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Trading Symbol: **VGZ**  
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## NEWS

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### **Vista's Mt Todd Gold Project - Offsetting Benefits of Foreign Exchange Rates in a Lower Gold Price Environment**

Vista Gold's primary asset, Mt Todd, is located in the mining friendly jurisdiction of Australia's Northern Territory. Mt Todd is an advanced stage development project that benefits from significant previous investments in project infrastructure, including: paved roads, power lines, natural gas pipeline, tailings impoundment facility and fresh water storage reservoir.

Mt Todd's all in sustaining cost (AISC) is estimated to be in the lowest quartile costs compared to other producers in Australia. This is possible due to: economies of scale - at 50,000 tonnes per day, the project has the capacity to produce nearly 500,000 oz of gold per year in the project's first five years; the implementation of demonstrated technology that helps improve gold recovery with less energy and lower costs; and the elimination of fly-in, fly-out costs by working with local community leaders to design a community-based project and incentivize employees to live in the nearby communities of Katherine and Pine Creek.

These project improvements were incorporated into Vista's updated Mt Todd Preliminary Feasibility Study early in 2018, wherein the project's after-tax IRR was estimated to be 20.5% with an after-tax NPV5% of approximately \$679 million. These totals were estimated using at \$1300 gold price at the time.

Today, with the spot price of gold near US\$1200, most gold producers and developers have experienced significant negative economic impacts. With the change in the gold price, one might assume the NPV and IRR numbers of Mt Todd have changed dramatically. In the case of Vista Gold's Mt Todd project, this is simply not the case.

Many experts attribute the drop in the gold price to the relative strength of the US Dollar. This strength has manifested an offsetting benefit for the Mt Todd project. In its economic analysis in the updated PFS, Vista used a foreign exchange rate US\$0.80 per Australian Dollar (AUD). Today (at time of posting) the foreign exchange rate is



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US\$0.71 per AUD. If you reference the sensitivity tables which show the estimated after-tax NPV5% and the IRR of Mt Todd at various gold price/foreign exchange rate combinations, you will notice almost no change in IRR and only a modest decrease in NPV5%. In fact, at US\$1200 gold and US\$0.70/AUD the IRR is unchanged. What is not reported in the sensitivity tables is the fact that a US\$0.10/AUD reduction in foreign exchange rate results in a 7% reduction in pre-production capital costs.

In conclusion, despite the lower price of gold, Mt Todd is one of the few gold projects that demonstrates continued solid economics and great leverage to the price of gold. Speaking of leverage, Vista's ongoing metallurgical testing programs have recently demonstrated that gold recoveries better than 90% are achievable. Feasibility-level met testing is now in progress and results are expected later this year.