

VG GOLD CORP.

ANNUAL INFORMATION FORM

(51-102F2)

FISCAL YEAR ENDED DECEMBER 31, 2008

DATED MARCH 31, 2009

ANNUAL INFORMATION FORM INDEX

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1 GENERAL

This is the “Annual Information Form” (the “AIF”) for VG Gold Corp. (“VG Gold” or “the Company”) dated as at **March 31, 2009**.

Documents incorporated by reference in this AIF include all those audited and interim financial statements, proxy circulars, prospectuses, news releases and other continuous disclosure documents filed by the Company, copies of which are available on request from the offices of the Company or on the SEDAR website (www.sedar.com).

In this Annual Information Form all references to “\$” are to Canadian dollars and all references to “US\$” are to United States dollars.

NOTICE REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form (“AIF”) contains “forward-looking statements” and “forward looking information” (“forward looking statements”) as defined in applicable securities laws, that reflect VG Gold’s current expectations and projections about its future results. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances.

Words such as “estimate”, “intend”, “believe”, “expect”, “anticipate”, “plan”, “potential” and similar terminology to identify forward-looking statements are used in this AIF, which are, by their very nature, not guarantees of VG Gold’s future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause VG Gold’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: risks associated with the mining industry (including operational risks in exploration, development and production; uncertainties relating to the interpretation of drill results and the geology, continuity, grade and estimates of mineral reserves and resources; production risks and the uncertainty of estimates and projections in relation to development and production revenues and expenses; fluctuations in metal prices and currency exchange rates; operational hazards and risks, including the inability to insure against all risks; compliance with applicable government regulations, including environmental requirements; and the availability of adequate infrastructure); the Company’s limited financial resources and its ability to continue as a going concern and to fund its operating and capital expenses necessary to achieve its business objectives; the Company’s dependence on key employees; the Company’s ability to compete with other mining companies possessing greater financial resources; the Company’s ability to obtain requisite permits and licenses; risks arising from challenges to the Company’s title to its assets, including those arising in respect of aboriginal rights; and the potential for conflicts of interest to arise. Specifically, this AIF contains forward-looking statements regarding:

- the expected activities on the Fuller, Buffalo Ankerite and Davidson Tisdale properties and the expected availabilities of permits necessary for exploitation; and
- continued financial support from the equity markets to satisfy the Company’s ongoing working capital and other contractual commitments.

These forward-looking statements and information are based on current expectations and are naturally subject to uncertainty and changes in circumstances that may cause actual results to differ materially from those expressed or implied by such forward-looking statements and information.

Inherent in forward-looking statements and information are risks and uncertainties beyond the Company’s ability to predict or control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements and information contained in, or incorporated by reference into, this AIF. Such statements and information are based on a number of assumptions and factors which may prove to be incorrect, including, but not limited to, assumptions about:

- the availability of financing for the Company's development projects and other operations on reasonable terms;
- the availability of personnel for the Company's exploration, and development projects;
- interest rates and foreign exchange rates;
- the supply and demand for, deliveries of, and the level and volatility of price of gold and other commodities;
- the timing of the receipt of regulatory and governmental approvals for the Company's development projects and other operations;
- market competition;
- risks involved in mining, processing, exploration and research and development activities;
- tax benefits;
- the supply and availability of consumables and services;
- the supply and availability of all forms of energy and fuels at reasonable prices;
- the Company's ongoing relations with its employees;
- inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources);
- unanticipated operational difficulties;
- unanticipated events relating to environmental, health and safety matters; and
- changes in general economic conditions or conditions in the financial markets.

The Company's ability to predict the results of its operations or the effects of various events on its operating results is inherently uncertain. Therefore, the reader is cautioned to consider carefully the matters described under the caption "Narrative Description of the Business – Risks and Uncertainties". Such factors and many other factors beyond the Company's control could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by the forward-looking statements and information.

The above list is not exhaustive of the factors that may affect the forward-looking statements and information. These and other factors should be considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements and information.

