

VISTA GOLD CORP  
Form 10-Q  
October 26, 2016  
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended September 30, 2016

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: 001-9025

VISTA GOLD CORP.

(Exact Name of Registrant as Specified in its Charter)

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British Columbia 98-0542444  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

Suite 5, 7961 Shaffer Parkway  
Littleton, Colorado 80127  
(Address of Principal Executive Offices) (Zip Code)

(720) 981-1185

(Registrant's Telephone Number, including Area Code)

Indicate by checkmark whether the registrant (1) filed all reports 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 such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "Accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date: 97,786,608 common shares, without par value, outstanding as of October 24, 2016.

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VISTA GOLD CORP.

(An Exploration Stage Enterprise)

FORM 10-Q

For the Quarter Ended September 30, 2016

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## PART I

## ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

## VISTA GOLD CORP.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollar amounts in U.S. dollars and in thousands, except shares)

	(Unaudited) September 30, 2016	December 31, 2015
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,305	\$ 902
Short-term investments (Note 3)	23,476	11,990
Other investments, at fair value (Note 3)	5,384	1,798
Other current assets	514	512
Total current assets	30,679	15,202
Non-current assets:		
Mineral properties (Note 4)	3,874	3,874
Plant and equipment, net (Note 5)	8,400	8,792
Total non-current assets	12,274	12,666
Total assets	\$ 42,953	\$ 27,868
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable	\$ 121	\$ 115
Accrued liabilities and other	482	688
Total current liabilities	603	803
Total liabilities	603	803
Commitments and contingencies – (Note 7)		
Shareholders' equity:		

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Common shares, no par value - unlimited shares authorized; shares outstanding: 2016 - 97,786,608 and 2015 - 82,883,562 (Note 6)	455,274	438,900
Accumulated other comprehensive income/(loss)	36	(35)
Accumulated deficit	(412,960)	(411,800)
Total shareholders' equity	42,350	27,065
Total liabilities and shareholders' equity	\$ 42,953	\$ 27,868

Approved by the Board of Directors

Racy A. S

/s/ Tracy A. Stevenson /s/ John M. Clark

Tracy A. Stevenson John M. Clark

Director Director

The accompanying notes are an integral part of these consolidated financial statements.

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VISTA GOLD CORP.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME/(LOSS) AND COMPREHENSIVE INCOME/(LOSS)

(Dollar amounts in U.S. dollars and in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Operating expense:				
Exploration, property evaluation and holding costs	\$ (1,168)	\$ (1,306)	\$ (2,979)	\$ (3,265)
Corporate administration	(581)	(832)	(2,319)	(2,674)
Depreciation and amortization	(144)	(163)	(431)	(531)
Gain on disposal of mineral property, net (Note 4)	—	—	150	1,958
Write-down of value-added tax receivable	—	(572)	—	(572)
Total operating expense	(1,893)	(2,873)	(5,579)	(5,084)
Non-operating income/(expense):				
Gain on sale of marketable securities	—	—	—	12
Gain/(loss) on other investments (Note 3)	(234)	(624)	3,586	(1,674)
Research and development grant, net (Note 10)	—	4,357	744	10,220
Interest income	20	11	45	14
Other income/(expense)	24	(335)	44	(310)
Total non-operating income/(expense)	(190)	3,409	4,419	8,262
Net income/(loss)	\$ (2,083)	\$ 536	\$ (1,160)	\$ 3,178
Other comprehensive income/(loss):				
Unrealized fair value increase/(decrease) on available-for-sale securities	7	(21)	71	(48)
Comprehensive income/(loss)	\$ (2,076)	\$ 515	\$ (1,089)	\$ 3,130
Basic:				
Weighted average number of shares outstanding	92,543,232	82,618,766	86,135,588	82,466,677
Net income/(loss) per share	\$ (0.02)	\$ 0.01	\$ (0.01)	\$ 0.04
Diluted:				
Weighted average number of shares outstanding	92,543,232	82,790,051	86,135,588	82,566,906
Net income/(loss) per share	\$ (0.02)	\$ 0.01	\$ (0.01)	\$ 0.04

The accompanying notes are an integral part of these consolidated financial statements.

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VISTA GOLD CORP.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Dollar amounts in U.S. dollars and in thousands)

	Common shares	Amount	Accumulated deficit	Accumulated other comprehensive income/(loss)	Total shareholders' equity
Balances at December 31, 2014	82,390,217	\$ 438,083	\$ (412,811)	\$ 11	\$ 25,283
Shares issued (RSUs vested)	493,345	—	—	—	—
Stock-based compensation	—	817	—	—	817
Other comprehensive loss	—	—	—	(46)	(46)
Net income	—	—	1,011	—	1,011
Balances at December 31, 2015	82,883,562	\$ 438,900	\$ (411,800)	\$ (35)	\$ 27,065
Shares issued (net of offering costs of \$1,425)	12,362,500	15,883	—	—	15,883
Shares issued (RSUs vested/option exercises)	2,540,546	15	—	—	15
Stock-based compensation	—	476	—	—	476
Other comprehensive income	—	—	—	71	71
Net loss	—	—	(1,160)	—	(1,160)
Balances at September 30, 2016	97,786,608	\$ 455,274	\$ (412,960)	\$ 36	\$ 42,350

The accompanying notes are an integral part of these consolidated financial statements.



