



NEWS RELEASE

IMPRESSIVE GOLD GRADES INTERSECTED AT PAYMASTER WEST IN TIMMINS, ONTARIO

1,390.0 GPT GOLD OVER 0.9 M OR 40.54 OUNCES GOLD OVER 3.0 FEET

October 19 2009, Toronto, Ontario VG Gold Corp., (TSX:VG), (FRANKFURT:VN3), is pleased to announce that new core drilling from its Paymaster West Project in Timmins, Ontario has successfully intersected high-grade, near surface gold mineralization, including ***1,390.0 grams of gold per tonne (gpt) over 0.9 meters (m), or 40.54 ounces of gold (opt) per ton over 3.0 feet (ft)***. VG Gold has the option to earn a 60% interest in Paymaster West Project from Goldcorp. The project is situated next to Goldcorp's Dome Mine, which has produced 17 million ounces of gold (*Figures 1 & 4*).

DRILL RESULT HIGHLIGHTS

Hole Number	Gold Grade	Interval	Gold Grade	Interval
	(gpt)	(m)	(opt)	(ft)
VGP-09-20	1,390.00	0.9	40.54	3.0
VGP-09-19	11.6	2.0	0.338	6.6

These positive results followed the initial drill hole results released on September 8, 2009, which returned 41.67 gpt over 1.8 m (1.22 opt over 5.9 ft). Drilling at Paymaster has confirmed the presence of near surface, widespread gold mineralization hosted within altered Quartz Feldspar Porphyry, which is a favorable geological environment for the large gold deposits in Timmins.

The six drill holes reported in this release, shown in the table below, targeted gold mineralization between 150 m and 300 m (500 ft and 1000 ft) below surface (*Figure 3*).

Gold mineralization at the Paymaster West Project is hosted within strongly altered and well 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 to 20%. Visible Gold (VG) was noted in hole VGP-09-20 (*Figure 2*).

Based on the successful drill results to date, VG Gold is planning to expand its current 6,000 meters (19,685 feet) drill program. Drilling will continue to target porphyry hosted high-grade mineralization located between 150 m and 300 m (500 ft and 1,000 ft) below surface (Figure 3). Two core drill rigs are currently operating at Paymaster.

PAYMASTER PROJECT HISTORICAL SUMMARY

The Paymaster West Property is located in the center of the historic Timmins mining camp (70 million ounces of gold produced). The property is adjacent to the Goldcorp owned Dome Mine, which has produced 17 million oz of gold to date. The mines in the Timmims Gold Camp have produced gold to depths exceeding 2,000 m (6,560 ft).

Production and exploration on the Paymaster West Project occurred between 1910 and 1928 to an approximate depth of 245 m (800 ft). During the 1940's and 1950's a series of core holes successfully intersected high-grade gold mineralization over good widths at depth. This drilling occurred at depths at 460 m (1,500 ft) and at 760 m (2,500 ft) below surface and demonstrated the excellent exploration potential of the Paymaster West Project. For historic drill results, please use the link: http://www.vggoldcorp.com/downloads/Drill_Hole_Table_Paymaster.pdf

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 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.

