of the adjacent Crofoot mine project in April 1988. In early 1989, the two mines were consolidated into a single operation under an ore purchase agreement, with ore from both properties processed through the larger and more efficient Crofoot plant. Hycroft Inc. began stripping at the new Brimstone pit, located one mile to the east of the existing Central Fault pit, in April 1996 and commenced construction of a new 3 million-square-foot (280,000 square meter) leach pad

9

and a 2,800 gallon-per-minute (10,598 liter-per-minute) leach solution processing plant in the summer of the same year. Ore from the Brimstone pit was hauled to the new leach pad beginning in September 1996 and the Brimstone plant commenced operation in February 1997. Mining operations at the Hycroft mine were suspended in December 1998.

Gold production, from continued leaching and rinsing of the heap leach pads, continued in 1999, 2000, and 2001. Production has declined steadily, as expected, although the recoveries from the heap leach pads have been better than originally anticipated. In 2001, the Hycroft mine produced 3,232 ounces of gold, gold production for 2002 is expected to be approximately 1,000 ounces.

#### DESCRIPTION OF PROPERTIES

The Crofoot and Lewis properties together comprise approximately 12,230 acres (4,950 hectares). The Crofoot property, originally held under two leases, covers approximately 3,544 acres (1,435 hectares). The Lewis property, which virtually surrounds the Crofoot property, is held through a lease that covers approximately 8,686 acres (3,515 hectares). The mine is accessible by road and has access to adequate supplies of water and power. The major mining facilities consist of four leach pads, two Merrill-Crowe gold-silver recovery plants, two

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

carbon plants and associated maintenance and support facilities.

### GEOLOGY AND HISTORY

The Hycroft mine is located on the western flank of the Kamma Mountains. The deposit is hosted in a volcanic eruptive breccia and conglomerates associated with the Tertiary Kamma Mountain volcanics. The volcanics are mainly acidic to intermediate tuffs, flows and coarse volcanoclastic rocks. Fragments of these units dominate the clasts in the eruptive breccia. Volcanic rocks have been block-faulted by dominant north-trending structures, which have affected the distribution of alteration and mineralization. The Central Fault and East Fault control the distribution of mineralization and subsequent oxidation. A post-mineral range-front fault separates the orebody from the adjacent Pleistocene Lahontan Lake sediments in the Black Rock Desert. The geological events have created a physical setting ideally suited to the open-pit, heap-leach mining operation at the Hycroft mine. The heap leach method is widely used in the southwestern United States and allows the economical treatment of oxidized low-grade ore deposits in large volumes.

The known gold mineralization within the Crofoot and Lewis properties extends for a distance of three miles (4.8 kilometers) in a north-south direction by 1.5 miles (2.5 kilometers) in an east-west direction. Mineralization extends to a depth of less than 330 feet (100 meters) in the outcropping to near-outcropping portion of the deposit on the northwest side to over 990 feet (300 meters) in the Brimstone deposit in the east. Not all the mineralization is oxidized and the depth of oxide ore varies considerably over the area of mineralization. The determination of whether mineralization can be mined economically is dependent on the grade of mineralization, the depth of overburden and the degree of oxidation.

In 1992, Hycroft Inc. exercised its options to convert its leasehold interests in the Crofoot property into a 100% ownership interest in the patented mining claims, a 100% possessory interest in the unpatented claims and a 100% interest in the incidental rights thereto, all subject to 4% net profits royalties and excluding rights to sulfur. No royalty payments were made in 1995, 1994 and 1993 because minimum royalty payments made prior to 1993 aggregating \$2.8 million were available for credit against the royalty obligations. The Crofoot lease/purchase agreement was amended in 1996 to provide for minimum advance royalty payments of \$120,000 on January 1 of each year in which mining occurs. An additional \$120,000 payment is due if ore production exceeds 5.0 million tons from the Crofoot property in any calendar year. All advance royalty payments are available as credit against the 4% net profit royalty. The aggregate acquisition cost to Hycroft Inc. was \$6,881,481 and was financed by the issuance of Common Shares and the assumption of certain debts associated with the Lewis mine.

10

The leasehold interest in the Lewis property extends until January 1, 2013 or for so long thereafter as Hycroft Lewis continues to conduct commercial mining operations on the property. The Lewis lease provides for the payment to the lessor of a 5% net smelter return royalty on gold production. The royalty increases for ore grades above 0.05 ounce per ton and is offset by annual advance minimum royalties. The Corporation has the right to commingle the ore from the Lewis property with ore from the adjoining Crofoot property under an agreement with the lessor of the Lewis property.

The ore mined to date from the Brimstone deposit, which lies partially on the Crofoot property and partially on the Lewis property, was processed on both the Brimstone leach pad and the Crofoot leach pad. The allocation of metal produced from the commingled Crofoot and Lewis ores is calculated using methods consistent with industry standards.

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

### MINING AND PROCESSING

During 2001, no ore was excavated at the Hycroft mine. Waste stripping was suspended in January 1998 and ore mining was suspended in December 1998.

Until November 1996, higher-grade ore was crushed prior to treatment on the leach pads. From November 1996 to December 1998, all ore was hauled directly to the leach pads without crushing. Dilute alkaline cyanide solution is pumped from a pond to the heap surface and distributed evenly over the crushed and run-of-mine ore through a network of pipes and irrigation sprinklers or drip emitters. The solution percolates down through the layers of ore, preferentially leaching gold and silver from the rock. This pregnant solution, containing dissolved gold and silver, flows along the surface of the impervious leach pad to a collection ditch from which it drains into one of two pregnant solution ponds. The low-grade solutions are recirculated to the heaps to increase the amount of gold in the solution, and the high-grade solution is pumped directly to the recovery plant where the gold and silver are extracted. The process is a zero-discharge closed circuit.

Early in 2000 Hycroft purchased two used carbon adsorption plants; one with a nominal capacity of 500 gallons per minute and the other with a capacity of 1,500 gallons per minute. These plants are used to concentrate gold from leach solutions by adsorbing it onto activated carbon. Typically at Hycroft the carbon will load to around 100 ounces of gold per ton of carbon. Periodically a batch of the carbon is removed and shipped to Metals Research, an independent company in Idaho, which strips the gold off of the carbon, and produces a dore bar which is then shipped to Metalor for refining and sale. The Crofoot/Merrill-Crowe plant was shut down in April 2000, and all of the gold production since April was via the 1,500 gpm carbon plant. The Brimstone/Merrill-Crowe plant was shut down at the end of October 2000 and all production from that time has been from the 500 gpm carbon plant. The Merrill-Crowe plants are available for restart once mining restarts, and the amount of gold, the volume of solutions and the reagent levels return to normal production levels. In the mean time, however, the carbon plants are the preferred method for continuing gold production as they function well with the current lower and variable flow rates, the lower precious metals values in solution and the lower reagent values in the solution.

### ORE RESERVES

Gold production from the Brimstone deposit at the Hycroft mine has consistently exceeded projections. During 1999 and 2000, the Corporation conducted a \$0.6 million exploration program to determine the reasons for the excess gold production, and to re-estimate the grade and tons of the reserves in the Brimstone deposit. Mineral Resources Development, Inc. ("MRDI"), an independent consultant was retained to assist with the evaluation and to provide an independent review of the recalculated mineable reserves. During the period 1996 through 1998, gold mined from the north end of the Brimstone deposit exceeded planned production by 47,090 ounces, or 26%. The excess gold production was a result of mining 13% more ore tons at a 12% higher average grade than predicted in the exploration reserve model.

11

To evaluate the potential for a similar favorable variance in the remaining Brimstone resource, nine diamond drill holes for a total of 4,870 feet (1,484 meters) and 11 reverse-circulation drill holes for a total of 5,540 feet (1,689 meters) were completed in the unmined southern portion of the Brimstone deposit. Seventeen of the 20 holes were twin holes, which were used to establish an adjustment (upgrade) factor for the remaining Brimstone resource. Working with MRDI engineers, a gold-grade enhancement of 25% was estimated.

During 1999 and the early part of 2000, Vista Gold completed a new study of the

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

ore reserves in the Brimstone deposit, the largest ore resource at the Hycroft Mine. Proven and probable minable reserves contained in the planned Brimstone Pit contain 23,791,000 tons (21,581,000 tonnes) of ore with an average gold content of 0.020 ounces per ton (0.69 grams per tonne). Ore reserve calculations were based upon a gold price of US\$300 per ounce and an economic cut-off grade equivalent to 0.007 ounces of gold per ton of ore (0.24 grams per tonne). Metallurgical recovery of gold from run-of-mine leaching of the Brimstone ore is projected to be 57% and the planned pit would have a stripping ratio of 1.2-to-1. The ore reserves calculated at US\$275 per ounce are not significantly different.

The planned pit contains an additional 2,349,000 tons (2,130,778 tonnes) of material classified as inferred resource containing an estimated 41,535 ounces of gold (average grade--0.018 ounces per ton (0.62 grams per tonne)).

Ore reserves and resources were estimated under the direction of Mr. Warren Bates, International Exploration Manager, and have been independently reviewed by MRDI. The definition of "ore reserve" employed by Vista Gold is consistent with USGS Circular 831 and meets the standard for "probable mining reserve" under National Instrument 43-101 of the Canadian Securities Administrators. Stated inferred resources are equivalent to "inferred mineral resources" under National Instrument 43-101 of the Canadian Securities Administrators.

### OPERATING STATISTICS

Operating statistics for the Hycroft mine for the period 1997 to 2001 were as follows:

	YEARS ENDED DECEMBER 31				
	2001	2000	1999	1998	
Ore and waste material mined (000's of tons).....	Nil	Nil	Nil	10,127	3
Strip ratio.....	Nil	Nil	Nil	0.42	
Ore processed (000's of tons) (1).....	Nil	Nil	Nil	7,117	1
Ore grade (oz. gold/ton).....	N/A	N/A	N/A	0.018	
Ounces of gold produced.....	3,232	13,493	40,075	112,685	11
Cash operating costs (\$/oz. of gold) (2).....	\$210	\$183	\$277	\$229	

(1) Ore processed means ore placed on pads but not necessarily leached during the year.

(2) Cash operating costs is composed of all direct mining expenses including inventory changes, refining and transportation costs, less by-product silver credits.

Gold production for 2001 was down significantly from 2000. The decreased gold production was due to the suspension of mining activities at the Hycroft mine in December 1998 and the continued depletion by leaching and rinsing of gold contained in the heaps. All 2001, 2000 and 1999 gold production was from ore that had been mined in previous years.

### MINE SITE EXPLORATION

At the Hycroft mine in Nevada, nine diamond drill holes for 4,870 feet (1,485 meters) and 11 reverse-circulation drill holes for 5,540 feet (1,690 meters)



## Edgar Filing: VISTA GOLD CORP - Form 10KSB

were completed in the unmined southern portion of the

12

Brimstone deposit in 1999. Seventeen of the 20 holes were twin holes, which were used to establish an upgrade factor for the remaining Brimstone resource. The upgrade program was necessary in light of the fact that historical gold production from the Brimstone deposit was 26% greater than predicted from the 1995 ore reserves.

Over 525 reverse-circulation drill holes were re-logged in the Albert and Brimstone area, a new geologic model was built, and the current assay and geologic files were audited and re-entered into a new database.

There is significant potential to extend the oxide mineralization to the south, along strike, at both the Central Fault and Brimstone deposits, but the greatest upside lies in the largely unexplored sulfide mineralization below the Brimstone deposit, as well as higher grade intercepts along the Central Fault.

Current resources at Brimstone are limited to the oxide cap of an apparently large but previously unexplored gold-bearing sulfide system. Two diamond drill holes, drilled in 1996 and earlier, have intercepted mineralized sulfides averaging 0.023 ounces per ton gold and 0.5 ounces per ton silver over intervals exceeding 500 feet (153 meters) in thickness. In 1996, the Corporation also intercepted 30 feet (nine meters) of gold mineralization in drill hole 95-2728. This intercept assayed 0.155 ounces per ton gold at a true depth of 310 feet (94 meters) below surface. The hole terminated in this mineralization, so the true width of the mineralization is unknown. Vista Gold intends to investigate these targets when market conditions improve and funding is available.

### AMAYAPAMPA

#### SUMMARY

The Amayapampa property consists of 24 mining concessions covering 805 hectares (1,989 acres) plus an additional 6,800 hectares (16,803 acres) in regional exploration and exploitation concessions. The Corporation is in the process of re-filing the concessions as required by the new mining law. The deposit is approximately 600 meters (1,970 feet) in strike length, 30 to 70 meters (98 to 230 feet) in width, and extends to over 200 meters (656 feet) in depth. Gold occurs free and associated with sulfides in a structural zone in which quartz veins were emplaced then sheared prior to introduction of sulfides and gold mineralizing solutions. Prior to the Amalgamation, CEM (as defined below under "Ownership") mined the Amayapampa deposit using primarily open-stope methods at a rate of approximately 220 tons (200 tonnes) of ore per day, and processed the ore in two mills on site. See "Ownership" and "History" below.

Approval of the permit to construct and operate, called the DECLATORIA DE IMPACTO AMBIENTAL, under Article 24 of the Environmental Law was received on May 6, 1998. This permit was based on a 3,300-tonne-per-day (3,638-ton-per-day) ore processing project, and if financing arrangements for the project are obtained, the Corporation will request a modification of the permit to allow operation at the lower production rate.