Statements relating to "mineral reserves" or "mineral resources" are deemed to be forward-looking statements and information, as they involve the implied assessment, based on certain estimates and assumptions that the mineral reserves and mineral resources described can be profitably produced in the future. These statements reflect belief of management of the Company ("Management") and are based on information currently available to Management. Although Management believes that these statements and information are based on reasonable assumptions, a number of factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements and information.

The forward-looking statements and information contained in this AIF and any documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statement and information after the date of this AIF to conform such statements and information to actual results or to changes in the Company's expectations except as otherwise required by applicable legislation.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF INDICATED AND INFERRED RESOURCES

This AIF uses the terms "Indicated" and "Inferred" Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of

Indicated Resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Resource exists, or is economically or legally mineable.

2 CORPORATE STRUCTURE

2.1 Incorporation

The Company was formed under the *Business Corporations Act* (Ontario) (“OBCA”) as Vedron Limited on March 24, 1972 by articles of amalgamation. On January 5, 1995 the Company amended its articles to change its name to “Vedron Gold Inc.” and to consolidate its shares on a one for ten basis. On 27 June 2007, the Company further amended its articles to change to the current name, “VG Gold Corp.” The Company’s head and registered office is located at Suite 520, 65 Queen Street West, Toronto, Ontario, M5H 2M5.

The Company is a reporting issuer in the Provinces of Ontario, Alberta and British Columbia. The common shares of the Company are listed on the Toronto Stock Exchange (“TSX”) under the symbol “VG” and on the Frankfurter Wertpapierbörse (“FWB”), commonly known as the Frankfurt Exchange, as “VN3”.

2.2 Intercorporate Relationships

Unless otherwise indicated herein, the terms ‘we’, ‘us’, ‘our’, ‘the Company’, ‘the Issuer’ and ‘VG Gold’ refer collectively to VG Gold Corp. The Company does not have any active subsidiaries.

3 GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

The Company is a natural resource company engaged in the acquisition, exploration and development of gold properties in Timmins, Ontario, Canada. The following is a summary of the general development of the Company over the last three years:

Fiscal 2006

In Fiscal 2006, the Company began drilling on the Buffalo Ankerite property at the beginning of the year. Results from this drilling were reported throughout the year.

The beginning of the year was also marked by the appointment of Mr Alex Falconer as Chief Financial Officer of the Company.

On 3 February 2006, the Company announced that it had finalized its previously-announced agreement to purchase gold milling equipment on terms which included \$50,000 cash, a one year \$200,000 note bearing 8% interest and 800,000 shares of the Company. A throughput charge will also be payable in the future on material processed through the equipment. The purchase of the milling equipment couples with Vedron’s (now VG Gold’s) agreement with the owners of the mill property for a preferential milling right.

In May 2006, the Company filed an updated 43-101 compliant report on the Fuller property, including a resource estimate. Later, in August, drilling on the Fuller Property began, leading to results reported later in the year.

On 9 January 2006, the Company completed a private placement of flow through common shares, issuing 275,750 shares. The shares were issued at \$0.40 for proceeds of \$110,300. The Company also paid finder’s fees of 6,948 common shares.

On 12 May 2006, the Company issued 4,192,334 units at \$0.60 per unit and 1.1 million flow through shares at \$0.60 per share, for gross proceeds of \$3,607,400. Each unit consists of one common share and one half of one common share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of \$0.66 until June 29, 2007 (following an extension in the original warrant term). An agency fee of 5% in cash and 10% in broker warrants, expiring 12 months from closing, was paid to Coniston Investment Corp.

Throughout the year, VG Gold (formerly Vedron Gold Inc) was active in preparing permit applications and on 22 November 2006, the Company announced that it had submitted permit applications for a permit to take water on the Fuller and Davidson Tisdale properties, a first step in furthering underground exploration of the properties.