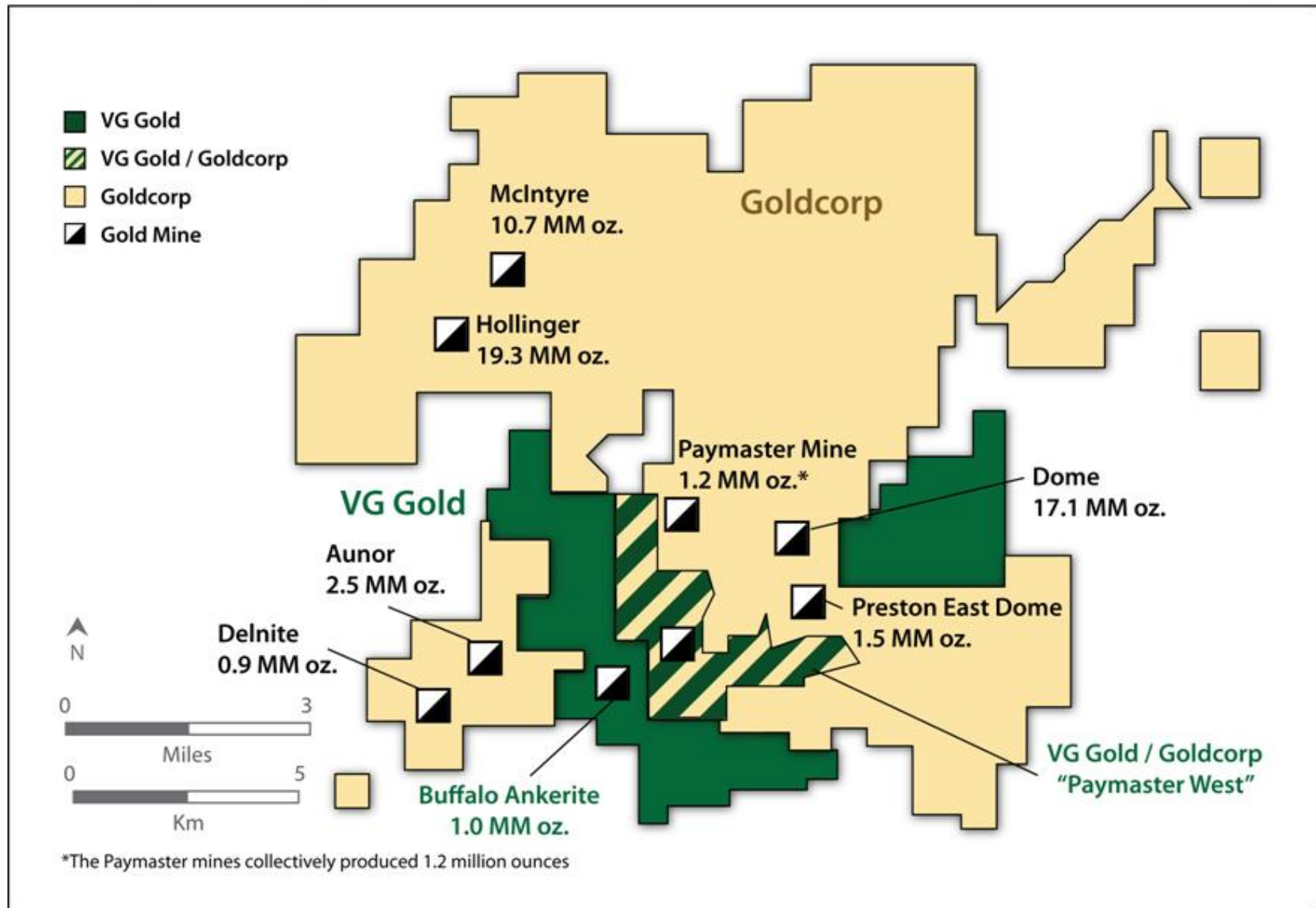
For further information contact Tom Meredith, President of VG Gold, 416 368 0099.
To learn more about VG Gold (TSX:VG), visit our website: www.vggoldcorp.com