In the fall of 1999, with gold prices rising above \$300 per ounce, an update and additional optimization of the feasibility study was begun. It was completed in the first quarter of 2000. Based on a gold price of \$300 per ounce, the proven and probable reserves at Amayapampa were calculated by Mine Reserve Associates, Inc., an independent consultant, to be 9.3 million tonnes (10.2 million tons) grading 1.76 grams per tonne (0.051 ounces per ton) including dilution, containing 526,000 ounces of gold. Gold production during the first five years of operations is estimated to average approximately 47,400

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

ounces per year. The initial capital costs are estimated to be about \$25 million, including contingency and necessary working capital. Average operating costs are estimated to be \$7.99 per tonne (\$7.25 per ton) of ore for a total cash cost of \$168 per gold ounce. The Corporation is examining various development and production scenarios, and believes that a gold price of \$325 per ounce will be required for construction and development to commence. At a gold price of \$325 per ounce, the project is expected to generate an after-tax internal rate of return of 20%.

13

In February 2000, the Corporation signed an agreement with the government of Bolivia, which provides for the refund of approximately \$2.0 million of value-added taxes and customs duties that would be paid by the Corporation during the construction period. These refunds will be used to pay for certain improvements to infrastructure that are required by the project and will also benefit the inhabitants of the area. The Corporation would be entitled to a refund of these taxes and duties over time anyway, but the agreement accelerates the refund.

### LOCATION AND ACCESS

The Amayapampa property is located 300 kilometers (186 miles) southeast of La Paz in the Chayanta Municipality, Bustillos Province, Department of Potosi, in southwestern Bolivia (Latitude: 18 DEG.34.5"S, Longitude: 66 DEG.22.4"W). Access is via 268 kilometers (167 miles) of paved road from La Paz to Machacamarca near Oruro, followed by 100 kilometers (62 miles) of gravel road to Lagunillas, then 14 kilometers (nine miles) of dirt road to Amayapampa. Total driving time is about six hours. Charter air service is available to Uncia, 35 kilometers (22 miles) from the project.

The Amayapampa property is situated within the moderately rugged Eastern Cordilleran region of Bolivia with elevations at the property varying from 3,750 meters to 4,100 meters (12,300 to 13,450 feet) above sea level. The area is generally arid with a defined rainy season during the summer months of November through April. There is little or no precipitation during the rest of the year.

### OWNERSHIP

On April 28, 1994, Da Capo entered into an agreement with Mr. David Anthony O'Connor of Casilla 11314, La Paz, Bolivia and La Compania Minera Altoro S.R.L. ("Altoro") of Casilla 11314, La Paz, Bolivia, both parties at arm's length to Da Capo, which was amended by agreements dated June 10, 1994 and July 15, 1994 (the "Altoro/O'Connor Agreement"), pursuant to which Mr. O'Connor and Altoro assigned to Da Capo:

- (a) Altoro's exclusive right and option to acquire a 51% interest in eight mining concessions that constitute a part of the Amayapampa property (and a further option to acquire an additional 19% interest in such concessions), pursuant to an option agreement dated March 22, 1994 (the "Amayapampa Option") between Altoro and Raul Garafulic Gutierrez ("R. Garafulic") of Ave. Argentina No. 2057, Casilla 9285, La Paz, Bolivia and Compania Exploradora de Minas S.A. ("CEM", and collectively with R. Garafulic, the "Amayapampa Vendors") of Calle San Salvador 1421, Casilla 4962, La Paz, Bolivia. The Amayapampa Vendors are both parties at arm's length to Da Capo;
- (b) Mr. O'Connor's exclusive right and option to acquire the Capa Circa property pursuant to an option agreement dated January 12, 1994 (the "Yamin Option Agreement") between Mr. O'Connor and Yamin. See "Capa Circa Property--Ownership"; and

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

- (c) a 100% interest in the Santa Isabel Property, for which an exploration concession application had been made on behalf of Altoro.

As consideration for the assignment of the above interests, Da Capo issued a total of 1,000,000 Da Capo common shares to Mr. O'Connor between June 30, 1994 and April 16, 1996.

On February 5, 1996, Da Capo exercised the Amayapampa Option and acquired a 51% interest in the eight mining concessions that constitute a part of the Amayapampa property in consideration for: (i) the cancellation of a loan in the amount of \$2,425,000 which had been previously made by Da Capo to R. Garafulic on December 22, 1994; and (ii) payment of \$75,000 by Da Capo to R. Garafulic between March 22, 1994 and September 22, 1994.

14

On March 8, 1996, Da Capo entered into an agreement (the "Amayapampa Acquisition Agreement") with the Amayapampa Vendors to acquire the following interests in the Amayapampa property:

- (a) R. Garafulic's remaining 24% interest in two mining concessions (the Gran Porvenir and Chayentena concessions) that are part of the Amayapampa property;
- (b) R. Garafulic's 49% interest in six mining concessions that are part of the Amayapampa property; and
- (c) CEM's 100% interest in 16 mining concessions that are part of the Amayapampa property.

In consideration for these interests, Da Capo:

- (a) issued 1,000,000 special warrants (the "Amayapampa Special Warrants"), each exercisable to acquire one Da Capo Common Share without further payment, to a nominee of the Amayapampa Vendors on April 11, 1996; and
- (b) made a non-recourse, interest-free loan of \$3.24 million (the "Amayapampa Loan") to a nominee of the Amayapampa Vendors on April 11, 1996.

The Amayapampa Loan was secured by an assignment of all proceeds from the sale of any of 1,000,000 Da Capo common shares held by such nominee. The Amayapampa Loan was canceled on April 29, 1996 upon the sale of such Da Capo common shares and Cdn. \$4,355,000 received from the proceeds of such sale on or before May 7, 1996.

After being acquired by the Amayapampa Vendors, the Amayapampa Special Warrants were transferred to third parties at arm's length to Da Capo in transactions exempt from prospectus requirements under the relevant securities legislation.

On August 14, 1996, Da Capo issued 1,000,000 Da Capo common shares without payment of any additional consideration upon the deemed exercise of the Amayapampa Special Warrants.

All of Da Capo's interests in the Amayapampa property were transferred into the name of its subsidiary, Yamin, on April 11, 1996. As a result of the Amalgamation with Da Capo, Vista Gold acquired the Amayapampa property. During 1999 and subsequent to December 31, 1999 Yamin transferred these interests to Minera Nueva Vista.

Ms. Elizabeth Mirabel, a resident of Bolivia at arm's length to Vista Gold, held the remaining 25% interest in the Gran Porvenir and Chayentena mining

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

concessions, which constitute 603 hectares (1,488 acres) of the Amayapampa property. On June 28, 1996, Da Capo and Ms. Mirabel entered into a lease agreement (the "Lease") under which Ms. Mirabel granted a lease for her 25% interest in the two mining concessions in favor of Da Capo for a term of ten years commencing July 10, 1996 and renewable for an additional ten year term. During the first two years of the Lease, Da Capo will pay Ms. Mirabel \$7,000 per month, and \$10,000 per month for the subsequent eight years.

On May 23, 1997, Ms. Mirabel transferred ownership of the La Chayantena and Gran Porvenir mining concessions to Mr. Agustin Melgarejo Zuleta.

On March 1, 2000, Minera Nueva Vista S.A. and Mr. Agustin Melgarejo signed a "Lease with option to purchase" agreement for the 25% interest of Gran Porvenir and La Chayanena mining concessions, which superceded the leasing agreement of June 28, 1996 with Ms. Mirabel. In March 2002, the 2000 Lease with option to purchase was replaced with a new lease with Mr. Agustin Melgarejo. This new lease agreement is for a period of five years starting January 1, 2002, and requires the payment of \$2,000 per month for the period of the lease. At any time, Minera Nueva Vista S. A., at its option, may exercise the purchase option for \$500,000; but the purchase option must be exercised at the start of commercial production.

A legal dispute in Bolivia, in which a Mr. Estanislao Radic brought legal proceedings in the lower penal court in Bolivia against Raul Garafulic, resulted in comments in the Bolivian press questioning the validity

15

of the Corporation's ownership of the Amayapampa property. In May 1998, a judge in the Bolivian penal court found that there was no justifiable case. In June 1998, a judge of the Superior Court of the District of Potosi dismissed the appeal of the case and indicated that there could be no further appeals on the matter in the Bolivian penal courts. In 1999, Radic filed a lawsuit against Garafulic in civil court, but the Corporation does not anticipate that the outcome will have any impact on its title to the Amayapampa property. See "Item 3. Legal Proceedings".

### HISTORY

The Amayapampa district was initially mined on a very small scale by indigenous peoples prior to the arrival of the Spanish conquistadors and small-scale mining continued during the Spanish colonial period into modern times. Prior to the Amalgamation, CEM mined the Amayapampa deposit using primarily open-stope methods at a rate of about 220 tons (200 tonnes) of ore per day and processed the ore in two mills on site. At that time, the Amayapampa mine was one of the largest producing underground gold mines in Bolivia and consisted of 32 levels of underground development. Upper level, generally oxidized ore was removed via the upper Virtus Adit (4,100 meters/13,450 feet elevation) and trucked to the Porvenir mill, while lower sulfide ore was dropped by ore passes to the 850-meter--(2,790-foot-) long Virquicocha Adit (3,970 meters/13,025 feet elevation) and taken out by electric locomotives to the Virquicocha mill. At both mills, gold was recovered via amalgam plates and gravity tables. The lower mill included a flotation circuit to upgrade the pyrite concentrate. Approximately 150 people worked at the mine and lived locally at the village of Amayapampa and at other small camps near the mine.

Since the Amalgamation, mining has ceased and the old mills removed as per an agreement with the previous owner. The Corporation kept the miners employed in exploration, development and socio-economic projects during the period when the original feasibility study was being prepared. During 1999, the workforce was inactive, but was paid a subsistence allowance to promote good will and maintain social stability in the region. With low gold prices continuing into 2000, this

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

subsistence allowance was discontinued in April 2000 and the Amayapampa workers were laid off. The Corporation continues to provide community assistance by providing teachers and a nurse and by allowing restricted access to the old underground workings to some of the ex-miners.

### GEOLOGY

The Amayapampa property is located along the east flank of a north-south trending regional anticline near the top of the Ordovician sequence. The Amayapampa deposit underlies a north-northwest trending ridge approximately 0.5 kilometers (0.3 miles) east of the town of Amayapampa. The deposit is defined by about 48 diamond drill holes; 96 reverse-circulation drill holes; and 315 underground channel samples totaling 5,360 meters (17,585 feet) from more than 200 accessible cross-cuts in 43 different levels and sub-levels extending over a vertical distance of 208 meters (682 feet). The deposit is approximately 600 meters (1,969 feet) in strike length, 30 to 70 meters (98 to 230 feet) in width and has an overall dip of the mineralized envelope of 80 to 90 degrees west. The depth extent of continuous mineralization is in excess of 200 meters (656 feet) to about the 3,900-meter (12,795-foot) elevation, although some mineralization is present below this depth.

Da Capo channel, core drill and reverse-circulation drill hole samples were analyzed at Bondar-Clegg Laboratories in Oruro, Bolivia, with check samples analyzed at Chemex Laboratories in Vancouver, British Columbia. Because of the coarse gold particles and concerns about nugget effect, all samples were processed using the Hammer Mill Process (similar to a metallic screen assay). In addition to check assaying, Vista Gold has continued to use Bondar-Clegg and the Hammer Mill Process to analyze its samples, and in addition, has had an on-going check assay program in place for samples generated by Vista Gold's exploration and development program. Approximately 225 random assay pulps were check-assayed by three laboratories (American Assay Laboratory in Reno, Nevada, Cone Geochemical Inc. in Lakewood, Colorado, and Rocky Mountain Geochemical in Salt Lake City, Utah) and compared to original pulp

16

assays with generally good agreement. Approximately 600 reverse-circulation drill hole sample splits from the Da Capo program were assayed and used to verify assays obtained from the original reverse-circulation sample splits. Sample splits are duplicate samples taken at the drill rig at the time of drilling. Sample splits show good correlation with original samples with some dispersion expected for this type of deposit. Check assays show that assaying precision meets industry standards.

The host rocks are composed of black shales, sandstones, and siltstones, which were weakly metamorphosed to argillites, quartzites, and siltites, respectively. Bedding dips are steep at 60 to 80 degrees west, with the east limb of the anticline being overturned and thus, also dipping steeply west.

The mineralized envelope is best described as a structural zone, within which were emplaced quartz vein sets along a preferential pre-quartz-vein fracture direction and post-quartz-vein faults and shears which were probably the conduits for gold-bearing fluids.

Most faults, shears and fractures are north-northeast to north-northwest trending and steeply dipping, both east and west, at 60 to 90 degrees. Quartz veins predominantly dip east. Locally, within the zone of mineralization, flat, thrust-like faults are present, which have offset quartz veins to a minor extent. These flat faults, commonly west-dipping at 40 to 45 degrees, are not generally mappable outside of the main structural zone, which hosts the gold mineralization. A west dipping, 45-degree fault projects into the pit on the northeast side of the deposit and was intersected by two vertical, geotechnical

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

core holes. The base of mineralization may also be slightly offset by a similar west-dipping, 45-degree fault.

Oxidation effects are pervasive from the surface to depths of 20 to 30 meters (66 to 98 feet), with only partial oxidization below those depths. Hydrothermal alteration effects evident in fresh rock are minor, and occur as coarse sericite (muscovite) in thin (2 to 5 millimeter/0.08 to 0.20 inch) selvages along some quartz veins. In addition, chlorite is present in and adjacent to some quartz veins, but this presence may be a product of low-grade metamorphism. Alteration effects are minimal overall, except for surface oxidization.