Fiscal 2007

In fiscal 2007, the Company completed a \$5.5 million private placement financing. 13,750,000 units, consisting of 8,700,000 flow-through units and 5,050,000 hard dollar units were sold. Both units were issued at a price of \$0.40. The flow-through units were comprised of one flow-through common share and one-half of one common share purchase warrant. Each hard dollar unit was comprised of one common share and one common share purchase warrant. The warrants issued with the flow-through units and with the hard dollar units are identical, and each whole warrant entitles the holder to purchase one additional common share at a price of \$0.60 until 13 August 2008. An acceleration clause provides that if after 14 June 2008 the common shares of VG Gold close at \$0.90 for more than 20 consecutive trading days, VG Gold may issue a notice reducing the warrant term to 30 days from the date of the notice. Primary Capital Inc. acted as agent to the offering, and was paid a commission of 5% cash from the gross proceeds, as well as 7% in broker warrants, totalling 962,500, exercisable at \$0.40 until 13 August 2008, also subject to acceleration.

During the year, the Company carried out a drilling programme on the Davidson Tisdale and Buffalo Ankerite properties, to test for additional gold mineralisation.

On 27 June 2007, the Company filed with the Ministry of Government and Consumer Services to change its name from Vedron Gold Inc. to VG Gold Corp., a change which was announced on 01 August 2008. The Company's ticket symbols remained unchanged.

On the 18th of October 2007, the Company was conditionally accepted for trading on the Toronto Stock Exchange, keeping the symbol VG. Trading began on 30 October 2007.

Throughout the year, the Company completed and filed several technical reports on its properties:

Property	Report type, title	Authors, Date	Date filed on sedar.com
Davidson Tisdale	43-101 Exploration Report (2003-2005) and Resource Estimate Technical Report on the Tisdale Project	K Guy, E Purich, 26 March 2007	2 April 2007
Buffalo Ankerite	43-101, Qualifying Report on the Buffalo-Ankerite Property	P Bevan	5 June 2007
Buffalo Ankerite South Pit	Preliminary Economic Assessment, Buffalo Ankerite South Pit Project	R Moran, P Bevan, J Doran, May 2007	6 July 2007

Fuller	43-101, Technical Report on the Fuller Gold Property	Shahé Naccashian, 31 August 2007	4 December 2007
Davidson Tisdale	Preliminary Economic Assessment, Davidson Tisdale Project	R Moran, K Guy, R Doran, P Bevan October 2007	16 October 2007

Throughout the year, VG Gold continued its permitting processes, with a view to beginning production late in 2008. A permit to take water (PTTW) was issued for the Davidson Tisdale Property on 9 March 2007, for the Fuller Property on 15 March 2007 and for the Buffalo Ankerite Property, on 7 November 2007.

The Company continued with its Industrial Sewage Works (water discharge) permit applications for its properties. The Company is also planning amendments to the already-existing Davidson Tisdale closure plan, while closure plans for the Buffalo Ankerite and Fuller properties are in preparation for filing.

Fiscal 2008

In fiscal 2008, on December 29, the Company completed a non brokered private placement financing in the amount of \$320,000 consisting of 6,400,000 flow-through shares, at a price of \$0.05 per share.

During the year the Company carried out exploration drilling work on the Buffalo Ankerite property to extend the gold mineral inventory to depth below the area of near surface exploration work carried out in prior years.

On September 14, 2008 the option agreement on the Davidson Tisdale property expired with VG Gold having carried out sufficient exploration and development to earn a 68.5% interest in the property, with the remaining 31.5% held by Laurion Mineral Exploration Inc.

On June 13, 2008 the Company entered into a four year option agreement with Porcupine Joint Venture (a joint venture comprised of Goldcorp Canada Ltd. and Goldcorp Inc., hereinafter known as "Goldcorp") to earn a 60% interest in 16 patented claims located adjacent to the Fuller and Buffalo Ankerite properties. To exercise to option to earn 60% in the claims, VG Gold must spend \$5.5 million over 4 years. VG Gold made a \$40,000 payment on signing and issued 1 million 12 month warrants with an exercise price of \$0.309 per share. VG Gold will make a \$50,000 cash payment on June 13, 2009 and payments in shares of \$100,000 on the first and second anniversaries, \$150,000 on the third anniversary, and \$200,000 on the fourth anniversary of the agreement, to be issued at no less than \$0.20/share.