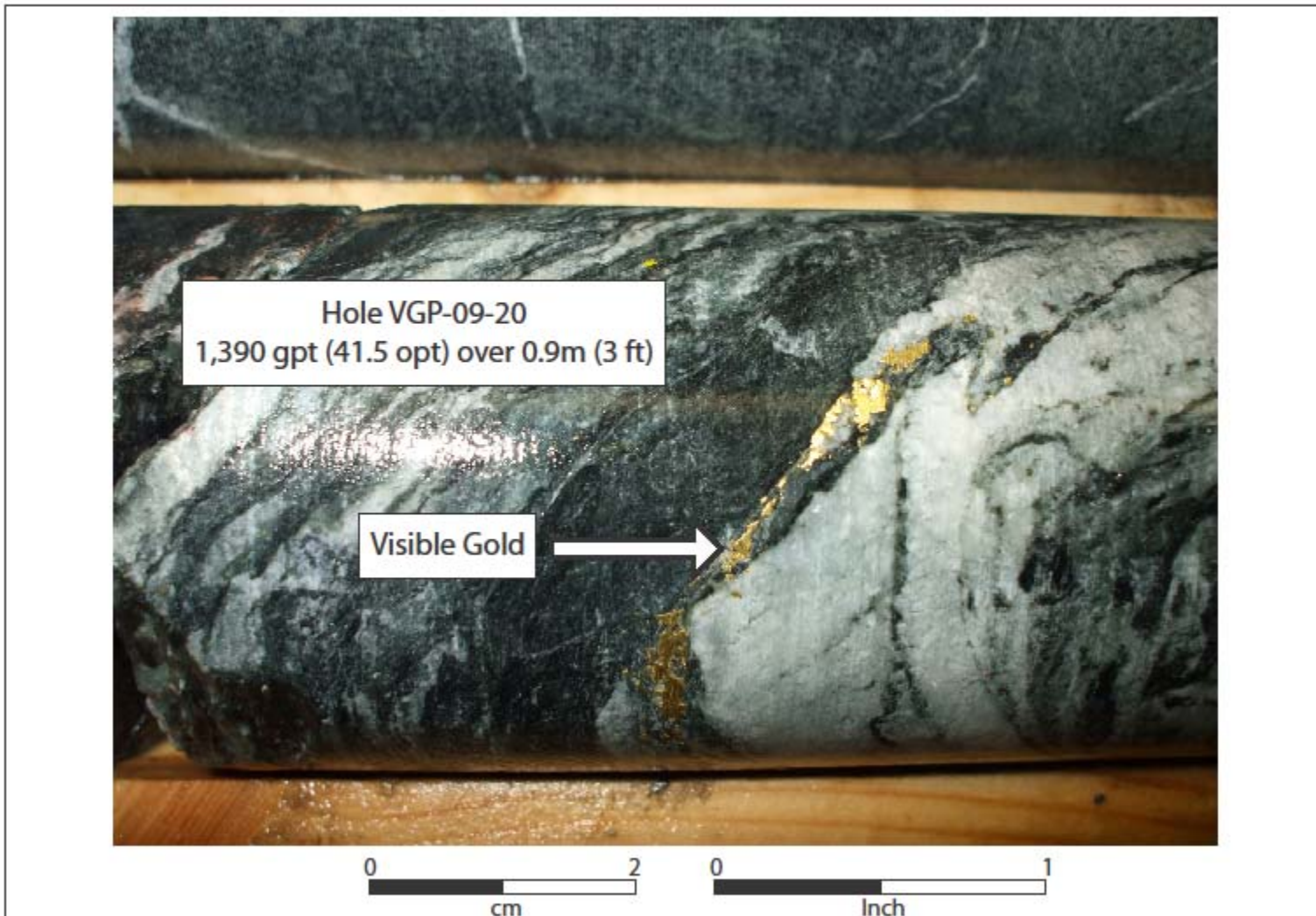
The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