Mineralization is composed of quartz veins and sulfides and both constitute a visual guide to ore. Quartz veins, actually pre-gold, are a locus for later gold mineralization. Quartz veins are typically a few centimeters to 0.5 meters (two feet) in width and commonly occur as sub-parallel vein sets. The strike extent can be 50 to 75 meters (164 to 246 feet) or more for any one vein or vein set, but the dip extent is not as well established and probably ranges up to 20 to 30 meters (66 to 98 feet). Multiple vein sets are present in the overall mineralized envelope and veins commonly pinch and swell along strike and down dip.

Sulfide mineralization entered the multiple fractures to deposit predominantly pyrite within and adjacent to quartz veins, as sulfide veinlets in the host rocks and as clots of coarse sulfides and disseminations of sulfide grains along fractures in the black argillites. Locally, sulfide disseminations are more prevalent in the quartzite/siltite interbeds than in the argillites. The total sulfide concentration for the overall mineralized zone is estimated at 3 to 5%.

Petrographic examination of the sulfide mineralization shows pyrite to dominate at plus 95% of the total sulfides; arsenopyrite is also present, as are minor amounts of chalcopyrite, galena, sphalerite, stibnite and tetrahedrite. Gold is present as free gold in association with pyrite, on fractures within pyrite and attached to the surface of pyrite and is often visible as discrete grains on fractures in quartz and argillite. Gold grains exhibit a large size-range, with much of the gold being relatively coarse at 40 to 180 microns. All gold grains display irregular shapes with large surface areas. No gold was noted to be encapsulated in either quartz or sulfide. The content of gold grains was verified as over 97% gold by scanning-electron-microprobe analysis.

### EXPLORATION

In 2001, no exploration was undertaken at Amayapampa.

17

District-scale exploration potential exists for defining styles of gold mineralization similar to Amayapampa, which could be developed as satellite ore bodies. In addition, at least 15 drill holes beneath the planned Amayapampa pit suggest the presence of four higher grade shoots.

### UPDATED FEASIBILITY STUDY

The Corporation began updating and optimizing the feasibility study on the Amayapampa property in the fall of 1999 and completed this work during the first quarter of 2000. Based on a gold price of \$300 per ounce, the proven and probable reserves at Amayapampa were calculated by Mine Reserve Associates, Inc., an independent consultant, to be 9.3 million tonnes (10.2 million tons) grading 1.76 grams per tonne (0.051 ounces per ton) including dilution, containing 526,000 ounces of gold. These reserves are consistent with the definition of Proven and Probable ore reserves under USGS Circular 831 and are classified as Probable Minable Reserves under Canadian Instrument 43-101. Within this reserve, an optimized plan at a gold price of

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

\$325 per ounce will generate an after-tax internal rate of return of 20%. The optimized study includes the same flow sheet consisting of a gravity and carbon-in-leach circuit with a projected metallurgical recovery of 84% and operating at a rate of 2,330 tonnes (2,563 tons) of ore per day.

Gold production the first five years of operations is estimated at approximately 47,400 ounces per year. The initial capital costs are estimated to be about \$25 million, including contingency and necessary working capital. Average operating costs are estimated to be \$7.99 per tonne (\$7.25 per ton) of ore for a total cash cost of \$168 per gold ounce.

Approval of the permit to construct and operate, called the DECLATORIA DE IMPACTO AMBIENTAL, under Article 24 of the Environmental Law was received on May 6, 1998. This permit was based on a 3,300-tonne- (3,638-ton-) per-day ore processing project, and if financing arrangements for the project are obtained, the corporation will request a modification of the permit to allow operation at the lower production rate.

During 2001, steps were taken to minimize the holding costs of Amayapampa and hold the property pending an improvement in gold prices.

### ITEM 3. LEGAL PROCEEDINGS

Except as described below, the Corporation is not aware of any material pending or threatened litigation or of any proceedings known to be contemplated by governmental authorities which is, or would be, likely to have a material adverse effect upon the Corporation or its operations, taken as a whole.

On December 10, 1999, Mineral Ridge Inc., a wholly owned subsidiary of Vista Gold, voluntarily filed for protection under the U.S. Bankruptcy Code.

Early in 2000, a trustee was appointed by the court to dispose of the assets of Mineral Ridge Inc. At the end of 2000, all assets of Mineral Ridge Inc. had been disposed of and in January 2001, the Mineral Ridge Inc. Chapter 11 case was dismissed.

On August 25, 2000, United States Fidelity & Guarantee Company ("USF&G") filed an action in the United States District Court against Vista Gold Corp., Vista Gold Holdings, Inc., Stockscope.com Technologies, Inc., Cornucopia Resources, Inc., Red Mountain Resources, Inc. and Touchstone Resources, Inc. This action involves a General Contract of Indemnity in connection with the posting of a reclamation bond for mining activities by Mineral Ridge Inc., the Corporation's wholly owned subsidiary that holds the investment in the Mineral Ridge mine, at Silver Peak, Nevada. In the action, USF&G seeks to compel all of the defendants to post additional collateral for the bond in the total amount of \$793,583. Neither Vista Gold Corp. nor Vista Gold Holdings, Inc. was a party to the General Contract of Indemnity and both have denied any liability in connection therewith.

18

In November 2000, the parties stipulated to an agreed upon discovery plan and scheduling order. On March 12, 2001 Stockscope.com Technologies, Inc., Cornucopia Resources, Inc., and Red Mountain Resources, Inc. (collectively the "Stockscope defendants") filed a cross-claim against the Corporation relating to the same issues but referring to the Share Purchase and Sale Agreement between Cornucopia Resources Ltd. and Vista Gold Corp. In July 2001, USF&G filed for a summary judgment requesting the court to compel the Stockscope defendants to post \$902,819 in additional collateral. The increase from \$793,583 accounts for additional expenses incurred by USF&G. At the same time, the Stockscope defendants moved for partial summary judgment on cross-claim against the Corporation. The maximum potential exposure to the Corporation is the additional

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

collateral requested in the amount of \$902,819 together with the attorneys' fees and costs related to the defense of the action. Other defendants, if found to be jointly liable, could reduce the amount for which the Corporation has exposure.

The Corporation has reserved \$814,087 which must be used for a proposed settlement of this lawsuit, as discussed in Item 7 Consolidated Financial Statements, Note 14.

In April 1998, a legal dispute was initiated in Bolivia by a Mr. Estanislao Radic ("Radic") who brought legal proceedings in the lower penal court against Mr. Raul Garafulic ("Garafulic") and the Corporation, questioning the validity of the Garafulic's ownership of the Amayapampa property. Garafulic sold Amayapampa to a wholly owned subsidiary of the Corporation. In May 1998, a judge in the Bolivian penal court found there was no justifiable case. In June 1998, a judge of the superior court of the district of Potosi dismissed the appeal of the case and indicated that there could be no further appeals on the matter in the Bolivian penal courts. In 1999, this time in civil court, Radic filed a second lawsuit against Garafulic, in Potosi, and Garafulic filed a civil lawsuit for damages against Radic in La Paz. Garafulic appealed to the Court to have both cases combined under the jurisdiction of a judge in La Paz. Finally, in January 2001, the Court decreed that the lawsuits should be combined and heard in Potosi. The Corporation never has and does not now have direct ownership of the disputed property and is therefore uncertain as to why it was a named defendant in this lawsuit. The court in Potosi agreed with this assessment and annulled the case in June 2001. In September 2001, Radic appealed to the Supreme Court. The Corporation does not anticipate that there will be any material adverse impact on the Corporation or the value of its holdings in Bolivia.

#### ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS.

No matters were submitted to a vote of security holders, through the solicitation of proxies or otherwise, by Vista Gold during the quarter ended December 31, 2001.

19

### PART II

#### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

##### PRICE RANGE OF COMMON SHARES

The Common Shares of Vista Gold are listed on the American Stock Exchange and The Toronto Stock Exchange under the symbol VGZ. The following table sets out the reported high and low sale prices on the American Stock Exchange and on The Toronto Stock Exchange for the periods indicated as reported by the exchanges:

	AMERICAN STOCK EXCHANGE (US\$)		THE TORON EXCHANGE
	HIGH	LOW	HIGH
2000 1st quarter.....	0.16	0.09	0.22
2nd quarter.....	0.13	0.09	0.16
3rd quarter.....	0.11	0.06	0.18
4th quarter.....	0.25	0.03	0.14
2001 1st quarter.....	0.13	0.05	0.17
2nd quarter.....	0.15	0.07	0.18



## Edgar Filing: VISTA GOLD CORP - Form 10KSB

3rd quarter.....	0.11	0.07	0.15
4th quarter.....	0.10	0.05	0.15

On March 18, 2002, the last reported sale price of the Common Shares of Vista Gold on the American Stock Exchange was \$0.09 and on The Toronto Stock Exchange was Cdn. \$0.15. As of March 18, 2002, there were 112,315,040 Common Shares issued and outstanding, and Vista Gold had 909 registered shareholders of record.

### DIVIDENDS

Vista Gold has never paid dividends. While any future dividends will be determined by the directors of Vista Gold after consideration of the earnings and financial condition of Vista Gold and other relevant factors, it is currently expected that available cash resources will be utilized in connection with the ongoing acquisition, exploration and development programs of the Corporation.

### EXCHANGE CONTROLS

There are no governmental laws, decrees or regulations in Canada that restrict the export or import of capital, including foreign exchange controls, or that affect the remittance of dividends, interest or other payments to non-resident holders of the securities of Vista Gold, other than a Canadian withholding tax. See "Item 5. Certain Canadian Income Tax Considerations for Non-Residents of Canada".

### CERTAIN CANADIAN INCOME TAX CONSIDERATIONS FOR NON-RESIDENTS OF CANADA

Canadian withholding tax at a rate of 25% (subject to reduction under the provisions of any relevant tax treaty) will be payable on dividends paid to a holder of Common Shares who is not resident in Canada. The rate of withholding tax applicable to dividends paid on the Common Shares to a resident of the United States who beneficially holds such Common Shares would generally be reduced to 15% or, if the non-resident holder is a corporation that owns at least 10% of the Common Shares, to 5%. It is the Canada Customs and Revenue Agency's present published policy that entities (including certain limited liability companies) that are treated as being fiscally transparent for United States federal income tax purposes will not qualify as residents of the United States under the provisions of the Canada-United States Income Tax Convention.

20

Upon a disposition or deemed disposition of Common Shares, a capital gain (or loss) will generally be realized by a non-resident holder to the extent that the proceeds of disposition are greater (or less) than the aggregate of the adjusted cost base of the Common Shares to the non-resident holder thereof immediately before the disposition and any reasonable costs of disposition. Capital gains realized on a disposition of Common Shares by a non-resident shareholder will not be subject to Canadian tax unless the non-resident holder and/or persons with whom the non-resident holder did not deal at arm's length, at any time within the five-year period before the disposition, owned or had an option to acquire 25% or more of the issued Common Shares of any class or series of Common Shares of Vista Gold. Under the Canada-United States Income Tax Convention, a resident of the United States who does not carry on a business from a permanent establishment or fixed base in Canada and who realizes a capital gain on the disposition of Common Shares that is otherwise subject to tax in Canada, will be exempt from Canadian income tax. It is the Canada Customs and Revenue Agency's present published policy that entities (including certain limited liability companies) that are treated as being fiscally transparent for United States federal income tax purposes will not qualify as residents of the United States

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

under the provisions of the Canada-United States Income Tax Convention.

### ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

#### INTRODUCTION

This discussion should be read in conjunction with the consolidated financial statements of the Corporation for the three years ended December 31, 2001 and the related notes thereto, which have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. Differences from United States GAAP are described in Note 13 to the consolidated financial statements.

During 2001, 2000 and 1999, the Corporation's principal source of earnings was the Hycroft mine in Nevada. In December 1998, mining activities were suspended at the Hycroft mine. Gold processing and recovery from previously mined ore continued at a declining rate in 1999, 2000 and 2001.

#### RESULTS OF OPERATIONS

##### SUMMARY

The Corporation's 2001 net loss was \$3.3 million (\$0.04 per share), compared to the 2000 net loss of \$13.2 million (\$0.15 per share). The improvement in 2001 is mainly attributable to a non-recurring \$10.9 million write-down in 2000 for the impairment of mineral properties, offset by an \$0.8 million unusual expense in 2001 for the proposed settlement of the USF&G law suit, as discussed in Item 3, Legal Proceedings.

2001 gold revenue of \$0.9 million is substantially lower than the \$3.8 million in revenues earned in 2000. This reduction in revenue is a direct result of the steadily decreasing gold production at the Hycroft mine. Similarly, 2001 production costs of \$0.7 million have been reduced from \$2.6 million in 2000. Also, management has further reduced discretionary costs in 2001, reflecting the decreasing gold production.

Gold production is expected to continue to decline in 2002, to approximately 1,000 ounces. Gold revenues and operating costs at the Hycroft mine are expected to be reduced accordingly.

##### GOLD PRODUCTION AND REVENUE

The Hycroft mine remains the Corporation's principal source of earnings and cash flows. In December 1998, mining activities at Hycroft were suspended. Gold recovery from the Hycroft mine heap leach pads continued in 2001, although at a lower rate than in 2000.

21

##### HYCROFT MINE

GOLD PRODUCTION AND REVENUE	2001	2000
Gold production (ounces).....	3,232	13,493
Average revenue per ounce produced.....	\$ 275	\$ 278
Total gold revenues (000s).....	\$ 890	\$ 3,757

The decrease in gold production is attributable to the progressive depletion of

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

recoverable gold in the Hycroft leach pads. Although this gradual decrease in production has been expected, 2001 production was 7.7% better than anticipated.

The decline in gold revenues in 2001 reflects the decrease in gold production from 2000.