During March 2008 a Preliminary Economic Assessment report on the Fuller property was prepared for the Company and was filed on sedar.com and the company website, vggoldcorp.com, on 4 April 2008.

The Company continued its permitting activities during 2008 with a primary focus on the application for Industrial Sewage Works (mine water discharge) permits for the Davidson Tisdale and Buffalo Ankerite/Fuller properties.

3.2 Significant Acquisitions and Significant Dispositions

Paymaster Property Option Agreement

The Company signed an agreement with Goldcorp effective June 13, 2008, to earn a 60 percent interest in 16 claims of the Paymaster. Under the terms of the agreement, VG Gold has the option to earn a 60 percent interest

in these claims by incurring exploration expenditures of \$5.5 million over 4 years, subject to a Back-in-Right. Fourteen of the claims are in Deloro Township, of which thirteen are on the east side of the Buffalo Ankerite Property. The Aunor claim is on the west side of the Buffalo Ankerite Property. Two more Paymaster claims are optioned to the 4,075 foot level in the adjacent Paymaster Mine in Tisdale Township and are adjacent to the east side of the Fuller Property.

VG Gold also acquired a 100 percent interest in 4 claims in Tisdale Township from Goldcorp (the "Chisholm" claims) on the west side of the Fuller Property in exchange for the surface rights to 5 claims on the northern part of the Fuller Property.

Under the terms of the Option and Joint Venture Agreement, VG Gold can exercise its option and enter into a 60/40 Joint Venture agreement with Goldcorp once it has completed the \$6 million work program and made the payments of cash, shares and warrants specified below. Upon VG Gold exercising its option to form the joint venture, Goldcorp has a 6 month period where it can exercise the Back-in Right to increase its interest from 40 percent to 70 percent, and become the operator, by making a payment of \$710,000 to VG Gold, incurring exploration and development expenditures of \$8,250,000 on the property within two years of the Back-in Right notice and completion of a feasibility study within three years.

The terms of the agreement provide that VG Gold spend \$800,000 in the first year of the agreement, \$1.1 million in year two, \$1.6 million in year three and \$2.5 million in year four, for a total of \$6 million over 4 years. The first year work program of \$800,000 is a work commitment on the Goldcorp property. VG Gold is required to pay \$40,000 on signing and \$50,000 at the end of the first year. The company also issued 340,000 shares on signing and 1 million warrants expiring on June 13, 2010 with an exercise price of \$0.309 per share. VG Gold will issue shares with a value of \$100,000 on the first and second anniversaries, \$150,000 on the third anniversary and \$200,000 on the fourth anniversary of the agreement.

3.3 Trends and Risks

Commodity Prices

The Company does not own any metal or other mineral producing assets. The profitability of any mining operations in which the Company has an interest will be significantly affected by changes in the market price of the particular commodity. Metal and other mineral prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, central bank sales, world supply of metals and other minerals and stability of exchange rates, among other factors, can cause significant fluctuations in metal and other mineral prices. Such external factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of metals and other minerals has historically fluctuated widely and, depending on the price of metals and other minerals, revenues from mining operations may not be sufficient to offset the costs of such operations.

Lack of Cash Flow and Requirements for New Capital

The Company's current operations do not generate any positive cash flow and it is not anticipated that any positive cash flow will be generated for some time. The Company has limited financial resources and the mining claims, leases and licences which the Company holds and joint venture agreements to which the Company is a party impose financial obligations on the Company. There can be no assurance that additional funding will be available to allow the Company to fulfill such obligations.

Further exploration and development of the various mineral properties in which the Company holds interests depends upon the Company's ability to obtain financing through the joint venturing of projects, debt financing, equity financing or other means. Failure to obtain additional financing on a timely basis could cause the Company to forfeit all or part of its interests in some or all of its properties or joint ventures and reduce or terminate its operations.