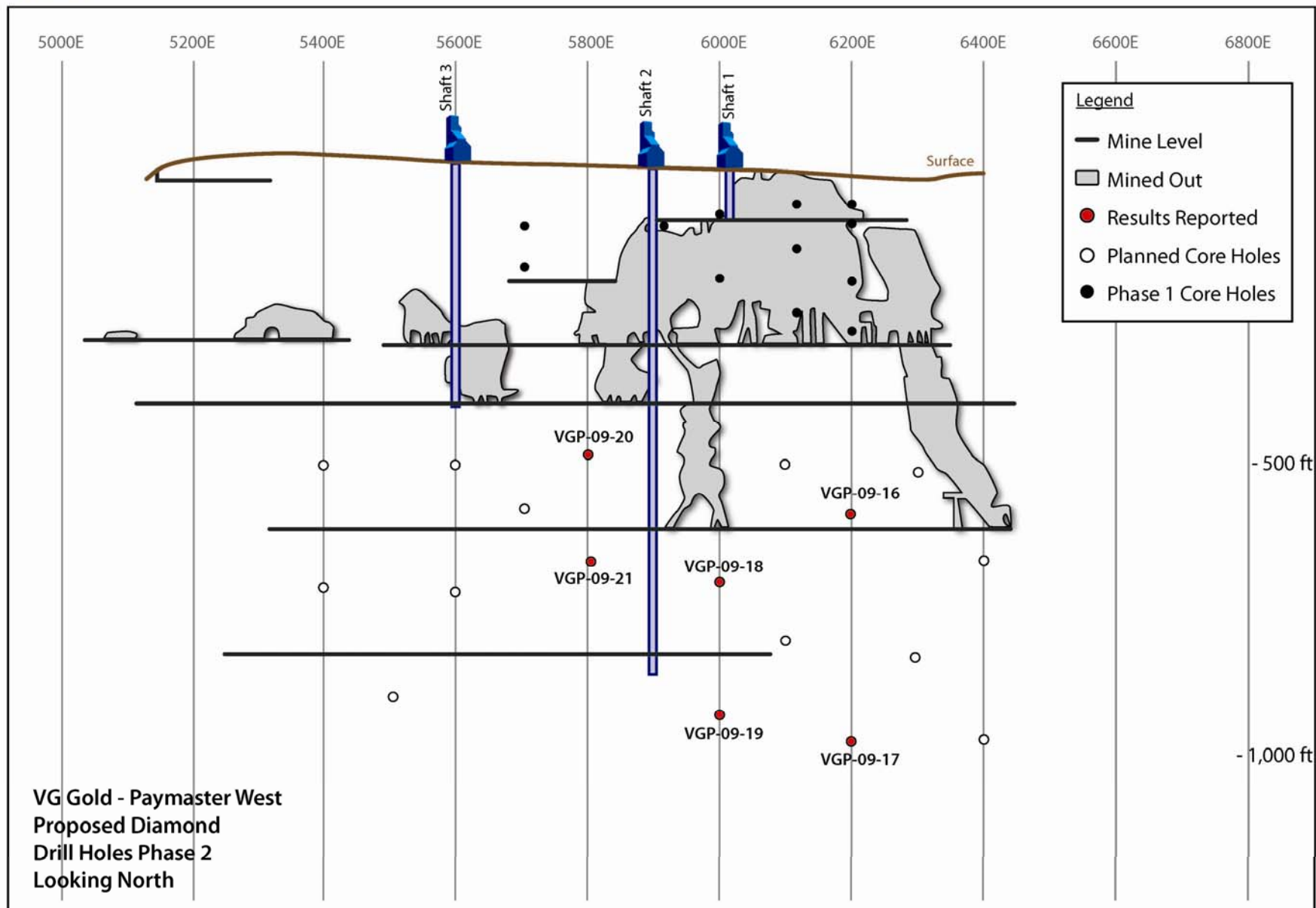
Hole #	East	North	length (ft)	length (m)	dip	az	from (m)	to (m)	width (m)	Au (gpt)
VGP-09-16	6181	9144	1355	413.0	-50	172	176.4	177.4	1.0	6.06
							259.9	282.9	23.0	1.40
							294.5	296.1	1.6	2.26
VGP-09-17	6181	9144	1169.6	356.5	-68	174	107.5	109.3	1.8	2.37
VGP-09-18	5997	9091	1000.7	305.0	-50	180	39.6	41.1	1.5	1.39
							186.5	188.1	1.5	1.03
							236.1	237.7	1.6	1.19
							284.4	285.9	1.5	1.03
VGP-09-19	5997	9091	1335.3	407.0	-69	180	114.6	116.6	2.0	11.60
							208.5	210.0	1.5	3.07
							383.4	385.4	2.0	3.56
VGP-09-20	5797	8848	675.9	206.0	-50	165	41.5	42.4	0.9	1,390.00
							155.0	156.5	1.5	1.66
VGP-09-21	5797	8848	764.4	233.0	-70	165	158.5	162.3	3.8	1.20
							177.9	181.7	3.9	1.66
6 holes				1,920.5	m					

Notes:

- Lengths reported are core intersection lengths and do not represent true widths.
- It is anticipated that true width estimates will be made possible after additional drilling.









VG Gold has option to earn 60% by spending \$5.5 million before June 2012. Goldcorp has back-in-right to 70% by spending \$9 million + feasibility within three years.

Figure 4

Paymaster West Porphyry Zone



**Goldcorp
Dome Mine
17.1 MM oz.**