### COSTS AND EXPENSES

Production costs at the Hycroft mine decreased to \$0.7 million in 2001 from \$2.6 million in 2000. The decrease was primarily due to the progressive reduction of leach solution volume processed at the Hycroft mine, with related reductions in manpower, in consumption of materials and supplies, and in electrical power.

#### HYCROFT MINE

	2001	2000
	-----	-----
	(IN THOUSANDS, EXCEPT PER OUNCE)	
Production costs.....	\$ 746	\$2,560
Cash operating cost per ounce.....	\$ 210	\$ 183
Exploration and holding costs (Hycroft mine).....	\$1,106	\$1,185

Cash operating costs per ounce in 2001 were \$210, up from \$183 per ounce in 2000. The increase is mainly a result of the lower gold production in 2001.

Hycroft exploration and holding costs of \$1.1 million in 2001 are similar, as expected, to the \$1.2 million incurred in 2000. These costs are incurred to maintain and protect the Corporation's interest in the Hycroft mine. They are comprised of ongoing property holding costs such as property taxes, bonding, permit and claim fees, insurance and site security.

Depreciation, depletion and amortization costs at Hycroft were \$0.3 million in 2001 compared to \$0.8 million in 2000. A significant portion of the Hycroft property plant and equipment has been sold, and a substantial portion of the remaining equipment has been fully depreciated. Disposals of idle Hycroft mining equipment resulted in total gains of \$0.1 million. See Note 3 of the Consolidated Financial Statements.

2001 exploration and holding costs for Amayapampa were \$0.1 million, compared to \$0.7 million in 2000. This reduction is mainly a result of manpower reductions effected in April 2001, and resulting reduced office and administration costs in Bolivia.

Corporate administration and investor relations costs were \$1.2 million in 2001, similar to the \$1.2 million incurred in 2000, as expected. Interest expense of \$21,000 was lower than \$0.1 million incurred in 2000 because the Corporation repaid most of its debt in the first quarter of 2001. See Note 4 of the Consolidated Financial Statements.

Corporate depreciation expense was \$41,000 and \$34,000 in 2001 and 2000 respectively.

A gain on the sale of marketable securities of \$0.3 million was realized in 2000; no similar gain was realized or realizable in 2001.

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

In 2001, the Corporation recorded a provision of \$0.8 million for the settlement of the USF&G lawsuit as discussed in Item 7, Consolidated Financial Statements, Note 7.

Management regularly reviews the carrying values of its long-lived assets. In 2000, based on these reviews, management wrote-down the Bolivian properties by \$10.6 million, and certain Hycroft assets by \$0.3 million. No similar write-downs were deemed necessary in 2001.

### LIQUIDITY AND CAPITAL RESOURCES

The Corporation's consolidated cash balance at December 31, 2001 was \$0.7 million, an increase of \$0.6 million from the end of 2000. This increase resulted from the sale of idle mining equipment at the Hycroft mine, which provided \$3.0 million; operating activities consumed \$1.7 million; and \$0.7 million was used to repay all of the Corporation's outstanding debt. Of the \$1.7 million used for operating activities, \$0.2 million was for reclamation and closure costs comprised mainly of employee severance costs.

Cash consumed in operating activities in 2001 was \$1.7 million, compared to \$2.8 million in 2000. The \$1.1 million improvement in 2001 is comprised mainly of the reduction in reclamation and mine closure costs: \$0.2 million compared to \$1.0 million in 2001 and 2000 respectively. The remainder of the cash improvement reflects the Corporation's successful cost reduction efforts, offset by a reduction in gold revenues.

The Corporation made no capital expenditures in 2001, and no material capital expenditures in 2000.

On January 22, 2002, the Corporation announced that it had finalized an agency agreement for a private placement financing of \$3.8 million, subject to shareholder and regulatory approvals. Approximately \$1.0 million of this amount has been received by the Corporation, of which \$0.8 million has been reserved and must be for the settlement of the USF&G lawsuit disclosed in Item 3, Legal Proceedings. The remaining \$2.8 million of this private placement is scheduled to be completed in March 2002. Details of this financing are fully discussed in Item 7, Consolidated Financial Statements, Note 14.

### OUTLOOK

Management feels that the potential cash infusion from the above-mentioned private placement, together with the potential for subsequent cash infusions, should the warrants issued pursuant to this private placement be exercised, greatly improves the Corporation's short-term outlook and could provide funding that will allow the Corporation to fully apply its technical expertise to acquire and enhance gold exploration and development properties, while maintaining and improving its existing gold reserves in Nevada and Bolivia.

The Corporation is encouraged by the recently improved gold prices, but with the benefit of this new funding, is under no pressure to make any short-term production decisions. The resumption of mining at Hycroft, although economic at current gold prices, would attract more favorable financing terms and yield a greatly improved return for shareholders at a sustained gold price above \$300. The Corporation is reluctant to deplete its valuable gold resources before insuring a higher return on the necessary investment.

In Bolivia, holding costs have been reduced to a minimum and, as a result of the 2000 sale of Yamin and Capa Circa to a worker's co-operative in 2000, Bolivia is expected to earn enough royalty revenues to pay for its modest holding costs. Development of Amayapampa will require initial capital of \$25 million and a gold price of more than \$325 per ounce.

ITEM 7. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

To the Shareholders of Vista Gold Corp.

The consolidated financial statements are the responsibility of the Board of Directors and management. The accompanying consolidated financial statements of the Corporation have been prepared by management based on information available through March 18, 2002; these consolidated financial statements are in accordance with Canadian generally accepted accounting principles, and have been reconciled to United States generally accepted accounting principles as presented in Note 13.

A system of internal accounting and administrative controls is maintained by management in order to provide reasonable assurance that financial information is accurate and reliable, and that the Corporation's assets are safeguarded. Limitations exist in all cost-effective systems of internal controls. The Corporation's systems have been designed to provide reasonable but not absolute assurance that financial records are adequate to allow for the completion of reliable financial information and the safeguarding of its assets. The Corporation believes that the systems are adequate to achieve the stated objectives.

The Audit Committee of the Board of Directors is comprised of three outside directors, and meets regularly with management and the independent auditors to ensure that management is maintaining adequate internal controls and systems and to recommend to the Board of Directors approval of the annual and quarterly consolidated financial statements of the Corporation. The committee also meets with the independent auditors and discusses the results of their audit and their report prior to submitting the consolidated financial statements to the Board of Directors for approval.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Accountants, who were appointed by the shareholders. The auditors' report outlines the scope of their examination and their opinion on the consolidated financial statements.

/s/ RONALD J. MCGREGOR

-----

Ronald J. McGregor  
President and  
Chief Executive Officer

/s/ JOHN F. ENGELE

-----

John F. Engele  
Vice President Finance and  
Chief Financial Officer

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders of Vista Gold Corp.

We have audited the consolidated balance sheets of Vista Gold Corp. as of December 31, 2001 and 2000 and the consolidated statements of loss, deficit and cash flows for the years ended December 31, 2001, 2000 and 1999. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Edgar Filing: VISTA GOLD CORP - Form 10KSB

We conducted our audits in accordance with generally accepted auditing standards in Canada and the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2001 and 2000 and the consolidated results of its operations and cash flows for the years ended December 31, 2001, 2000 and 1999 in accordance with Canadian generally accepted accounting principles.

/s/ PRICEWATERHOUSECOOPERS LLP  
-----

Chartered Accountants  
Vancouver, British Columbia, Canada  
February 22, 2002, except as to Notes 1 and 14,  
which are as at March 18, 2002

Comments by the Auditors for U.S. Readers on Canada-U.S. Reporting Difference

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when the financial statements are affected by conditions and events that cast substantial doubt on the Corporation's ability to continue as a going concern such as those described in Note 1 of the consolidated financial statements. Our report to the shareholders dated February 22, 2002, except as to Notes 1 and 14, which are as at March 18, 2002, is expressed in accordance with Canadian reporting standards, which do not permit a reference to such conditions and events in the auditors' report when these are adequately disclosed in the financial statements.

/s/ PRICEWATERHOUSECOOPERS LLP  
-----

Chartered Accountants  
Vancouver, British Columbia, Canada  
February 22, 2002

VISTA GOLD CORP.  
CONSOLIDATED BALANCE SHEETS

	AT DECEMBER 31	
	2001	2000
	(U.S. DOLLARS IN THOUSANDS)	
ASSETS:		
Cash and cash equivalents.....	\$ 674	\$ 96
Accounts receivable.....	180	760
Supplies inventory and prepaid expenses.....	301	464
	-----	-----
Current assets.....	1,155	1,320
	-----	-----
Property, plant and equipment--Note 3.....	12,734	15,912

Edgar Filing: VISTA GOLD CORP - Form 10KSB

Total assets.....	\$ 13,889	\$ 17,232
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Accounts payable.....	\$ 145	\$ 218
Accrued liabilities and other--Note 8.....	1,209	301
Current portion of long-term debt--Note 4.....	--	695
	-----	-----
Current liabilities.....	1,354	1,214
	-----	-----
Accrued reclamation and closure costs--Note 5.....	3,134	3,339
Other liabilities.....	--	6
	-----	-----
	3,134	3,345
	-----	-----
Total liabilities.....	4,488	4,559
	-----	-----
SHAREHOLDERS' EQUITY:		
Capital stock, no par value per share--Note 6:		
Preferred--unlimited shares authorized; no shares outstanding		
Common--unlimited shares authorized; shares outstanding:		
2001 and 2000--90,715,040.....	121,146	121,146
Deficit.....	(110,260)	(106,985)
Currency translation adjustment.....	(1,485)	(1,488)
	-----	-----
Total shareholders' equity.....	9,401	12,673
	-----	-----
Total liabilities and shareholders' equity.....	\$ 13,889	\$ 17,232
	=====	=====
Nature of operations and going concern--Note 1		
Commitments and contingencies--Note 7		
Subsequent events--Note 14		

Approved by the Board of Directors

/s/ C. THOMAS OGRYZLO

/s/ JOHN M. CLARK

-----  
C. Thomas Ogryzlo  
Director

-----  
John M. Clark  
Director

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

26

VISTA GOLD CORP.  
CONSOLIDATED STATEMENTS OF LOSS

YEARS ENDED DECEMBER 31

-----  
2001                      2000                      1999  
-----

(U.S. DOLLARS IN THOUSANDS,  
EXCEPT PER SHARE DATA)

Edgar Filing: VISTA GOLD CORP - Form 10KSB

REVENUES:			
Gold sales.....	\$ 890	\$ 3,757	\$ 19,496
Other revenues.....	25	48	109
	-----	-----	-----
Total revenues.....	915	3,805	19,605
	-----	-----	-----
COSTS AND EXPENSES:			
Production costs.....	746	2,560	20,578
Depreciation, depletion and amortization.....	301	867	4,421
Provision for reclamation and closure costs.....	--	--	232
Operating leases.....	--	--	44
Mineral exploration, property evaluation and holding costs.....	1,246	1,875	2,802
Corporate administration and investor relations.....	1,158	1,244	1,183
Interest expense.....	21	114	1,146
Loss (gain) on disposal of assets.....	(105)	(41)	5
Gain on sale of marketable securities.....	--	(280)	--
Equity in loss and impairment of Zamora Gold Corp.....	--	--	601
Other (income) expense.....	9	(218)	74
Provision for settlement of USF&G suit--Notes 7 and 14.....	814	--	--
Write-down of mineral properties and other assets.....	--	10,926	16,219
	-----	-----	-----
Total costs and expenses.....	4,190	17,047	47,305
	-----	-----	-----
Loss before income taxes.....	(3,275)	(13,242)	(27,700)
Income taxes--Note 10.....	--	(33)	--
	-----	-----	-----
Loss for the year.....	\$ (3,275)	\$ (13,209)	\$ (27,700)
	=====	=====	=====
Weighted average shares outstanding.....	90,715,040	90,715,040	90,715,040
	-----	-----	-----
Basic and diluted loss per share.....	\$ (0.04)	\$ (0.15)	\$ (0.31)
	-----	-----	-----

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

27

VISTA GOLD CORP.  
CONSOLIDATED STATEMENTS OF DEFICIT

	YEARS ENDED DECEMBER 31		
	2001	2000	1999
	-----	-----	-----
	(U.S. DOLLARS IN THOUSANDS)		
Deficit, beginning of year.....	\$106,985	\$ 93,776	\$66,076
Loss for the year.....	3,275	13,209	27,700
	-----	-----	-----
Deficit, end of year.....	\$110,260	\$106,985	\$93,776
	=====	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.