Exploration Risks

Exploration for metals and other minerals is speculative in nature, involves many risks and is frequently unsuccessful. Any exploration program entails risks relating to the location of economic ore bodies, development of appropriate metallurgical processes, receipt of necessary governmental approvals and construction of mining and processing facilities at any site chosen for mining. The commercial viability of a mineral deposit is dependent on a number of factors including the price of the commodities, exchange rates, the particular attributes of the deposit, such as its size, grade and proximity to infrastructure, as well as other factors including financing costs, taxation, royalties, land tenure, land use, water use, power use, import and export costs and environmental protection. The effect of these factors cannot be accurately predicted.

All of the resource properties in which the Company has an interest or right are in the exploration and development stages only and are without reserves of metals or other minerals. There can be no assurance that the current or proposed exploration or development programs on properties in which the Company has an interest will result in the discovery of economic mineralization or will result in a profitable commercial mining operation.

Lack of Operating History and Operational Control

The Company has no current source of revenue and its ultimate success will depend on its ability to generate profits from its properties. The Company currently has no producing properties and operates at a loss. The Company's commercial viability is largely dependent on the successful commercial development of its properties.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, also cannot be ruled out.

Environmental Risks

All phases of VG Gold's mineral exploration operations are subject to environmental regulations pertaining to the City of Timmins, the province of Ontario and Canada. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect VG Gold's operations. Environmental hazards may exist on the properties on which VG Gold holds interests which are unknown to VG Gold at present and which have been caused by previous or existing owners or operators of the properties. VG Gold may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with VG Gold's operations. To the extent such approvals are required and not obtained, VG Gold may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The future costs of retiring mining assets include dismantling, remediation, ongoing treatment and monitoring of the site. These are reconciled and recorded as a liability at fair value. The liability is accreted, over time, through periodic charges to earnings. In addition, asset retirement costs are capitalized as part of the asset's

carrying value and amortized over the asset's useful life. As the Corporation has not yet begun mining or milling operations, the Company currently has no identifiable obligations in relation to the retirement of its assets save for the Buffalo Ankerite mine site, for which the Mining Lands Commissioner had issued an Order for the Company to use its best efforts to remediate the open pit on the site and to maintain security. The estimated cost to perform this work is \$284,000, of which no liability has been accrued in the financial statements as mining activities on the property have not been determined to be completed in their entirety.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on VG Gold and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water and the environment, VG Gold may become subject to liability for hazards that cannot be insured against. The Company is subject to all environmental acts and regulations at the federal and provincial levels.

These include, but are not limited to, the following:

Federal Level (Canada)	Provincial Level (Ontario)
Canadian Environmental Protection Act	Environmental Protection Act of Ontario
Fisheries Act	Mining Act
Navigable Waters Protection Act and Regulations	

To the Company's knowledge, there are no liabilities to date which relate to environment risks or hazards.

Competition

The Company competes with numerous other individuals and companies possessing greater financial resources and technical facilities in the search for and acquisition of attractive mineral properties.

Management; Dependence on Key Personnel

Investors will be relying on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company. The Company may need to recruit additional qualified personnel to supplement existing management. The Company is dependent on a relatively small number of key personnel the loss of any one of whom could have an adverse effect on the Company. In addition, while certain officers and directors of the Company have experience in the exploration and operation of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms. Certain directors and officers of the Company are associated with other natural resource exploration companies and may from time to time be in a conflict of interest. Directors and officers will be required pursuant to applicable corporation law to disclose any conflicts and directors will be required to abstain from voting in respect thereof.

Title Matters

The Company has investigated its rights to explore, exploit and develop its various properties and, to the best of its knowledge, those rights are in good standing. No assurance can be given that such exploration and mining authorities will not be challenged or impugned by third parties. There can be no assurance that the properties in which the Company has an interest are not subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects.

