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Trading Symbol: **VGZ**
NYSE American and TSX Stock Exchanges

NEWS

The NI 43-101 and its Importance to Mining Projects

The Canadian Securities Administrators (CSA) created the National Instrument (NI) 43-101 Technical Report to: standardize disclosure of mineral property and company information; ensure a minimum level of acceptable disclosure regulations and rules; and, to assist potential investors in understanding the information that they would be using to make a potential investment in the mineral resource industry

Both domestic and foreign-owned companies that wish to trade on any of the Canadian Stock Exchanges must prepare and submit NI 43-101 Technical Reports on their mineral property(ies). The reports are overseen by the Canadian Securities Administrators and have been in place since 1998.

Why did the NI 43-101 come into place?

In 1997, a mining company by the name of Bre-X was exposed for fraudulently altering their drill hole data in order to increase its value on the stock market. Bre-X was a Canadian company based in of Calgary at that time. After disclosing their initial discovery and subsequently releasing information on the fraudulent, altered drill results, the Bre-X stock prices went from pennies to peaking at CAD \$286.50 per share, ultimately having a market capitalization of more than CAD \$6 billion.

Their fraud wasn't exposed until 1997 when an independent, third-party company was brought in to do a due diligence review of the Busang Gold Project. Their findings were shocking and lead to the collapse of Bre-X as a company in late 1997.

This event pushed the CSA to institute regulations for the public dissemination of information about mineral properties.

How is the NI 43-101 used today?

As stated above, the purpose of the NI 43-101 Technical Report is to



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provide potential investors with a technical document on either a company and/or an individual mineral property that allows them to assess the potential investment risks. In addition, it offers a uniform platform for the potential investor to compare either two or more companies against each other or two or more mineral properties against each other.

What rules and guidelines have been set by the NI 43-101?

The NI 43-101 regulations require that all mining companies who wish to participate in the Canadian stock market use independent, third-party “Qualified Persons” (QPs) to prepare the report and sign a certificate detailing their involvement in the preparation of the information presented in the Technical Report. A QP is classified as someone who:

- is an engineer, geologist, or other specialist who has a minimum of five years working on similar mineral projects;
- is a member of an accredited professional organization; and,
- is in good professional standing with the accrediting organization.

It is the responsibility of the QPs to examine the basic data and assumptions, ensure the accuracy thereof, and prepare the Technical Report. An investor can easily find all NI 43-101 reports by using the online SEDAR website.

What about Vista Gold Reports?

All of Vista’s Technical Reports are NI 43-101 compliant.