Edgar Filing: VISTA GOLD CORP - Form 10KSB

28

VISTA GOLD CORP.  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31		
	2001	2000	1999
	(U.S. DOLLARS IN THOUSANDS)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss for the year.....	\$ (3,275)	\$ (13,209)	\$ (27,700)
ADJUSTMENTS TO RECONCILE LOSS FOR THE YEAR TO CASH USED IN OPERATIONS:			
Depreciation, depletion and amortization.....	301	867	4,421
Recognition of hedging gains.....	--	--	(1,150)
Provision for reclamation and closure costs.....	--	--	232
Reclamation and closure costs paid in the period.....	(163)	(982)	(1,800)
Loss (gain) on disposal of assets.....	(105)	(41)	5
Gain on disposal of marketable securities.....	--	(280)	--
Equity in loss and impairment of Zamora Gold Corp.....	--	--	601
Loss (gain) on currency translation.....	3	(7)	59
Write-down of mineral properties.....	--	10,926	16,219
Other non-cash items.....	142	--	(11)
	(3,097)	(2,726)	(9,124)
CHANGES IN OPERATING ASSETS AND LIABILITIES:			
Marketable securities.....	--	--	13
Accounts receivable.....	580	461	1,723
Gold inventory.....	--	117	3,397
Realization of hedging gains acquired.....	--	--	3,041
Supplies inventory and prepaid.....	4	391	(133)
Accounts payable, accrued liabilities and other.....	804	(1,039)	(664)
Net cash used in operating activities.....	(1,709)	(2,796)	(1,747)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property, plant and equipment.....	--	(7)	(1,917)
Proceeds on disposal of fixed assets and supplies.....	2,982	810	86
Proceeds on disposal of marketable securities.....	--	357	--
Investment in and advances to Zamora Gold Corp.....	--	--	(30)
Other assets.....	--	22	139
Net cash provided by (used in) investing activities.....	2,982	1,182	(1,722)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of debt.....	(695)	(587)	(520)
Proceeds from debt.....	--	--	1,500
Net cash provided by (used in) financing activities.....	(695)	(587)	980
Net increase (decrease) in cash and cash equivalents.....	578	(2,201)	(2,489)
Cash and cash equivalents, beginning of year.....	96	2,297	4,786
Cash and cash equivalents, end of year.....	\$ 674	\$ 96	\$ 2,297

Supplemental cash flow disclosure--Note 9

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

29

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT SHARE DATA.

#### 1. NATURE OF OPERATIONS AND GOING CONCERN

##### (a) NATURE OF OPERATIONS

The Corporation is engaged in gold production in the United States, and gold development and exploration activities in the United States, and Latin America. During 2001, 2000 and 1999, the Corporation's principal source of earnings and operating cash flow was the Hycroft mine in Nevada. In December 1998, mining activities were suspended at the Hycroft mine. Gold processing and recovery from previously mined ore continued at a declining rate in 1999, 2000 and 2001.

Amayapampa, in Bolivia, is being held for development, pending higher gold prices.

##### (b) GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern that assume the realization of assets and the discharge of liabilities in the normal course of business. As disclosed in Note 14, on January 22, 2002, the Corporation finalized an agency agreement for a private placement of \$3.8 million, to be completed in two steps. On February 1, 2002 the first step was completed, resulting in the receipt of \$1.026 million, \$814,087 of this amount has been reserved and must be used for the proposed settlement of an outstanding claim against the Corporation and other defendants by USF&G as disclosed in Note 7. The second step, which involves the issue of \$2.77 million of convertible debentures subject to shareholder approval, is not yet completed. There can be no assurance that this \$2.77 million debenture financing will be timely completed and approved by the shareholders. There is therefore, substantial doubt about the Corporation's ability to continue as a going concern. These financial statements do not give effect to any adjustments, which may be necessary should the Corporation be unable to continue as a going concern.

The recoverability of the carrying values of the Hycroft mine and the Amayapampa project is dependant upon the successful start-up or the sale of these properties. The Corporation is investigating the economic feasibility of restarting the Hycroft mine and developing the Amayapampa project in Bolivia. The plans to restart the Hycroft mine and develop the Amayapampa project will also depend on management's ability to raise additional capital for these purposes. Although management has been successful in raising such capital in the past, there can be no assurance that it will be able to do so in the future.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### (a) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The consolidated financial statements of the Corporation and its subsidiaries have been prepared in accordance with accounting principles generally accepted in Canada. For purposes of these financial statements these principles conform, in all material respects, with generally accepted accounting principles in the United States, except as described in Note 13.

Edgar Filing: VISTA GOLD CORP - Form 10KSB

30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT SHARE DATA.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Corporation and its subsidiaries. All material intercompany transactions and balances have been eliminated. The Corporation's subsidiaries and percentage ownership in these entities as of December 31, 2001 are:

	OWNERSHIP -----
Vista Gold Holdings Inc. and its wholly-owned subsidiaries.....	100%
Hycroft Resources & Development, Inc. and its wholly-owned subsidiary Hycroft Lewis Mine, Inc.	
Vista Gold U.S. Inc.	
Granges Inc. (previously called Granges (Canada) Inc.).....	100%
Vista Gold (Antigua) Corp. and its wholly-owned subsidiary.....	100%
Compania Inversora Vista S.A. and its wholly-owned subsidiaries	
Minera Nueva Vista S.A.	
Compania Exploradora Vistex S.A.	

In 1999, Mineral Ridge Resources Inc. ("MRRI") voluntarily filed for protection under the U.S. bankruptcy Code. Accordingly, effective in 1999, the Corporation ceased consolidating the accounts of MRRI.

(c) USE OF ESTIMATES

The preparation of consolidated financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include mine closure and reclamation obligations, useful lives for asset depreciation purposes, and impairment of mineral properties. Actual results could differ from these estimates.

(d) FOREIGN CURRENCY TRANSLATION

Sales revenues and a significant portion of the Corporation's expenses are denominated in U.S. dollars. The Corporation's executive office is located in Littleton, Colorado. The U.S. dollar is the principal currency of the Corporation's business. Accordingly, all amounts in these consolidated financial statements of the Corporation are expressed in U.S. dollars, unless otherwise stated.

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

The accounts of self-sustaining foreign operations are translated using the current rate method. Under this method, assets and liabilities are translated at the rate of exchange on the balance sheet date, and revenue and expenses at the average rate of exchange during the period. Exchange gains and losses are deferred and shown as a currency translation adjustment in shareholders' equity until transferred to earnings when the net investment in the foreign operation is reduced or settled.

The accounts of integrated foreign operations are translated using the temporal method. Under this method, monetary assets and liabilities are translated at the year-end rate of exchange, non-monetary

31

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT SHARE DATA.

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

assets and liabilities are translated at the rates prevailing at the respective transaction dates, and revenue and expenses, except for depreciation, are translated at the average rate of exchange during the year. Translation gains and losses are reflected in the loss for the year.

##### (e) REVENUE RECOGNITION

Since ceasing mining operations at the Hycroft mine, the Corporation recognizes revenue upon adsorption of gold onto carbon.

Carbon plants are used to concentrate gold from dilute solution, which has been circulated through the heap leach pad, by adsorbing the gold onto activated carbon. The amount of gold adsorbed onto carbon is measured by assaying the solutions before and after passing through the carbon circuit and applying the difference in assay values to the volume of solution that has passed through the carbon circuit. Periodically, a batch of the carbon is removed and shipped to an independent company which strips the gold from the carbon, and produces a dore bar which is then refined and sold.

##### (f) MINERAL EXPLORATION

Exploration expenditures on mineral properties are expensed when incurred. Holding costs to maintain a property on a stand-by basis are also expensed as incurred.

##### (g) CASH EQUIVALENTS

Cash equivalents are investments in short-term funds consisting of highly liquid debt instruments such as certificates of deposit, commercial paper, and money market accounts purchased with an original maturity date of less than three months. The Corporation's policy is to invest cash in conservative, highly rated instruments and limit the amount of credit exposure to any one institution.

##### (h) INVENTORIES

Materials and supplies inventories are valued at the lower of average cost and net replacement value.

The Corporation has recovered more gold than anticipated from the heap leach pads at the Hycroft mine, accordingly heap leach pad inventory has been fully recognized in prior years.

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

### (i) PROPERTY, PLANT AND EQUIPMENT

#### (i) Mineral properties

Property acquisition and development costs are carried at cost less accumulated amortization and write-downs. Amortization is provided on the units-of-production method based on proven and probable reserves.

Expenditures incurred on non-producing mineral properties identified as having development potential, are deferred until the viability of the property is determined.

Management reviews the carrying value of the Corporation's interest in each property quarterly and, where necessary, these properties are written down to net recoverable amount, based on estimated future cash flows. Management's estimates of gold price, recoverable proven and probable reserves, operating, capital and reclamation costs are subject to risks and uncertainties affecting the

32

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT SHARE DATA.

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recoverability of the Corporation's investment in property, plant and equipment. Although management has made its best estimate of these factors based on current conditions, it is possible that changes could occur in the near term that could adversely affect management's estimate of net cash flows expected to be generated from its operating properties and the need for possible asset impairment write-downs.

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

#### (ii) Plant and equipment

Plant and equipment are recorded at cost and depreciated using the straight-line method over estimated useful lives. The cost of normal maintenance and repairs is charged to expense as incurred. Significant expenditures, which increase the life of an asset, are capitalized and depreciated over the remaining estimated useful life of the asset. Upon sale or retirement of assets, the costs and related accumulated depreciation or amortization are eliminated from the respective accounts and any resulting gains or losses are reflected in operations.

#### (j) PROVISION FOR FUTURE RECLAMATION AND CLOSURE COSTS

Minimum standards for mine site reclamation and closure have been established by various government agencies that affect certain operations of the Corporation. The Corporation calculates its estimates of reclamation liability based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its operating mine sites. It is possible that the Corporation's estimate of its reclamation, site restoration and closure liability could change in the near term due to possible changes in laws and regulations and changes in cost estimates.

A provision for reclamation and mine closure is charged to earnings over the

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

lives of the mines on a units-of-production basis.

### (k) LOSS PER SHARE

Loss per share is calculated by dividing the loss for the year by the weighted average number of common shares outstanding during the year. The Corporation has adopted the revised recommendations of the Canadian Institute of Chartered Accountants, whereby new rules are applied in the calculation of diluted earnings per share. The revised standard has been applied on a retroactive basis and did not result in any restatement. Basic and diluted losses per share are the same because inclusion of common share equivalents would be anti-dilutive.

### (l) FINANCIAL INSTRUMENTS

The recorded value of the Corporation's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities and other, approximate their fair values due to the relatively short periods to maturity. The Corporation had no debt as of December 31, 2001

33

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS,  
EXCEPT SHARE DATA.

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (m) STOCK-BASED COMPENSATION

The Corporation has a stock-based compensation plan, which is described in Note 6. No compensation expense is recognized for the plan when stock or stock options are issued to directors and employees. Any consideration paid by directors and employees on the exercise of stock options or the purchase of stock is credited to capital stock.

### 3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is comprised of the following:

	2000			1999	
	COST	ACCUMULATED DEPRECIATION, AMORTIZATION AND WRITE-DOWNS	NET	COST	ACCUMULATED DEPRECIATION, AMORTIZATION AND WRITE-DOWNS
	-----	-----	-----	-----	-----
<b>MINERAL PROPERTIES</b>					
Hycroft mine, United States.....	\$ 21,917	\$21,917	--	\$ 21,917	\$ 21,917
Amayapampa, Bolivia.....	57,624	46,894	10,730	57,624	46,894
	-----	-----	-----	-----	-----
	\$ 79,541	\$68,811	\$10,730	\$ 79,541	\$ 68,811
	-----	-----	-----	-----	-----
<b>PLANT &amp; EQUIPMENT</b>					
Hycroft mine, United States.....	\$ 31,278	\$29,397	\$ 1,881	\$ 39,036	\$ 34,057
Amayapampa, Bolivia.....	181	181	--	405	366
Corporate assets, United					

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

States.....	467	344	123	467	303
	-----	-----	-----	-----	-----
	\$ 31,926	\$29,922	\$ 2,004	\$ 39,908	\$ 34,726
	-----	-----	-----	-----	-----
TOTAL PROPERTY, PLANT AND EQUIPMENT.....	\$111,467	\$98,733	\$12,734	\$119,449	\$103,537
	=====	=====	=====	=====	=====

### SALE OF MINING EQUIPMENT

During 2001, Hycroft mining equipment with a net book value of \$2.8 million, was sold for \$2.9 million.

### ROYALTIES

The Crofoot property at the Hycroft mine is subject to a 4% net profit royalty. During 2001, 2000 and 1999 there was no mining activity and as a result the Corporation did not pay any Crofoot royalties.

The Lewis property at the Hycroft mine is subject to a 5% net smelter royalty. During 2001 and 2000 only nominal minimum royalties were required in relation to this property. During 1999 royalties paid were \$123,000.

### 4. LONG TERM DEBT

During 2001, the Corporation repaid \$0.6 million term loan from the proceeds of the sale of mining equipment. The Corporation also repaid a \$75,000 term note.

34

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS,  
EXCEPT SHARE DATA.

### 5. ACCRUED RECLAMATION AND CLOSURE COSTS

At December 31, 2001, the Corporation's future reclamation and mine closure costs are estimated to be \$3.1 million. Estimated reclamation and mine closure costs are determined using management's best estimates of the scope and the cost of required activities. These estimates may change, based on future changes in operations, regulatory requirements or costs to complete the reclamation activity. Reclamation and closure costs are charged to earnings over the life of the mine on a units-of-production basis. The aggregate obligation accrued to December 31, 2001, net of the actual cost of reclamation activities performed to December 31, 2001, is \$3.1 million (2000: \$3.3 million).

### 6. CAPITAL STOCK

#### COMMON SHARE OPTIONS

Under the Corporation's Stock Option Plan (the "Plan"), the Corporation may grant options to directors, officers, employees and consultants of the Corporation or its subsidiaries, for up to 4,500,000 Common Shares. Under the Plan, the exercise price of each option shall not be less than the market price of the Corporation's stock on the date preceding the date of grant, and an option's maximum term is 10 years or such other shorter term as stipulated in a stock option agreement between the Corporation and the optionee. Options and vesting periods under the Plan are granted from time to time at the discretion of the Board of Directors.

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

At December 31, 2001, 1,500,000 Common Shares were reserved for issuance under options granted to directors, officers and management employees. These options expire as follows:

YEAR OF EXPIRATION	NUMBER OF OPTIONS
-----	-----
2004...	5,715
2005...	112,143
2006...	171,428
2007...	435,714
2008...	50,000
2009...	100,000
2010...	200,000
2011...	425,000
	-----
Total..	1,500,000
	=====

35

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS,  
EXCEPT SHARE DATA.