In addition, the Company's property interests do comprehensively extend to all claim units in all areas and there is a risk that commercially exploitable metal or other mineral deposits are located on adjoining properties which are not owned by the Company.

Aboriginal Land Claims

No assurance can be given that aboriginal land claims will not be asserted in the future in which event the Company's operations and title to its properties may potentially be seriously adversely affected. Recent court decisions have tended towards increased recognition of aboriginal land and mining title claims, and this may negatively affect the Company's ability to extract value from its properties.

Currency Risk

Currency fluctuations may affect the cash flow that the Company may realize from its operations, since metals and other minerals are sold in a world market in U.S. dollars, while the Company's costs are incurred in Canadian dollars.

4 NARRATIVE DESCRIPTION OF THE BUSINESS

4.1(1) General

The Company is engaged in the acquisition, exploration and development of gold properties. The Company's exploration and development properties are located in Timmins, Ontario, Canada. Exploration activities are focused on gold. In order to explore and develop the properties, the Company raises funds by sale of common shares, and may joint venture certain assets with partners possessing financial resources and/or exploration or development expertise.

No director, officer, insider or promoter of the Company has any interest in the mineral properties located contiguously to the property interests of the Company.

Principal Properties

The Company's three principal gold properties are situated in the Timmins Mining Camp within the geological structure the hosts the Hollinger, McIntyre, Dome, Aunor and several additional significant gold mines that have produced over 60 million ounces of gold.

A. Fuller Property

The Company has a 100% interest in seventeen patented mining claims covering 652 acres in Tisdale Township in Timmins, Ontario, Canada. The Fuller Property gold resource is situated steeply dipping gold zones between surface and 1,600 feet (500 metres) deep. The Fuller Property is developed by a decline ramp to a depth of 650 feet and 5 underground mine levels. Additional potential to increase the gold resource exists below 1,600 feet, where historic work indicates the presence of gold mineralization at greater depths. The Preliminary Economic Assessment filed April 2, 2008 on SEDAR envisions extending the ramp from 650 to 950 feet deep, adding two new mine levels and commencing an underground mining operation.

A portion of the property that contains less than 50% of the resource as per the estimate in the 43-101 report from Wardrop Engineering (filed on SEDAR May 5, 2006, updated version filed December 4, 2007), is subject to a 10% net profits interest calculated after all capital and operating costs have been recovered. Fuller Property, the Company's principal gold property, is in the advanced stage of exploration. See section 4.3.

B. Buffalo Ankerite Property

The Company controls a 100% interest in the Buffalo Ankerite Property, which is located directly south of the Fuller Property. The Buffalo Ankerite Property consists of 45 patented claims in Deloro Township. The Buffalo Ankerite Property produced 1,018,000 ounces of gold between 1926 and 1953, from a 4,000 feet deep production shaft. The Company began work by exploring near surface gold mineralization, and in early 2007 began exploration at greater depths on the property. Near the end of 2008, work began on an updated resource which was subsequently published on SEDAR in March 2009.

In May 2007 the Company filed a Preliminary Economic Assessment for an open pit mining operation in the eastern portion of the South Mine area, where previous open pit mining had occurred in the early 1980's. During 2008 the Company continued permitting activities to obtain approval for an open pit mining operation. The Buffalo Ankerite property is subject to a 10% Net Profits Interest, except for the south pit area of the South Mine, where it is subject to a 20% Net Profits Interest on ore mined by open pit mining methods.

C. Davidson Tisdale Property

Under the terms of the Second Amended and Restated Agreement with Laurion, VG Gold earned an interest of 68.5% in the property as of September 14, 2008 when the option terminated at completion of the option agreement entered into during December, 2005. As of December 31, 2008 the Company owns a 68.5% interest in 10 patented claims covering an area of 520 acres in the north eastern quadrant of Tisdale Township, Timmins, Ontario, Canada.

