



## NEWS RELEASE

### LEXAM VG GOLD REPORTS RESOURCE UPDATE AT BUFFALO ANKERITE

May 9, 2013, Toronto, Ontario, Canada: Lexam VG Gold Inc. (the "Company", "Lexam") (TSX: LEX, FRANKFURT: VN3A, OTCQX: LEXVF) announces updated resource estimates for the Buffalo Ankerite property in Timmins, Ontario.

A digital resource model, including an optimized Whittle Pit, was completed for the Buffalo Ankerite North and South Zones. Updated resource estimates for the Davidson Tisdale, Fuller and Paymaster projects unfortunately remain in progress.

**Table 1. 2013 Buffalo Ankerite In-Pit Resource Estimate**

In-Pit Resources - at a Cut-Off Grade of 0.015 opt Au (0.51 gpt Au)								
Zone	Indicated Resources				Inferred Resources			
	Tonnes (000's t)	Grade (opt)	Grade (gpt)	Au (000's oz)	Tonnes (000's t)	Grade (opt)	Grade (gpt)	Au (000's oz)
North	483	0.071	2.43	37.6	180	0.070	2.40	13.8
South	2,378	0.075	2.57	197	2,456	0.068	2.33	183
<b>Total</b>	<b>2,861</b>	<b>0.074</b>	<b>2.54</b>	<b>235</b>	<b>2,635</b>	<b>0.068</b>	<b>2.33</b>	<b>197</b>

*(See Note at the end of news release.)*

*In this press release the following abbreviations are used: opt = ounce per ton; gpt = gram per tonne, Au = gold; oz = ounce; ft = foot; m = metre; M = million, t = tonne. The following definitions apply: 1 tonne = 1,000 kilograms; cut-off grade = the grade value that distinguishes ore from waste, where material which has a grade below the cut-off grade is classified as waste and material with a grade equal to or greater than the cut-off grade is classified as ore.*

The Buffalo Ankerite in-pit resource is 235,000 ounces of gold at a grade of 2.54 gpt Au in the Indicated category and 197,000 ounces of gold at a grade of 2.33 gpt Au in the Inferred category. This resource occurs within two optimized Whittle Pit shells, North Zone and South Zone. The Whittle pit dimensions are as follows:

- North Zone: Length x Width x Depth of 719 m x 663 m x 213 m (2,360 ft x 2,175 ft x 700 ft);
- South Zone: Length x Width x Depth of 1,362 m x 649 m x 320 m (4,470 ft x 2,130 ft x 1,050 ft).

This represents a favourable target for potential exploitation due to the proximity of the project to mining infrastructure in the Timmins area. Once resource estimates for all four properties have been completed, the Company will initiate a Preliminary Economic Assessment to determine the economic viability of mining these properties by open pit methods.

## Lexam VG Gold Resources

The growth of resources is an important objective for Lexam VG Gold. The exploration goal for the remainder of 2013 is to continue to develop the Company's gold resource base. Lexam currently has NI 43-101 resources estimates for four projects: Buffalo Ankerite, Fuller, Davidson Tisdale and Paymaster.

### About Buffalo Ankerite Property

Buffalo Ankerite is a property of 1,214 acres, situated southeast of Timmins in northern Ontario. Buffalo Ankerite is easily accessible by highway, neighbouring within a few kilometers Goldcorp's Dome Mine to the east, Hollinger and McIntyre Mines to the north and Aunor Mine to the west, mines that generated more than 50 million of the 70 million ounces of gold produced in the Timmins Gold Camp. During the period 1926-1953, the Buffalo Ankerite property had a production of 1,018,000 ounces of gold with an average recovered grade of 6.51 grams per tonne.

### About Lexam VG Gold

Lexam VG Gold explores for gold in the Timmins area of northern Ontario, Canada. Lexam VG Gold was formed in 2011 by the merger of Lexam Explorations Inc. and VG Gold Corp. The Company is carrying out ongoing exploration programs, designed to build the resource base and to test the growth potential and determine the economics on its four key property assets: Buffalo Ankerite (100% interest), Fuller (100% interest), Davidson Tisdale (68.5% interest) and Paymaster (60% interest). Lexam VG Gold had \$4.4 million in cash on March 31, 2013, with no bank debt. The Company has 226,570,860 issued and outstanding shares, with 27% owned by Chairman Rob McEwen.

### Technical Information

The technical information contained in this press release has been reviewed and approved by Kenneth W. Guy, P. Geo, a consultant to Lexam VG Gold and a Qualified Person within the meaning of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101").