#### 6. CAPITAL STOCK (CONTINUED)

The following tables summarize information about stock options under the Plan:

	2001		2000		
	NUMBER OF SHARES (000) 'S	WEIGHTED- AVERAGE EXERCISE PRICE (CDN.\$)	NUMBER OF SHARES (000) 'S	WEIGHTED- AVERAGE EXERCISE PRICE (CDN.\$)	
	-----	-----	-----	-----	-----
Outstanding--beginning of year.....	1,758	\$0.212	2,308	\$0.237	2,270
Cancelled.....	--	--	--	--	(2,270)
Granted.....	425	0.120	275	0.070	2,500
Forfeited / expired.....	(683)	0.222	(825)	0.235	(192)
	-----	-----	-----	-----	-----
Outstanding--end of year.....	1,500	\$0.181	1,758	0.212	2,308

#### OPTIONS OUTSTANDING AND EXERCISABLE

RANGE OF EXERCISE PRICES (CDN.\$)	NUMBER OUTSTANDING AT DEC. 31, 2001 (000)	WEIGHTED- AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED- AVERAGE EXERCISE PRICE (CDN.\$)	NUMBER EXERCISABLE AT DEC. 31, 2001 (000)	WE A EXE (
-----	-----	-----	-----	-----	-----



Edgar Filing: VISTA GOLD CORP - Form 10KSB

\$0.070	200	9.00	\$0.070	200	\$
0.120	425	9.50	0.120	425	
0.235	775	5.20	0.235	775	
0.250	100	7.25	0.250	100	
	-----		-----		
	1,500		\$0.181	1,500	\$
	=====		=====	=====	

7. COMMITMENTS AND CONTINGENCIES

(a) On August 25, 2000, United States Fidelity & Guarantee Company ("USF&G") filed an action in the United States District Court against Vista Gold Corp., Vista Gold Holdings, Inc., Stockscope.com Technologies, Inc., Cornucopia Resources, Inc., Red Mountain Resources, Inc. and Touchstone Resources, Inc. This action involves a General Contract of Indemnity in connection with the posting of a reclamation bond for mining activities by MRRI, the Corporation's wholly owned subsidiary that holds the investment in the Mineral Ridge mine, at Silver Peak, Nevada. In the action, USF&G seeks to compel all of the defendants to post additional collateral for the bond in the total amount of \$793,583. Neither Vista Gold Corp. nor Vista Gold Holdings, Inc. was a party to the General Contract of Indemnity and both have denied any liability in connection therewith.

In November 2000, the parties stipulated to an agreed upon discovery plan and scheduling order. On March 12, 2001 Stockscope.com Technologies, Inc., Cornucopia Resources, Inc., and Red Mountain Resources, Inc. (collectively the "Stockscope defendants") filed a cross-claim against the Corporation relating to the same issues but referring to the Share Purchase and Sale Agreement between Cornucopia Resources Ltd. and Vista Gold Corp. In July 2001, USF&G filed for a summary judgment requesting the court to compel the Stockscope defendants to post \$902,819 in additional collateral. The increase from \$793,583 accounts for additional expenses incurred by USF&G. At the same time, the Stockscope defendants moved for partial summary judgment on cross-claim against the Corporation. The maximum potential exposure to the Corporation is the additional collateral

36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT SHARE DATA.

7. COMMITMENTS AND CONTINGENCIES (CONTINUED)

requested in the amount of \$902,819 together with the attorneys' fees and costs related to the defense of the action. Other defendants, if found to be jointly liable, could reduce the amount for which the Corporation has exposure.

During the year ended 2001, the Corporation provided \$814,087 with respect to this claim, as discussed in Note 14.

(b) The Corporation has provided a surety bond in the amount of \$5.1 million to ensure reclamation obligations under an approved reclamation plan at the Hycroft mine.

8. ACCRUED LIABILITIES AND OTHER

2001 2000

Edgar Filing: VISTA GOLD CORP - Form 10KSB

	-----	-----
USF&G settlement (Notes 7 and 14).....	\$ 814	\$ --
Trade payables and other accruals.....	395	301
	-----	-----
	\$1,209	\$301
	=====	=====

9. SUPPLEMENTAL CASH FLOW DISCLOSURE

	2001	2000	1999
	-----	-----	-----
Cash paid (received) during the year for:			
Interest.....	\$21	\$114	\$1,146
Income taxes.....	--	(33)	196

10. INCOME TAXES

(a) A reconciliation of the combined Canadian federal and provincial income taxes at statutory rates and the Corporation's effective income tax expenses (recovery) is as follows:

	2001	2000	1999
	-----	-----	-----
Income taxes at statutory rates.....	\$(1,412)	\$(5,959)	\$(12,440)
Increase (decrease) in taxes from:			
Permanent differences.....	2	(149)	(84)
Differences in foreign tax rates.....	270	2,214	1,592
Benefit of losses not recognized.....	1,140	3,894	10,932
Large Corporations Tax.....		(33)	--
	-----	-----	-----
	\$ --	\$ (33)	\$ --
	=====	=====	=====

(b) Future income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The tabular information set out below is in thousands of United States dollars, except share data.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT SHARE DATA.

10. INCOME TAXES (CONTINUED)

The significant components of the company's future tax assets as at

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

December 31, are as follows:

FUTURE INCOME TAX ASSETS	2001	2000
Excess tax value over carrying value of property, plant and equipment.....	\$ 9,383	\$ 9,649
Operating loss carryforward.....	15,859	15,672
Accrued reclamation provision.....	1,057	1,111
	26,299	26,432
Valuation allowance for future tax assets.....	(26,299)	(26,432)
	--	--
Total.....	=====	=====

The Corporation has incurred income tax losses in prior periods of \$43.5 million, which may be carried forward and applied against future taxable income when earned.

The losses expire as follows:

	CANADA	UNITED STATES	TOTAL
2002.....	442	1,358	1,800
2003.....	417	5,418	5,835
2004.....	1,718	1,373	3,091
2005.....	7,774	--	7,774
2006.....	638	--	638
2007.....	464	--	464
2008.....	467	388	855
2009.....	--	11	11
2010.....	--	5,106	5,106
2011.....	--	9,415	9,415
2019.....	--	5,301	5,301
2020.....	--	310	310
2021.....	--	2,926	2,926
	\$11,920	\$31,606	\$43,526

### 11. RETIREMENT PLANS

The Corporation sponsors a qualified tax-deferred savings plan in accordance with the provisions of Section 401(k) of the U.S. Internal Revenue Service code, which is available to permanent U.S. employees. The Corporation makes contributions of up to 4% of eligible employees' salaries. The Corporation's contributions were as follows: 2001--\$ 28,764; 2000--\$56,000; and 1999--\$ 126,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS,

# Edgar Filing: VISTA GOLD CORP - Form 10KSB

EXCEPT SHARE DATA.

## 12. SEGMENT INFORMATION

The Corporation operates in the gold mining industry in the United States, has a property being held for development in Latin America, and has exploration properties in the United States, Canada and Latin America. Its major product and only identifiable segment is gold, and all gold revenues and operating costs are derived in the United States. All revenues are earned in the United States and geographic segmentation of capital assets is provided in Note 3.

## 13. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The significant differences between generally accepted accounting principles ("GAAP") in Canada and in the United States, as they relate to these financial statements are as follows:

- (a) Under Canadian corporate law, the Corporation underwent a capital reduction in connection with the amalgamation of Granges and Hycroft whereby share capital and contributed surplus were reduced to eliminate the consolidated accumulated deficit of Granges as of December 31, 1994, after giving effect to the estimated costs of the amalgamation. Under U.S. corporate law, no such transaction is available and accordingly is not allowed under U.S. GAAP.
- (b) In 1999 and 2000 the carrying values of certain long-lived assets exceeded their respective undiscounted cash flows. Following Canadian GAAP, the carrying values were written down using the undiscounted cash flow method. Under U.S. GAAP, the carrying values were written down to their fair values using the discounted cash flow method, giving rise to a difference in the amounts written down.  
  
Amortization of the remaining carrying values in subsequent periods following Canadian GAAP must be reduced to reflect the difference in the amounts written down following U.S. GAAP.
- (c) Under U.S. GAAP, items such as foreign exchange gains and losses and unrealized gains and losses on marketable securities are required to be shown separately in the derivation of comprehensive income.
- (d) The Corporation recognizes revenue upon adsorbtion of gold onto carbon. In accordance with U.S. GAAP, revenue is not recorded before title is passed.

39

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT SHARE DATA.

## 13. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONTINUED)

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

YEAR ENDED DECEMBER 31		
2001	2000	1999

Edgar Filing: VISTA GOLD CORP - Form 10KSB

Loss for the year--Canadian GAAP.....	\$ (3,275)	\$ (13,209)	\$ (27,700)
Impairment of mineral properties (b).....	--	(7,637)	13,248
Amortization reduction (b).....	--	99	736
Revenue Recognition (d).....	81	(172)	--
Cumulative impact of adopting SAB 101 (d).....	--	(59)	--
Net loss--U.S. GAAP for the year before other comprehensive income adjustments.....	(3,194)	(20,978)	(13,716)
Unrealised (gains) losses on marketable securities (c).....	--	144	(21)
Foreign currency exchange gain (loss) (c).....	3	(7)	59
Comprehensive loss.....	\$ (3,191)	\$ (20,841)	\$ (13,678)
Loss per share.....	\$ (0.04)	\$ (0.23)	\$ (0.15)

The significant differences in the balance sheet as at December 31, 2001 and 2000 relative to U.S. GAAP were:

	2001			2000		
	PER CDN. GAAP	CDN./U.S. ADJ.	PER U.S. GAAP	PER CDN. GAAP	CDN./U.S. ADJ.	PER U.S. GAAP
Current assets (d).....	\$ 1,155	\$ (30)	\$ 1,125	\$ 1,320	\$ (231)	\$ 1,089
Property, plant and equipment (b).....	12,734	(7,637)	5,097	15,912	(7,637)	8,275
Common shares (a).....	121,146	76,754	197,900	121,146	76,754	197,900
Contributed surplus (a).....	--	2,786	2,786	--	2,786	2,786
Retained deficit (a, b, d)....	(110,260)	(87,327)	(197,587)	(106,985)	(87,408)	(194,393)

40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT SHARE DATA.

13. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONTINUED)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY UNDER U.S. GAAP

	NUMBER OF COMMON SHARES	SHARE CAPITAL	CONTRIBUTED SURPLUS	DEFICIT	CUMULATIVE TRANSLATION ADJUSTMENT	OTHER COMPREHENSIVE INCOME
Balance at December 31, 1998.....	90,715,040	\$197,900	\$2,786	\$ (159,699)	\$ (1,540)	\$ (1,540)
Currency translation adjustment (c).....	--	--	--	--	59	--
Comprehensive income						

Edgar Filing: VISTA GOLD CORP - Form 10KSB

(c).....	--	--	--	--	--	--
Net Loss.....	--	--	--	(13,716)	--	--
	-----	-----	-----	-----	-----	-----
Balance at						
December 31, 1999.....	90,715,040	\$197,900	\$2,786	\$ (173,415)	\$ (1,481)	\$ (
Comprehensive income						
(c).....	--	--	--	--	--	--
Currency translation						
adjustment (c).....	--	--	--	--	(7)	--
Net Loss.....	--	--	--	(20,978)	--	--
	-----	-----	-----	-----	-----	-----
Balance at						
December 31, 2000.....	90,715,040	\$197,900	\$2,786	\$ (194,393)	\$ (1,488)	\$
Currency translation						
adjustment (c).....	--	--	--	--	3	--
Net Loss.....	--	--	--	(3,194)	--	--
	-----	-----	-----	-----	-----	-----
Balance at						
December 31, 2001.....	90,715,040	\$197,900	\$2,786	\$ (197,587)	\$ (1,485)	\$
	=====	=====	=====	=====	=====	=====

STOCK BASED COMPENSATION PLANS

The Corporation applies Accounting Principles Board Opinion No. 25 and related interpretations in accounting for its plans in its U.S. GAAP presentations. If compensation cost for the Corporation's stock-based compensation plans had been determined based on the fair value at the grant dates for awards under the plans consistent with the method described in SFAS No. 123, the Corporation would have recorded compensation expense of \$20,000, \$15,000 and \$361,000 in 2001, 2000 and 1999 respectively. Accordingly, the consolidated net loss and loss per share under U.S. GAAP would have increased to the pro forma amounts indicated below:

		2001	2000	1999
		-----	-----	-----
Net earnings (loss) under U.S. GAAP.....	As reported	\$ (3,194)	\$ (20,978)	\$ (13,716)
	Pro forma	(3,214)	(20,993)	(14,077)
Loss per share under U.S. GAAP.....	As reported	(0.04)	(0.23)	(0.15)
	Pro forma	(0.04)	(0.23)	(0.16)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT SHARE DATA.

13. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONTINUED)

The fair value of each option grant is estimated on the date of grant for all plans using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants in 2001, 2000 and 1999:

2001	2000	1999
------	------	------

Edgar Filing: VISTA GOLD CORP - Form 10KSB

	-----	-----	-----
Expected volatility.....	75.0%	61.9%	61.9%
Risk-free interest rate.....	5.00%	5.09% to 5.74%	4.81%
Expected lives.....	2 years	2 years	4.5 years
Dividend yield.....	0%	0%	0%

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible Assets. These new standards eliminate pooling as method of accounting for business combinations, and feature new accounting rules for goodwill and intangible assets. The company does not foresee any impact on a cumulative effect of an accounting change or on the carrying values of assets and liabilities recorded in the Consolidated Balance Sheet upon adoption. SFAS No. 141 is effective for business combinations initiated from July 1, 2001. SFAS No. 142 will be adopted on January 1, 2002.

