

**MATERIAL CHANGE REPORT  
FORM 51-102F3**

**Item 1: Name and Address of Company**

Lexam VG Gold Inc., 99 George Street, 3<sup>rd</sup> Floor, Toronto, Ontario M5A 2N4 Canada

**Item 2: Date of Material Change**

The material change took place on January 1, 2011.

**Item 3: News Release**

A news release relating to the subject matter herein was disseminated by Marketwire, Toronto on January 4, 2011 and subsequently filed on the System for Electronic Document Analysis and Retrieval. A copy of the press release is attached as Schedule "A" to this Material Change Report.

**Item 4: Summary of Material Change**

The previously announced combination of Lexam Explorations Inc. ("**Lexam**") and VG Gold Corp. ("**VG Gold**") to form Lexam VG Gold Inc. through a plan of arrangement under the *Business Corporations Act* (Ontario) has been completed, effective January 1, 2011. On January 4, 2011, the common shares of Lexam VG Gold Inc. began trading on the Toronto Stock Exchange and the OTCQX under the tickers LEX and LEXVF respectively.

**Item 5.1: Full Description of Material Change**

The previously announced combination of Lexam and VG Gold to form Lexam VG Gold Inc. has been completed, effective January 1, 2011. The combination was effected through a plan of arrangement under the *Business Corporations Act* (Ontario), under which common shareholders of VG Gold received one common share of Lexam VG Gold Inc. for each common share of VG Gold held, and common shareholders of Lexam received 2.1 common shares of Lexam VG Gold Inc. for each common share of Lexam held. On January 4, 2011, the common shares of Lexam VG Gold Inc. began trading on the Toronto Stock Exchange and the OTCQX under the tickers LEX and LEXVF respectively.

**Item 5.2: Disclosure for Restructuring Transactions**

A joint management information circular dated November 11, 2010 and an addendum dated November 17, 2010 was sent to the securityholders of Lexam and VG Gold in connection with the special meetings of shareholders held on December 13, 2010 and are available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7: Omitted Information**

No information has been omitted from this Material Change Report on the basis that it is confidential information.

**Item 8: Executive Officer**

The name of the executive officer of Lexam VG Gold Inc. who is knowledgeable about the material change and this report, and who can be contacted, is Nils Engelstad, Corporate Secretary. He can be reached at 647-258-0395.

**Item 9: Date of Report**

January 11, 2011

## **SCHEDULE "A"**

### **NEWS RELEASE**

#### **New Lexam and VG Gold to Trade on TSX and OTCQX under "LEX" and "LEXVF"**

January 4, 2011, Toronto, Ontario, Canada. Lexam VG Gold is pleased to announce that the combined companies' shares have begun trading on the Toronto Stock Exchange (TSX) and the OTCQX under the tickers LEX and LEXVF respectively.

The new Lexam VG Gold's transfer agent will now be Computershare Investor Services.

#### **ABOUT LEXAM VG GOLD**

Lexam VG Gold has a strategic land position around Goldcorp's Dome Mine, where 17 million ounces of gold have been produced. With the company's strong treasury of \$15.0 million and no debt, Lexam VG Gold will spend \$10.0 million on exploration over the next twelve months. The company has an attractive valuation compared to its other Timmins peers and has good trading liquidity. Lexam VG Gold shares trade under the Toronto Stock Exchange and OTCQX.

#### **CAUTIONARY STATEMENT**

Some of the statements contained in this release are "forward-looking statements". Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by such forward looking statements. Factors that could cause actual results to differ materially from anticipated results include risks and uncertainties such as: ability to raise financing for further exploration and development activities; risks as to business integration; risks relating to estimates of reserves, deposits and production costs; extraction and development risks; the risk of commodity price fluctuations; political, regulatory and environmental risks; and other risks and uncertainties in the reports and disclosure documents filed by Lexam VG Gold from time-to-time with Canadian securities regulatory authorities. The companies disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Neither the TSX nor the TSX-Venture have reviewed and do not accept responsibility for the adequacy or accuracy of the contents of this news release, which has been prepared by management.

For further information, please contact:

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