



7961 Shaffer Parkway
Suite 5
Littleton, CO 80127
Phone: 720-981-1185

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Mt Todd Partnering Strategy - Part 1

Mt Todd Partnering Strategy - Part 1: Why Partner?

In Q3 2019, Vista Gold Corp (Vista) announced the results of and filed the NI 43-101 report for an updated preliminary feasibility study for its Mt Todd gold project. At the same time, Vista indicated that it would be seeking a development partner to advance the Mt Todd project. This is a strategic decision taken by Vista to advance the project and realize greater value for Vista shareholders. There are several considerations that make this an important decision for shareholders.

First, stand-alone development of the Mt Todd project by Vista would involve undertaking the maximum amount of debt that the project could support, followed by the issuance of equity to raise the remaining funds. Vista believes this is not in the best interest of its shareholders. The restrictions on the use of free cash flow imposed by project debt would take the shareholders from a position of leverage and significant ownership to a subordinate position with little reward in the early years of the project and considerably more risk. The issuance of equity would create significant dilution for the current shareholders. Vista's objective is to create shareholder value, not destroy it.

Second, Vista is focused on finding a partner who has the technical and financial capacity to advance the project and who recognizes the value created by Vista. Since its acquisition of Mt Todd, Vista has: tripled the resource (making it the largest undeveloped gold project in Australia); obtained the major environmental authorizations for the development of the project; earned the trust of the local stakeholders through its environmental management programs; and, undertaken technical studies to identify, test and implement the best technology to make the Mt Todd project an efficient gold producer. This work has taken years and should be of considerable value to a company interested in a well-advanced project in a stable jurisdiction with world-class production capacity.



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Third, achieving a partnering transaction that recognizes the value of the work completed by Vista will result in a re-valuation of the project and, consequently, of Vista. This re-valuation is expected to have a significant, positive impact on the value of Vista shares.

Last, having a partner reduces the risk for shareholders in both companies and creates tremendous opportunities for synergistic benefits. Vista would be able to leverage off the financial strength and development expertise of its partner. The partner, in turn, will be able to leverage off the local experience and relationships, the existence of permits and the extensive metallurgical testing completed by Vista.

Vista believes that this approach has the greatest potential to reward shareholders with increased value, without the dilution and subordination of stand-alone development. Furthermore, it provides a path to development that has less risk. Please watch for Parts 2 & 3 in this series in which we will address the attributes of a potential partner and discuss what kind of a partnering transaction we are seeking.

Notes to Article

Technical Report on Mt Todd

For further information on the Mt Todd Gold Project, see the Technical Report entitled “NI 43-101 Technical Report Mt Todd Gold Project 50,000 tpd Preliminary Feasibility Study Northern Territory, Australia” with an effective date of September 10, 2019 and an issue date of October 7, 2019, which is available on SEDAR at www.sedar.com, on EDGAR at www.sec.gov, as



VISTA GOLD

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well as on Vista's website at "*Mt Todd - Technical Report.*"

John Rozelle, Vista's Senior Vice President, a Qualified Person as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, has approved the information in this press release.

This blog post contains forward-looking statements within the meaning of the U.S. Securities Act of 1933, as amended, and U.S. Securities Exchange Act of 1934, as amended.