Also issued in June 2001 was SFAS No. 143, Accounting for Asset Retirement Obligations. This Statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. It requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. The Corporation is analyzing the impact of SFAS No. 143 and will adopt the standard on January 1, 2003.

In August 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-lived Assets. This statement addresses accounting for discontinued operations and the impairment or disposal of long-lived assets. The Corporation does not expect that the implementation of these guidelines will have a material impact on its consolidated financial position or results of operations.

In November 2001 the Accounting Standards Board of the Canadian Institute of Chartered Accountants issued new Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments. This Section establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. It applies to transactions, including non-reciprocal transactions, in which an enterprise grants shares of common stock, stock options, or other equity instruments, or incurs liabilities based on the price of common stock or other equity instruments and sets out a fair value based method of accounting which is required for certain, but not all, stock-based transactions. The Corporation is analysing the impact of Section 3870 and will adopt the Section on January 1, 2002.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT SHARE DATA.

14. SUBSEQUENT EVENTS

On January 22, 2002, the Corporation announced that it had finalized an agency agreement for a private placement financing of \$3.8 million to be arranged by Global Resource Investment Ltd. ("Global") of Carlsbad, California. This private

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

placement, which is subject to regulatory and shareholder approval, has been effected in two steps.

On February 1, 2002, the Corporation completed the first step, a private placement (the "Unit Offering") of 20,000,000 units (the "Offered Units") to Stockscope.com Technologies Inc. ("Stockscope"), and 1,600,000 units (the "Agent's Units") to Global, as consideration for its services as agent in connection with the Unit Offering. Each Offered Unit and each Agent's Unit consisted of one common share and one common share purchase warrant (a "Warrant"). Subject to shareholder approval, each Warrant entitles the holder to purchase one common share at a price of \$0.075 per share until February 1, 2007.

The closing of the Unit Offering provided the Corporation with net proceeds of \$1,026,000 and the potential for an additional \$1,500,000, if the Warrants issued as part of the Unit Offering are exercised. Of these proceeds, \$814,087 has been reserved and must be used for a proposed settlement of the lawsuit initiated by USF&G (note 7) and the balance will be used by the Corporation as working capital.

The Toronto Stock Exchange (the "TSE") has approved the Unit Offering, subject to shareholders approving the issuance of the Warrants at the Corporation's Annual and Special General Meeting (the "Meeting") scheduled to be held on April 26, 2002.

The second step of the private placement, comprised of convertible debentures ("Debentures") in the principal amount of \$2,774,000 to various investors, and 4,325,925 special warrants (the "Agent's Special Warrants") to Global, as consideration for its services as agent in connection with the Debenture Offering is scheduled to be completed in March, 2002, at which time the gross proceeds raised by the issuance of the Debentures will be placed in escrow. Subject to shareholder approval, the Debentures are convertible into units (the "Debenture Units") at a price of \$0.0513 per Debenture Unit, with each Debenture Unit consisting of one Common Share and one Warrant with the same terms as the Offered Units (described above under). The Debentures bear interest at a rate of 1% per annum and will mature on September 20, 2003 (the "Maturity Date"), unless they are converted or otherwise become due and payable prior to that date. Subject to shareholder approval prior to March 18, 2007, the Agent's Special Warrants are convertible into 4,325,925 Agent's Units, with each Agent's Unit consisting of one Common Share and one Warrant with the same terms as the Offered Units.

Subject to shareholder approval (the "Approval") of the Debenture Offering at the Meeting and the release to the Corporation from escrow of the gross proceeds raised by the issuance of the Debentures (as described below), the Debentures may, at the option of the holder, be converted into Debenture Units at any time prior to the Maturity Date. In addition, if the Approval is obtained at the Meeting, the Debentures will automatically be converted into Debenture Units on the later of (i) the date a registration statement filed under the United States SECURITIES ACT OF 1933 (a "Registration Statement") relating to the Debentures, the Debenture Units and the common shares and Warrants underlying the Debenture Units is declared effective by the United States Securities and Exchange Commission (the "SEC"), and (ii) the date the gross proceeds raised by the issuance of the Debentures are released to the Corporation from escrow (as described below). Also, if Approval is obtained the Debentures will become due and payable, in cash, at the option of the holder at any time after September 20, 2002, if by such date the SEC has not declared effective a Registration Statement relating to the Debentures, the Debenture Units and the Common Shares and Warrants underlying the Debenture Units.



## Edgar Filing: VISTA GOLD CORP - Form 10KSB

THE TABULAR INFORMATION SET OUT BELOW IS IN THOUSANDS OF UNITED STATES DOLLARS,  
EXCEPT SHARE DATA.

### 14. SUBSEQUENT EVENTS (CONTINUED)

The gross proceeds raised by the issuance of the Debentures will remain in escrow pending shareholder approval of the Debenture Offering at the Meeting and the dismissal of the USF&G lawsuit. If shareholders approve the Debenture Offering at the Meeting, these proceeds will be released to the Corporation within three business days of the later of the Meeting or the date the USF&G lawsuit is dismissed. If shareholders do NOT approve the Debenture Offering at the Meeting, the proceeds from the issuance of the Debentures and all accrued interest will be returned to investors. The Agent's Special Warrants will not be converted into Agent's Units unless shareholder approval is obtained at the Meeting or at a subsequent meeting held prior to March 18, 2007.

The TSE has approved the Debenture Offering, subject to, among other things, shareholders approving the issuance of the Debentures and the Agent's Special Warrants at the Meeting.

If shareholders approve the Debenture Offering at the Meeting, management of the Corporation expects that the Debenture holders will nominate a person to be appointed as a director of the Corporation.

### ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

44

## PART III

### ITEM 9. DIRECTORS AND OFFICERS OF REGISTRANT

#### DIRECTORS

The directors of Vista Gold are elected each year at the annual general meeting of shareholders and hold office until their successors are elected or appointed.

The present directors of Vista Gold, together with the location of their residences, age, length of service and business experience, are described below.

NAME, RESIDENCE, POSITION AND AGE -----	DIRECTOR SINCE -----	PRINCIPAL OCCUPATION, BUSINESS OR EMPLOYMENT -----
JOHN M. CLARK..... Toronto, Ontario DIRECTOR Age - 46	May 18, 2001	Chartered Accountant, President of Investme and Technical Management Corp., a firm enga in corporate finance and merchant banking, from February 1999 to present; independent consultant providing investment and managem advisory services from February 1998 to January 1999; Executive Chairman of Laurasi Resources Limited, an oil and gas company, from 1988 to February 1998.
RONALD J. MCGREGOR..... Littleton, Colorado DIRECTOR	May 19, 1999	President and Chief Executive Officer of Vi Gold from September 2000 to present; Vice President, Development and Operations of Vi

Edgar Filing: VISTA GOLD CORP - Form 10KSB

Age - 54

Gold from July 1996 to September 2000.

C. THOMAS OGRYZLO.....  
Toronto, Ontario  
DIRECTOR  
Age - 62

March 8, 1996

Businessman, President and Chief Executive Officer Canatec Development Corporation, a resource management company, from January 2000 to present; President and Chief Executive Officer of Black Hawk Mining Inc. and its subsidiary, Triton Mining Corporation, both gold mining companies, from July 1997 to January 2000; prior thereto, Chairman of Kilborn SNC-Lavalin Inc., an engineering group.

MICHAEL B. RICHINGS.....  
Littleton, Colorado  
DIRECTOR  
Age - 57

May 1, 1995

Mining engineer; formerly, President and Chief Executive Officer of Vista Gold from June 1995 to September 2000.

A. MURRAY SINCLAIR.....  
Vancouver, British Columbia  
DIRECTOR  
Age - 40

February 21, 2002

Businessman, Director of Quest Management Corp., a firm that provides management services to the resource industry, from December 1996 to present; President and Director of Quest Ventures Ltd., a firm that provides merchant banking services to the resource industry, from September 1997 to present.

None of the above directors has entered into any arrangement or understanding with any other person pursuant to which he was, or is to be, elected as a director of the Corporation or a nominee of any other person, except that Mr. Sinclair was appointed to the Board of Directors as a nominee of Stockscape.com

Technologies Inc. (defined below as "Stockscape") in connection with the private placement transaction that was completed on February 1, 2002. See Item 7, Consolidated Financial Statements, Note 14. Stockscape currently holds approximately 17.8% of the outstanding Common Shares.

EXECUTIVE OFFICERS

The executive officers of Vista Gold are appointed by and hold office at the pleasure of the Board of Directors of Vista Gold. The executive officers of Vista Gold during 2001, together with their age, length of service and business experience, are described below.

NAME, POSITION AND AGE	HELD OFFICE SINCE	BUSINESS EXPERIENCE DURING PAST FIVE YEARS
RONALD J. MCGREGOR..... PRESIDENT, CHIEF EXECUTIVE OFFICER AND DIRECTOR Age - 54	September 8, 2000	President and Chief Executive Officer of Vista Gold from September 8, 2000 to present; Vice President Development and Operations for Vista Gold from July 1, 1996 to September 8, 2000
JOHN F. ENGELE..... VICE PRESIDENT FINANCE AND CHIEF FINANCIAL OFFICER Age - 50	May 1, 2001	Vice President Finance of Vista Gold from May 1, 2001 to present; Director of Accounting, Vista Gold, from March 2001 to April 2001; Director of Planning, Analysis

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

Operations Accounting, Echo Bay Mines Ltd.  
from June 1996 to February 2001.

ROBERT L. FOLEN.....	September 15, 2000	Vice President Finance of Vista Gold from
VICE PRESIDENT FINANCE	(until May 1, 2001)	September 15, 2000 to May 1, 2001; Accounti
Age - 50		Manager of Hycroft Resources and
RESIGNED AS OF MAY 1, 2001		Development Inc. and Mineral Ridge
		Resources Inc., from October 1998 to
		September 2000; Accounting Manager of Hayde
		Hill Mine, Sleeper Mine and Wind Mountain M
		for Amax Gold Inc., from December 1994 to
		September 1998.
WILLIAM F. SIRETT.....	January 1, 1996	Lawyer; Partner, Borden Ladner Gervais LLP,
SECRETARY		law firm.
Age - 51		

None of the above executive officers has entered into any arrangement or understanding with any other person pursuant to which he was or is to be elected as an executive officer of Vista Gold or a nominee of any other person.

### EXECUTIVE AND AUDIT COMMITTEES

Vista Gold does not have an executive committee. Vista Gold is required to have an audit committee under section 173 of the BUSINESS CORPORATIONS ACT (Yukon Territory). Vista Gold's audit committee consists of the following directors: John M. Clark, C. Thomas Ogryzlo and A. Murray Sinclair.

### ITEM 10. COMPENSATION OF DIRECTORS AND OFFICERS.

During the financial year ended December 31, 2001, the aggregate cash compensation paid by the Corporation to all directors and officers of Vista Gold, as a group was \$299,470. This sum includes compensation paid to executive officers pursuant to the cash incentive plan and retirement savings plan described below.

46

Information specified in this Item for individually named directors and officers is incorporated by reference from the Management Information and Proxy Circular prepared in connection with Vista Gold's Annual General Meeting to be held on April 26, 2002, filed with the Securities and Exchange Commission concurrently with the filing of this report.

Pursuant to the terms of the Corporation's incentive policy adopted by the Corporation in 1989 or certain employment contracts, executive officers and senior employees of the Corporation are eligible to receive incentive payments. The Corporation did not make any incentive payments to executive officers or senior employees under this plan in 2001. Any incentive payments are awarded at the discretion of the Board of Directors based on recommendations from the compensation committee. There is no established formula utilized in determining these incentive payments. The award of incentive payments is motivated by the Corporation's desire to reward past services rendered to the Corporation and to provide an incentive for continued service to the Corporation. Incentive payments to be made during 2002, which may include amounts related to performance during a portion of 2001, have not yet been determined. The Corporation has not made any restricted stock awards during the last three fiscal years.

During the fiscal year ended December 31, 2001, the Corporation set aside or accrued a total of \$11,245 to provide pension, retirement or similar benefits

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

for directors or officers of Vista Gold pursuant to plans provided or contributed to by the Corporation. As a part of the aggregate cash compensation disclosed above, the Corporation sponsors a qualified tax-deferred savings plan in accordance with the provisions of section 401(k) of the United States Internal Revenue Service Code which is available to permanent United States-based employees. Under the terms of this plan, the Corporation makes contributions of up to 4% of eligible employees' salaries.

### ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information specified in this Item for individually named directors and officers is incorporated by reference from pages of the Management Information and Proxy Circular prepared in connection with Vista Gold's Annual General Meeting to be held on April 26, 2002, filed with the Securities and Exchange Commission concurrently with the filing of this report.

### ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Except as described below, there have been no transactions or series of similar transactions during 2000 or 2001, or any currently proposed transactions or series of similar transactions, to which Vista Gold or any of its subsidiaries was or is a party in which the amount involved exceeds \$60,000 and in which any director or executive officer, any nominee for election as a director, any security holder known to the Corporation to own of record or beneficially more than 5% of the Corporation's Common Shares, or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest.

