

Dear Shareholder,

As President of Vista Gold Corp. and also as an interested observer, I note that 2005 marked a time when the market at large and so-called market experts took serious note that gold was once again assuming an important investment role—that of a reserve currency. Of course, this is nothing new to Vista shareholders and management; we have believed for some time that various market forces at play in the western world—including excessive personal and public debt, inflation and excessive money supply—would cause individuals, investors and countries to turn from the US dollar and Euro to gold as the ultimate store of wealth. In 2005, this was manifested by increased demand for the precious metal, which together with reduced new mine supply and less available above-ground supply, resulted in the price of gold moving steadily upwards. This higher gold price has resulted in a significant increase in the value of our assets, which we believe is not as yet fully reflected in our share price. In 2006, we intend to focus on ways to further enable our shareholders to benefit from current gold price trends.

During the past year, we have: added significantly to our portfolio of properties including our May 2005 acquisition of the Awak Mas project in Indonesia; completed updated feasibility studies on two major properties, Paredones Amarillos and Hycroft (demonstrating their increased value at current gold prices); acquired 100% ownership of the mineral leases underlying the majority of the remaining gold reserves at Hycroft and, in December 2005, acquired a significant package of mineral exploration properties in Nevada. In March 2006, we agreed to acquire the Mt. Todd gold mine in Northern Territory, Australia. These acquisitions have been undertaken with funds from two financings: one in September 2005 and one recently in February 2006. We have added an estimated 2 million ounces of gold in measured and indicated resources through our Awak Mas acquisition and our updated resource estimates at Paredones Amarillos and Hycroft, and we expect as a result of a new resource estimate being conducted at the Mt. Todd property, to add to those totals in 2006. We reported an estimated 2.2 million ounces of gold in proven and probable mineral reserves at Paredones Amarillos and Hycroft. Our share price during the year has ranged from a low of US\$2.76/share to a high of US\$5.35/share, with a recent price (March 27) of US\$5.45/share. We plan to maintain a high level of investor communications and believe that as more investors come to realize the fundamental soundness of our strategy, much more of the value of our assets will be reflected in our share price.

As we progress through 2006, we plan to continue several strategic initiatives we have already started. In Nevada, which continues to host major discoveries and where Vista already has discovered gold contained in estimated measured and indicated resources of 3.3 million ounces and where we control a total of 35,000 acres of mineral claims, including 21,000 acres of patented and unpatented claims from our December 2005 acquisition, we plan to undertake new development evaluations and where possible add to our holdings. At Hycroft, we will continue to evaluate potential transactions with the aim of optimizing future development of the project; however, we believe it would be a mistake to rush into any decision to commence reopening of the mine in a potentially increasing gold market, giving full consideration to the estimated 662,800 ounces of gold in proven and probable gold reserves and with an estimated cash cost of production of US\$351 per ounce (estimated in 2006). At Paredones Amarillos, an economically attractive project, we will undertake certain development initiatives to add value and reduce risk and uncertainty in moving the project towards production. As I mentioned previously, at Mt. Todd we are currently undertaking a new Canadian National Instrument 43-101-compliant resource estimate that we believe, based on our review of historic information previously released, will result in at least a moderate increase in our total gold resources. We will also

undertake preliminary technical and environmental studies this year on a potential redevelopment of the mine. On several of Vista's other properties, we plan to undertake scoping studies to better understand what combination of gold price, technology and cost structure will permit these projects to advance into development. We believe this information will better enable the market to fully understand the Company and its value.

Additional information on the mineral resources and reserves estimates referred to above and other information about the Company may be found in our Annual Report on Form 10-K for 2005 which is enclosed and also available on our website at www.vistagold.com. In closing, I would like to thank our shareholders, board of directors, advisors and employees for supporting us in our efforts this past year, and I look forward to working with everyone in 2006 to continue to provide our investors with a well managed, highly leveraged investment in gold.

Sincerely,



Michael B. Richings
President and CEO

March 27, 2006

Cautionary Note to U.S. Investors concerning estimates of Measured, Indicated and Inferred Resources: This document uses the terms "measured and indicated resources" and "inferred resources." We advise U.S. investors that while these terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. investors are cautioned not to assume that any part or all of mineral deposits in the measured and indicated categories will ever be converted into reserves. Mineral resources that are not "mineral reserves" do not have demonstrated economic viability. Inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or other economic study. U.S. investors are cautioned not to assume that any part or all of an inferred resource exists or is economically or legally mineable.

Cautionary Note to U.S. Investors concerning estimates of Proven and Probable Reserves: The estimates of mineral reserves in this document have been prepared in accordance with Canadian National Instrument 43-101. The definitions of proven and probable reserves used in NI 43-101 differ from the definitions in SEC Industry Guide 7. Accordingly, the Corporation's estimates of mineral reserves herein may not be comparable to information from U.S. companies subject to the SEC's reporting and disclosure requirements.