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## NEWS

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### **Australia Is a Premier Mining Jurisdiction for Gold**

Australia has one of the largest mining industries in the world measured by the value of production: In 2018 alone, Australia's gold industry exported \$14 billion worth of gold based on rising output at existing operations and new mines opening up in Western and Northern Australia.

Put another way; it's a great time to be in the gold mining business in Australia. Australian companies, and companies with Australian assets, have understandably been making hay while the sun has been shining.

Beyond the resource-richness of Australia, it is also considered a premier mining jurisdiction because of its political stability and established system for mineral ownership and permitting. In this day and age of heightened geopolitical tension, protectionism, and a host of other issues, the level of "jurisdiction risk" should impact any investor's due diligence process.

This thinking explains why many companies that explore for and produce gold in politically safer mining regions typically trade at a premium compared to those in riskier areas.

So, what makes Australia such a premier mining jurisdiction?

#### **Australia's Golden History**

The first gold find in Australia was confirmed in 1823 in New South Wales. Significant discoveries in Western Australia sparked a major gold rush in the late 1890s. There are currently 66 active gold mines in the country, including 14 of the largest mines on Earth. Most of these gold deposits are located in Western and Northern Australia.

The mining history and the role that mining played in the growth of the Australian economy informs government support for the industry. There is a tacit understanding between local and federal governments

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that the continued success of mining and exploration is crucial to the country's economy.

The Invest Attractiveness Index from the Fraser Institute confirms this. The second most attractive jurisdiction in the world for investment is Western Australia, with Victoria and the Northern Territory not far behind. In considering both policy and mineral potential, Australia retained its position as the second most attractive region in the world for investment.

A significant part of the overall appeal of Australia as a mining jurisdiction comes from the low production costs and high margins. Many deposits are near the surface, which lowers gold exploration and production costs. Plus, the weak Australian dollar (compared to the US dollar) and relatively fixed costs in Australian dollars, combined with a strong US dollar gold price allows miners operating in Australia to achieve better margins than those in other jurisdictions at this time.

### **Vista Gold in the Northern Territories**

Vista's 100% owned Mt Todd gold project is positioned to be one of Australia's largest and lowest cost new gold producers. Located in Northern Territory, Australia (approximately 250 kilometers southeast of Darwin), Mt Todd contains substantial resources and reserves with significant deposit and district exploration expansion potential ([see Vista Gold Corporate Presentation](#)).

Vista Gold has benefited from the attractiveness of the jurisdiction. The company enjoys strong support from the local community, Jawoyn aboriginal people, and the Northern Territory government. Both the project environmental impact statement and the environmental protection and biodiversity conservation act authorization have been approved, and Vista is just months away from receiving approval for the mine operating permit for the project.



VISTA GOLD

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#### **In Conclusion**

While geologic and economic considerations are crucial factors in gold exploration, a region's policy climate is also an important investment consideration. In Australia, mining is in the culture, the risk is much lower, and as a result, the profits are higher. Against this backdrop, investors are busy making deals, and companies are active on the ground. Vista offers just one exciting example.