As a result of the private placement transaction that was completed on February 1, 2002, the Corporation issued 20,000,000 common shares and subject to shareholder approval, warrants to acquire an additional 20,000,000 common shares to Stockscope.com Technologies Inc. ("Stockscope"), and 1,600,000 common shares and subject to shareholder approval, warrants to acquire an additional 1,600,000 common shares to Global Resource Investments Ltd. ("Global"), as consideration for its services as agent with respect to the transaction. As at March 18, 2002, the common shares held by Stockscope represented 17.8% of the issued and outstanding common shares. The Corporation understands that more than 10% of the issued and outstanding shares of Stockscope, and all of the issued and outstanding shares of Global are beneficially owned by Mr. Arthur Richard Rule.

47

## PART IV

### ITEM 13. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

#### DOCUMENTS FILED AS PART OF REPORT

#### FINANCIAL STATEMENTS

The following consolidated financial statements of the Corporation are filed as part of this report:

1. Report of Independent Accountants dated February 22, 2002 except as to Notes 1 and 14, which are as at March 18, 2002.
2. Consolidated Balance Sheets--At December 31, 2001 and 2000.
3. Consolidated Statements of Loss--Years ended December 31, 2001, 2000, and 1999.
4. Consolidated Statements of Deficit--Years ended December 31, 2001, 2000

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

and 1999.

5. Consolidated Statements of Cash Flows--Years ended December 31, 2001, 2000, and 1999.

6. Notes to Consolidated Financial Statements.

See "Item 7. Consolidated Financial Statements and Supplementary Data".

### FINANCIAL STATEMENT SCHEDULES

No financial statement schedules are filed as part of this report because such schedules are not applicable or the required information is shown in the consolidated financial statements or notes thereto. See "Item 7. Consolidated Financial Statements and Supplementary Data".

### EXHIBITS

The following exhibits are filed as part of this report:

EXHIBIT NUMBER	DESCRIPTION
3.01	Articles of Continuation filed as Exhibit 2.01 to the Form 20-F for the period ended December 31, 1997 and incorporated herein by reference (File No. 1-9025)
3.02	By-Law No. 1 of Vista Gold filed as Exhibit 2.01 to the Form 20-F for the period ended December 31, 1997 and incorporated herein by reference (File No. 1-9025)
3.03	Share Certificate of Vista Gold (File No. 1-9025)
3.04	Amended By-Law No. 1 of Vista Gold (File No.1-9025)
10.01	Lease and Option dated July 1, 1985 between Henry C. Crofoot, trustee, and Hycroft Resources--Development Inc. (Crofoot Patented Claims), as amended, filed as Exhibit 10.8 to Granges' Registration Statement on Form S-1, as amended, and incorporated herein by reference (File No. 33-17974)
10.02	Lease and Option dated July 1, 1985, between Henry C. Crofoot, trustee, and Hycroft Resources--Development Inc. (Crofoot Unpatented Claims), as amended, filed as Exhibit 10.9 to Granges' Registration Statement on Form S-1, as amended, and incorporated herein by reference (File No. 33-17974)

48

EXHIBIT NUMBER	DESCRIPTION
10.03	Lewis Mine Lease and Assignment Agreement included in the Assignment of Mining Lease dated January 23, 1987 among

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

- Standard Slag Company, Hycroft Lewis, Hycroft Resources Corporation and Granges, filed as Exhibit 10.7 to Granges' Registration Statement on Form S-1, as amended, and incorporated herein by reference (File No. 33-17974)
- 10.04 Amendment Agreement dated January 14, 1988, among Henry C. Crofoot et al and Hycroft Resources--Development Inc. filed as Exhibit 10.13 to Granges' Annual Report on Form 10-K for the fiscal year ended December 31, 1988, as amended, and incorporated herein by reference (File No. 1-9025)
- 10.05 Lewis Hycroft Agreement dated January 10, 1989, among Frank W. Lewis, Hycroft Lewis and Hycroft Resources--Development Inc. filed as Exhibit 10.16 to Granges' Annual Report on Form 10-K for the fiscal year ended December 31, 1988, as amended, and incorporated herein by reference (File No. 1-9025)
- 10.06 Second Amendment Agreement dated March 3, 1989, among Henry C. Crofoot et al and Hycroft Resources--Development Inc. filed as Exhibit 10.24 to the Form 20-F/A for the year ended December 31, 1994 and incorporated herein by reference (File No. 1-9025)
- 10.07 Second Lewis-Hycroft Agreement dated March 15, 1991 among Frank W. Lewis, Granges, Hycroft Resources--Development Inc. and Hycroft Lewis filed as Exhibit 10.20 to the Form 20-F/A for the year ended December 31, 1994 and incorporated herein by reference (File No. 1-9025)
- 10.08 Third Amendment Agreement dated August 16, 1991 among Henry C. Crofoot et al, Hycroft Resources & Development Inc. and Blackrock Properties, Inc. filed as Exhibit 10.25 to the Form 20-F/A for the year ended December 31, 1994 and incorporated herein by reference (File No. 1-9025)
- 10.09 Agreement dated May 13, 1994 between Granges and Atlas Corporation filed as Exhibit 2.01 to the Form 20-F for the period ended December 31, 1994 and incorporated herein by reference (File No. 1-9025)
- 10.10 Purchase and Sale Agreement dated June 24, 1994 between Granges and Hudson Bay Mining and Smelting Co., Limited filed as Exhibit 10.10 to the Form 20-F/A for the year ended December 31, 1994 and incorporated herein by reference (File No. 1-9025)
- 10.11 Amalgamation Agreement dated February 24, 1995 between Granges and Hycroft Inc. included in the Joint Management Information Circular of Granges and Hycroft Inc. filed as Exhibit 20.1 to the Form 8-K dated May 1, 1995 and incorporated herein by reference (File No. 1-9025)
- 10.12 Agreement dated February 24, 1995 between Granges and Atlas Corporation filed as Exhibit 2.03 to the Form 20-F for the period ended December 31, 1994 and incorporated herein by reference (File No. 1-9025)
- 10.13 Employment Agreement dated June 1, 1995 between Granges and Michael B. Richings filed as Exhibit 10(i) to the Form 10-Q for the quarterly period ended June 30, 1995 and

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

incorporated herein by reference (File No. 1-9025)

49

EXHIBIT NUMBER	DESCRIPTION
10.14	Private Placement Subscription Agreement dated August 25, 1995 between Granges and Zamora filed as Exhibit 10.10 to the Form 20-F/A for the year ended December 31, 1994 and incorporated herein by reference (File No. 1-9025)
10.15	Letter of Intent between Granges and Atlas Corporation dated as of October 4, 1995 to enter into an Exploration Joint Venture Agreement filed as Exhibit 10.14 to the Form 20-F/A for the year ended December 31, 1994 and incorporated herein by reference (File No. 1-9025)
10.16	Registration Agreement between Granges and Atlas Corporation dated as of November 10, 1995 filed as Exhibit 10.12 to the Form 20-F/A for the year ended December 31, 1994 and incorporated herein by reference (File No. 1-9025)
10.17	Indemnification Agreement between Granges and Atlas Corporation dated as of November 10, 1995 filed as Exhibit 10.13 to the Form 20-F/A for the year ended December 31, 1994 and incorporated herein by reference (File No. 1-9025)
10.18	Commitment letter dated November 14, 1995 between Granges and Deutsche Bank AG filed as Exhibit 10.09 to the Form 20-F/A for the year ended December 31, 1994 and incorporated herein by reference (File No. 1-9025)
10.19	Exploration and Purchase Option Agreement effective June 7, 1996 between Granges and L.B. Mining filed as Exhibit 2.01 to the Form 20-F for the year ended December 31, 1997 and incorporated herein by reference (File No. 1-9025)
10.20	Special Warrant Indenture dated June 7, 1996 between Granges and Montreal Trust filed as Exhibit 2.02 to the Form 20-F for the year ended December 31, 1997 and incorporated herein by reference (File No. 1-9025)
10.21	Warrant Indenture dated June 7, 1996 between Granges and Montreal Trust filed as Exhibit 2.03 to the Form 20-F for the year ended December 31, 1997 and incorporated herein by reference (File No. 1-9025)
10.22	Stock Option Plan of Vista Gold dated November 1996 (File No. 1-9025)
10.23	Supplemental Warrant Indenture made as of November 1, 1996 between Vista Gold and Montreal Trust with respect to the Warrant Indenture dated April 25, 1996 between Granges and Montreal Trust filed as Exhibit 1.01 to the Form 20-F for the year ended December 31, 1997 and incorporated herein by reference (File No. 1-9025)

## Edgar Filing: VISTA GOLD CORP - Form 10KSB

- 10.24 Supplemental Warrant Indenture made as of November 1, 1996 between Vista Gold and Montreal Trust with respect to the Warrant Indenture dated June 7, 1996 between Granges and Montreal Trust filed as Exhibit 1.02 to the Form 20-F for the year ended December 31, 1997 and incorporated herein by reference (File No. 1-9025)
- 10.25 Establishment of Operating Credit Facility dated November 22, 1996 from The Bank of Nova Scotia to Vista Gold and accepted by Vista Gold on November 26, 1996 filed as Exhibit 2.05 to the Form 20-F for the year ended December 31, 1997 and incorporated herein by reference (File No. 1-9025)
- 10.26 Termination Agreement dated January 10, 1997 between Granges (U.S.) Inc. and Atlas filed as Exhibit 1.03 to the Form 20-F for the year ended December 31, 1997 and incorporated herein by reference (File No. 1-9025)

50

EXHIBIT NUMBER	DESCRIPTION
-----	-----
10.27	Credit Agreement dated as of February 20, 1997 between The Bank of Nova Scotia and Hycroft Inc. filed as Exhibit 2.06 to the Form 20-F for the year ended December 31, 1997 and incorporated herein by reference (File No. 1-9025)
10.28	Guaranty dated as of February 20, 1997 by Vista Gold in favor of The Bank of Nova Scotia filed as Exhibit 2.07 to the Form 20-F for the year ended December 31, 1997 and incorporated herein by reference (File No. 1-9025)
10.29	Amendment No. 1 dated as of September 30, 1997 between The Bank of Nova Scotia and Hycroft Inc. Credit Agreement dated as of February 20, 1997 between The Bank of Nova Scotia and Hycroft Inc. filed as Exhibit 1.01 to the Form 20-F for the year ended December 31, 1998 and incorporated herein by reference (File No. 1-9025)
10.30	Letter Agreement of Private Placement dated April 24, 1998 between Zamora and Gribipe and Amendment dated June 1, 1998 to Letter Agreement of Private Placement Agreement dated April 24, 1998 (File No. 1-9025)
10.31	Share Purchase Agreement dated October 21, 1998 among Cornucopia Resources Ltd., Cornucopia Resources Inc., Vista Gold Holdings Inc. and Vista Gold (File No. 1-9025)
10.32	Restated and Amended Loan Agreement dated as of October 21, 1998 between Mineral Ridge Inc. and Dresdner Bank AG, New York and Grand Cayman Branches (File No. 1-9025)
10.33	Stock Option Plan of Vista Gold dated November 1996 as amended in November 1998 (File No. 1-9025)



Edgar Filing: VISTA GOLD CORP - Form 10KSB

- 10.34 Loan and Security Agreement dated as of April 12, 1999 between Hycroft Resources & Development, Inc. and Finova Capital Corporation. (File No. 1-9025)
- 10.35 Voluntary Petition under Chapter 11 of the U.S. Bankruptcy Code dated December 10, 1999 filed by Mineral Ridge Resources Inc. (File No. 1-9025)
- 10.36 Sale Agreement dated January 31, 2000 on one hand between David O'Connor and Vista Gold and on the other hand Empresa Minera Multiple Capacirca. (File No. 1-9025)
- 10.37 Employment Agreement dated September 8, 2000 between Vista Gold and Ronald J. McGregor. (File No. 1-9025)
- 10.38 Agency Agreement dated February 1, 2002 between Vista Gold and Global Resources Investments Ltd. (File No. 1-9025)
- 10.39 Amendment Agreement dated March 18, 2002 between Vista Gold and Global Resources Investments Ltd. (File No. 1-9025)
- 24.01 Powers of Attorney (File No. 1-9025)

REPORTS ON FORM 8-K

The following reports were filed under cover of Form 8-K during the quarter ended December 31, 2001:

1. Report dated November 15, 2001 regarding the Corporation's results for the quarter ended September 30, 2001.

51

SUPPLEMENTAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Management Proxy and Information Circular for the annual and special general meeting of shareholders held on April 26, 2002.

52

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: March 18, 2002

By: /s/ RONALD J. MCGREGOR

-----  
RONALD J. MCGREGOR  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and

Edgar Filing: VISTA GOLD CORP - Form 10KSB

in the capacities and on the date indicated:

Dated: March 18, 2002 By: /s/ RONALD J. MCGREGOR  
 -----  
 RONALD J. MCGREGOR  
 PRESIDENT AND CHIEF EXECUTIVE OFFICER

Dated: March 18, 2002 By: /s/ JOHN F. ENGELE  
 -----  
 JOHN F. ENGELE  
 VICE PRESIDENT FINANCE AND  
 CHIEF FINANCIAL OFFICER

53

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE -----	CAPACITY -----	DATE ----
/s/ RONALD J. MCGREGOR ----- Ronald J. McGregor	President and Chief Executive Officer and Director	March 18,
* ----- John M. Clark	Director	March 18,
* ----- C. Thomas Ogryzlo	Director	March 18,
* ----- Michael B. Richings	Director	March 18,
* ----- A. Murray Sinclair	Director	March 18,

\* Pursuant to a Power of Attorney dated March 18, 2002, the undersigned by signing his name hereby signs this report in the name and on behalf of the foregoing directors.

/s/ RONALD J. MCGREGOR  
 -----  
 Ronald J. McGregor