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## VISTA GOLD CORP.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollar amounts in U.S. dollars and in thousands)

	Nine months ended September 30,	
	2016	2015
Cash flows from operating activities:		
Net income/(loss) for the period	\$ (1,160)	\$ 3,178
Adjustments to reconcile net income/(loss) for the period to net cash provided by/(used in) operations:		
Depreciation and amortization	431	531
Stock-based compensation	476	687
Gain on disposal of marketable securities	—	(12)
Gain on disposal of mineral property	(150)	(1,958)
Write-down of value-added tax receivable	—	572
(Gain)/loss on other investments	(3,586)	1,326
Change in working capital account items:		
Other current assets	65	573
Accounts payable, accrued liabilities and other	(200)	(156)
Net cash provided by/(used in) operating activities	(4,124)	4,741
Cash flows from investing activities:		
Proceeds from sales of marketable securities	—	41
Proceeds from sale of other investments, net	—	2,772
Acquisition of short-term investments, net of dispositions	(11,486)	(11,880)
Additions to plant and equipment	(35)	(10)
Proceeds from option/sale agreements, net	150	3,490
Net cash used in investing activities	(11,371)	(5,587)
Cash flows from financing activities:		
Proceeds from equity financings, net	15,883	—
Proceeds from exercise of stock options	15	—
Net cash provided by financing activities	15,898	—
Net increase/(decrease) in cash and cash equivalents	403	(846)
Cash and cash equivalents, beginning of period	902	3,714
Cash and cash equivalents, end of period	\$ 1,305	\$ 2,868

The accompanying notes are an integral part of these consolidated financial statements.



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VISTA GOLD CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(All dollar amounts in U.S dollars and in thousands, except per share and per option amounts unless otherwise noted)

1. Nature of Operations and Basis of Presentation

Vista Gold Corp. and its subsidiaries (collectively, “Vista,” the “Company,” “we,” “our,” or “us”) operate in the gold mining industry. We are focused on the evaluation, acquisition, exploration and advancement of gold exploration and potential development projects, which may lead to gold production or value adding strategic transactions such as earn-in right agreements, option agreements, leases to third parties, joint venture arrangements with other mining companies, or outright sales of assets for cash and/or other consideration. We look for opportunities to improve the value of our gold projects through exploration drilling and/or technical studies focused on optimizing previous engineering work.

Our principal asset is our flagship Mt Todd gold project (“Mt Todd”) in Northern Territory, Australia where we are concluding test work to optimize the process flowsheet, seeking approval of our final environmental authorization and commencing an update of our preliminary feasibility study. We also hold 4.4% of the outstanding common shares in the capital of Midas Gold Corp. (“Midas Gold Shares”), non-core projects in Mexico and the United States, and royalty interests in Indonesia.

The interim Condensed Consolidated Financial Statements (“interim statements”) of the Company are unaudited. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these interim statements have been included. The results reported in these interim statements are not necessarily indicative of the results that may be reported for the entire year. These interim statements should be read in conjunction with the Company’s Consolidated Financial Statements for the year ended December 31, 2015 as filed on February 26, 2016 on Form 10-K. The year-end balance sheet data was derived from the audited financial statements and, in accordance with the instructions to Form 10-Q, certain information and footnote disclosures required by United States generally accepted accounting principles have been condensed or omitted.

References to C\$ refer to Canadian currency, A\$ to Australian currency and \$ to United States currency.

2. Recent Accounting Pronouncements

Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting (Accounting Standard Update 2016-09)

In March 2016, the Financial Accounting Standards Board issued guidance related to accounting for stock-based compensation which is intended to improve the accounting for employee share-based payments and which affects all organizations that issue share-based payment awards to their employees. Several aspects of the accounting for share-based payment award transactions are simplified, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. For public companies, the amendments are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted for any organization in any interim or annual period. We do not expect to early adopt this guidance and do not believe that the adoption of this guidance will have a material impact on our financial statements.

### 3. Short-term and Other Investments

#### Short-term investments

As of September 30, 2016 and December 31, 2015, the amortized cost basis of our short-term investments was \$23,476 and \$11,990, respectively. The amortized cost basis approximates fair value at September 30, 2016 and December 31, 2015. Short-term investments at September 30, 2016 are comprised of U.S. government treasury bills and/or notes, while short-term investments at December 31, 2015 were comprised of U.S. government and Australian treasury bills and/or notes, all of which have maturity dates greater than 90 days but less than one year.