The resource estimate contained herein for Buffalo Ankerite was prepared by Eugene Puritch, P.Eng and Richard Routledge, P. Geo (P&E Mining Consultants Inc.), each an independent Qualified Person in accordance with NI 43-101, using the Canadian Institute of Mining (CIM), Metallurgy and Petroleum Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions. For additional information about this resource estimate and the Buffalo Ankerite Property, see the "Note in Reference to Table 1" contained below and the technical report titled "NI 43-101 Technical Report Resource Estimate on the Buffalo Ankerite Property" dated and with an effective date of October 20, 2012, prepared by Peter A. Bevan, P.Eng, an independent Qualified Person within the meaning of NI 43-101 and Kenneth W. Guy, P. Geo, a Qualified Person within the meaning of NI 43-101. The foregoing technical report is available under Lexam VG Gold's profile on SEDAR ([www.sedar.com](http://www.sedar.com)). A technical report will be filed on SEDAR within 45 days of this news release.

The resource estimates contained herein do not constitute a Feasibility or Pre-Feasibility study and contain no mineral reserves within the meaning of NI 43-101 or SEC Industry Guide 7. The mineral resource figures referred to in this press release are estimates and therefore insufficient to allow meaningful application of the technical and economic parameters to enable an evaluation of technical or economic viability and no assurances can be given that the indicated levels of gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may

significantly change when new information becomes available. While the Company believes that the resource estimates included in this press release are well established, resource estimates are imprecise by their nature and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company. In addition, this news release includes Inferred resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves.

### **Cautionary Note to U.S. Investors**

All resource estimates reported by Lexam VG Gold are calculated in accordance with NI 43-101 and the Canadian Institute of Mining and Metallurgy Classification system. These standards are different from the standards generally permitted in reports filed with the SEC. Under NI 43-101, Lexam VG Gold reports indicated and inferred resources, measurements which are generally not permitted in filings made with the SEC. According to Canadian NI 43-101 criteria, the estimation of indicated resources involve greater uncertainty as to their economic feasibility than the estimation of proven and probable reserves. Under SEC Industry Guide 7 criteria, measured, indicated and inferred resources are considered Mineralized Material. The SEC considers that in addition to greater uncertainty as to the economic feasibility of Mineralized Material compared to Proven and Probable reserves, there is also greater uncertainty as to the existence of Mineralized Material. U.S. investors are cautioned not to assume that Measured or Indicated resources will be converted into economically mineable reserves. The estimation of Inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources.

### **Caution Concerning Forward-Looking Statements**

This press release contains certain forward-looking statements and information. The forward-looking statements and information express, as at the date of this press release, Lexam VG Gold's plans, estimates, forecasts, projections, expectations or beliefs as to future events and results. Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Risks and uncertainties that could cause results or future events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, factors associated with fluctuations in the market price of precious metals, mining industry risks, risks related to: litigation, property title, the Paymaster Option, the state of the capital markets, whether shareholder and regulatory approvals for any proposed transaction are forthcoming, environmental risks and hazards, uncertainty as to calculation of mineral resources and reserves and other risks. Readers should not place undue reliance on forward-looking statements or information. Lexam VG Gold undertakes no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. See Lexam VG Gold's Annual Information Form dated December 31, 2012 and available on SEDAR ([www.sedar.com](http://www.sedar.com)) for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. All forward-looking statements and information made in this news release are qualified by this cautionary statement.

### ***Note in Reference to Table 1***

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues, although the Company is not aware of any such issues.

(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(3) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(4) The resource estimate for Buffalo Ankerite was prepared by Eugene Puritch, P.Eng and Richard Routledge, P.Geo (P&E Mining Consultants Inc.), each an independent Qualified Person in accordance with NI 43-101, using the Canadian Institute of Mining (CIM), Metallurgy and Petroleum Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions.

(5) Grade capping for Buffalo Ankerite of 51 gpt was applied to raw assays for the mineralized domains. Inverse distance cubed (ID<sup>3</sup>) was utilized for grade interpolation and was based on 1.52m (5 ft) composites and model blocks of 3m x 3m x 3m (10 ft x 10 ft x 10 ft).

(6) A bulk density for Buffalo Ankerite of 2.85 t/m<sup>3</sup> (0.089 tons/ft<sup>3</sup>) was used for all volume to tonnes conversion based on the bulk density testing of approximately 307 samples.

(7) An approximate 30 month trailing average gold price of US\$1,600/oz and an exchange rate of US\$1.00=C\$1.00 was utilized in the Au cut-off grade calculations of 0.5 gpt Au for open pit Mineral Resources and 1.50 gpt for underground Mineral Resources. Underground mining costs were assumed at C\$46/t, with process costs of C\$18/t and G&A of C\$5/t. Open pit mining costs were \$1.85/t for mineralized material and waste rock while overburden mining costs were \$1.35/t. Process recovery was assumed at 90%.

To learn more about Lexam VG Gold (TSX: LEX), visit our website: [www.lexamvggold.com](http://www.lexamvggold.com).

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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**Figure 1. Buffalo Ankerite In-Pit Resources North and South Zones With Color Grade Blocks (Surface Plan Map)**

