



**VG GOLD EXPANSION DRILLING AT PAYMASTER WEST
RETURNS MULTIPLE HOLES WITH HIGH-GRADE GOLD!**

32.0 GPT GOLD OVER 1.5 M & 52.8 GPT OVER 0.8 M

December 8, 2009, Toronto, Ontario, Canada **VG Gold Corp.**, (TSX: VG), (FRANKFURT: VN3) is pleased to announce additional high-grade results from the Paymaster West Project in Timmins, Ontario. The most recently completed 8 drill holes were designed to extend the mineralization at depth and along strike. Highlights from the most recent drill holes are listed below:

Hole #	Au (gpt)	Width (m)	Au (opt)	Width (ft)
VGP-09-27	9.66	1.2	0.282	3.9
VGP-09-34	16.85	1.5	0.492	5.0
VGP-09-34	1.61	31	0.047	101.7
VGP-09-36	32.0	1.5	0.933	5.0
VGP-09-37	52.8	0.8	1.54	2.7
VGP-09-37	15.0	1.4	0.438	4.5

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

This news release includes drilling conducted at the east (section 6600E) and west (section 4900E) ends of the mineralized porphyry, covering a strike length

of 518 m (1,700 ft). These holes represent the furthest VG Gold has drilled to the east and west.

EXPANDING THE MINERALIZATION

Along Strike and at Depth

Hole VGP-09-37 (section 6600E): This hole, which is the furthest VG Gold has drilled to the east, returned two intervals of high-grade, **52.8 gpt (1.54 opt) over 0.8 m (2.7 ft) and 15.0 gpt Au (0.438 opt) over 1.4 m (4.5 ft)**. This zone of altered and well mineralized porphyry extends the known mineralization along strike by 61 m (200 ft).

Drill Hole VGP-09-36 (section 6400E): This hole was drilled at the east end of the known mineralization and intersected: **4.98 gpt (0.145 opt) over 11.9 metres (39.0 ft) including 32.0 gpt (0.933 opt) over 1.5 metres (5.0 ft)**, adding continuity between sections.

Hole VGP-09-34 (section 6500E): This hole intersected **16.85 gpt (0.492 opt) over 1.5 m (5.0 ft)** and a wider interval of mineralized porphyry assaying **1.61 gpt (0.047 opt) over 31 m (101.7 ft)**, at a depth of approximately 370 m (1,215 ft) below surface. This extensive zone of altered and well mineralized porphyry extends the mineralization at depth beyond the previously released holes.

Gold mineralization at the Paymaster West Project is hosted within and peripheral to strongly altered and mineralized quartz feldspar porphyry. Alteration consists of pervasive ankerite and sericite alteration with local tourmaline, both disseminated and in veins. Pyrite mineralization is disseminated throughout, with local concentrations up to 20%.

VG Gold has the option to earn a 60% interest in the Paymaster West Property from Goldcorp by making \$6.0 million in 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. Gold analysis of 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 1.0 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 by a third party Laboratory.

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

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

Hole #	East	North	length (ft)	length (m)	dip	az	from (m)	to (m)	width (m)	Au-gpt
VGP-09-25	5400	9000	900	274.3	-65	175	no significant assays			
VGP-09-26	5200	8800	1600	487.7	-45	175	213.7	218.6	4.9	1.13
VGP-09-27	4900	8800	2408.1	734.0	-56	180	229.4	234.1	4.8	2.11
							376.7	378.0	1.2	9.66
VGP-09-33	6500	8875	1364.7	416.0	-45	173	77.1	78.0	0.9	5.66
							204.2	228.6	28.5	1.03
							361.8	364.8	3.0	1.64
							369.1	373.4	4.3	2.54
VGP-09-34	6500	8875	1660.4	506.1	-70	173	86.3	88.9	2.7	1.31
							186.2	187.8	1.5	16.85
							226.8	232.9	6.1	1.70
							405.4	406.9	1.5	4.23
							437.0	468.0	31.0	1.61
							includes		3.0	4.09
VGP-09-35	6400	9100	1108.9	338.0	-45	170	240.9	243.2	2.3	3.39
							252.4	261.5	9.1	1.09
VGP-09-36	6400	9100	1542	470.0	-70	175	137.2	149.0	11.9	4.98
							includes		1.5	32.00
							392.9	396.5	3.7	1.79
							403.9	405.7	1.8	4.79
VGP-09-37	6600	8600	1,374.7	419.0	-45	160	52.2	53.0	0.8	52.8
							75.0	76.8	1.8	3.42
							283.5	284.8	1.4	15
							413.0	413.9	0.9	1.305



Long Section Paymaster West Project, Timmins, Ontario

Figure 3

