



**NEWS RELEASE**

**Shares: 178,076,612**

**VG GOLD PAYMASTER RESULTS, TIMMINS, ONTARIO  
129.50 GPT (3.78 oz) GOLD OVER 0.9 M (3.0 feet)**

January 25, 2010, Toronto, Ontario, Canada VG Gold Corp., (TSX: VG), (FRANKFURT: VN3, OTC: VGGCF) is pleased to announce positive exploration results from the Paymaster West Project in Timmins, Ontario. The best diamond drill hole 09-58 returned a high-grade intersection of **129.50 gpt gold (3.78 opt) over 0.9 m (3.0 ft)**. Also hole 09-53 returned a longer intercept of lower grade **1.28 gpt (0.04 opt) over 30.2 m (99.1 ft)**. Both results occur near surface.

These near surface holes drilled at Paymaster West Porphyry were added to the phase two deeper drilling program and designed to follow up on previously reported near surface results including 1.0 gpt (0.029 opt) over 44.2 m (144.9 ft) and 1.40 (0.041 opt) over 23.0 m (75.5 ft). Deeper drilling is continuing on the Paymaster West Porphyry zone.

**Drill Result Highlights**

<b>Hole #</b>	<b>From</b>	<b>To</b>	<b>Width</b>	<b>Gold Grade</b>
	(m)	(m)	(m)	(gpt)
VGP-09-51	89.3	106.3	17.0	1.36
VGP-09-53	70.3	100.5	30.2	1.28
VGP-09-57	160.7	168.3	7.6	2.55
VGP-09-58	58.5	59.4	0.9	129.50

**See more results in Table 1 below.**

“It is very encouraging to find this type of gold mineralization in one of the world’s most famous mining camps. Timmins is known for its underground and open pit

mines and we are seeing the potential for both scenarios at Paymaster West. During 2010 we will be accelerating the pace of drilling in order to advance Paymaster and our other exciting projects in Timmins,” stated Tom Meredith, President and CEO.

Gold mineralization at the Paymaster West Project is hosted within and peripheral to strongly altered and well mineralized quartz feldspar porphyry. Alteration consists of pervasive ankerite and sericite with local tourmaline, both disseminated and in veins. Pyrite mineralization is disseminated throughout, with local concentrations to 20%. Drilling to date has intersected several intervals of altered and mineralized Quartz-Feldspar Porphyry in each hole.

The Paymaster West Project is situated immediately to the west of Goldcorp's Dome Mine that has produced over 17 million ounces of gold from both underground and open pit mining.

VG Gold has the option to earn a 60% interest in the Paymaster West Property from Goldcorp by making \$6.0 million in exploration expenditures by June 2012. Once VG Gold has given notice that it has earned its 60%, Goldcorp has six months to decide if it wishes to increase its ownership from 40% to 70% by paying VG Gold \$710,000 and spending \$8.25 million on the property within two years and also completing a feasibility study by the end of year three.

## ***VG GOLD.....WE ARE GOLD!***

### **QUALIFIED PERSON**

All exploration work was conducted under Kenneth Guy, P. Geo., designated Qualified Person for VG Gold, who has reviewed this press release. All drilling was completed using NQ size core. Gold analysis of the samples collected by VG Gold was assayed by ALS Chemex. Analysis consisted of a fire assay of a 30-gram sample with an atomic absorption finish. Samples assaying over 10.0 gram per tonne Au are re-assayed with gravimetric finish. Samples noted to contain visible gold are analyzed via total metallic assay method. A rigorous Quality Control and Assurance program (QA/QC) is in place, using control samples such as Blanks and duplicate checks. In addition, duplicate analyses of 10% of the samples are corroborated by check assays performed at a third party Laboratory.

For further information contact Tom Meredith, President of VG Gold, Tel: 416-368-0099. To learn more about VG Gold (TSX: VG), visit our website: [www.vggoldcorp.com](http://www.vggoldcorp.com)

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

Table 1. Phase Two Near Surface Drill Holes – Paymaster West Project

Hole #	East	North	ele	length (m)	dip	az	Assay(m)		width (m)	Au-gpt
							from	to		
VGP-09-51	5900	8120	11020	137.0	-45	360	89.3	106.3	17.0	1.36
VGP-09-53	5900	8120	11020	140.0	-75	360	70.3	100.5	30.2	1.28
VGP-09-55	5800	8150	11020	156.0	-75	360	42.0	43.5	1.4	2.85
VGP-09-56	5800	7950	11020	125.0	-60	360	71.9	73.5	1.5	2.15
							78.0	79.6	1.5	2.21
							93.3	96.3	3.0	1.56
							99.4	103.0	3.5	2.78
							119.1	120.0	0.9	4.37
							123.0	124.0	1.0	3.67
VGP-09-57	5800	7950	11020	194.0	-45	360	160.7	168.3	7.6	2.55
							183.6	184.7	1.2	3.83
VGP-09-58	6145	8051	11025	146.0	-45	35	58.5	59.4	0.9	129.50
							71.0	72.2	1.2	2.22
VGP-09-59	6145	8051	11025		-60	35	113.3	115.1	1.8	1.01

\*VGP-09-52 and 54 did not encounter significant values



# Long Section Paymaster West Project, Timmins, Ontario