The Davidson Tisdale Property hosts gold in the Main Zone and the S Zone gold mineralized structures which are developed by a 550 feet deep decline ramp with 5 mine levels. A Preliminary Economic Assessment filed in October 2007 envisions a Mechanized Cut and Fill underground mining operation. The Company has carried permitting activities over the previous 2 years. Upon the completion of permitting, the Company is contemplating a surface bulk sample as the initial mining work, leading to a small open pit operation, before the commencement of underground mining.

D. Paymaster Property

On June 13, 2008 the Company entered into a 4 year option agreement to acquire a 60% interest in 16 patented mining claims that are adjacent to, and on strike with the gold mineralized zones situated on the Fuller Property and the Buffalo Ankerite Property. Acquisition of the Paymaster Property option gives the Company the opportunity to expand the Fuller Property gold resource to the east, the Buffalo Ankerite South Mine mineralization to both the east and west, the Buffalo Ankerite North Mine Mineralization to the east, and to follow up additional opportunities.

The Company may continue to seek gold and other mineral opportunities in Ontario.

Competitive Conditions

The resource industry is highly competitive. The Company competes with a number of companies, many of which possess greater financial resources. Competition could negatively affect the Company's ability to attract capital and/or acquire additional exploration properties in the future.

The business of the Company is subject in part to availability of capital attracted to speculative business ventures.

Company Operations

The Company is not currently a party to any major contracts that are anticipated to be materially renegotiated.

The Company follows best industry practice in dealing with the environment issues related to mining exploration. The mining exploration programs that are undertaken are generally non-invasive. In certain instances permits are required to conduct mining exploration. These permits are obtained from the applicable provincial regulatory bodies, including the Ministry of Northern Development and Mines.

4.1(2) Bankruptcy or Similar Proceedings

There have been no bankruptcy, receivership or similar proceedings against the Company, or any voluntary bankruptcy, receivership or similar proceedings by the Company within the three most recently completed financial years or the current financial year.

4.1(3) Material Reorganization

There has been no material reorganization of the Company within the three most recently completed financial years or the current financial year.

4.2 Issuer with Asset-Backed Securities Outstanding

The Company has no asset-backed securities outstanding.

4.3 Issuers with Mineral Projects

A. Fuller Property

The Company holds a 100% interest in the 17 claims which host the 2,500 feet long Fuller Deposit on two claims, known historically as the Fuller Claim and the Dobie Claim. The Dobie Claim is subject to a 10% Net Profits Interest, which is payable after capital costs and operating costs have been recovered.

The Fuller Deposit has been developed by a 650' deep decline ramp and 5 mine levels. Exploration drilling has been focused from surface, to a depth of 1,600 feet (500 metres), with additional potential to greater depths.

The following information (in italics) relating to the Fuller Property is an abridged version of a report titled Mineral Resource Estimate of the Fuller Gold Property dated May 3rd, 2006 (the "Technical Report") prepared for the Company in accordance with National Instrument 43-101 disclosure standards, by Shahé Naccashian and Tim Manula of Wardrop Engineering Inc. ("Wardrop"). Such information has been included herein with the consent of the authors. The full text of the Technical Report was filed as a separate SEDAR document on May 5th, 2006. A revised copy of the report was prepared in August 2007 and filed 4 December 2007, with an update to the recommended exploration plan, but otherwise being substantially similar.

The Fuller property (the Property) is located in the Tisdale and Deloro Townships, approximately three kilometres southeast of Timmins, in the heart of the Timmins gold camp.

Vedron (now VG Gold) holds 100% interest in the Fuller property, consisting of patented mining claims in Tisdale and Deloro Townships within the Porcupine Mining Division.

Geologically, the Property straddles the broad Porcupine-Destor fault zone which historically has been the focus of virtually all previous exploration and gold mining activity in the Timmins gold camp. The Timmins area is underlain principally by Archean-aged supracrustal rocks of the southern Abitibi greenstone belt. These rocks are subdivided into two major assemblages: the Deloro and Tisdale groups.

The Deloro group, approximately 4,500 to 5,000 metres in thickness consists of a lower volcanic formation of ultramafic rocks and diorite, a middle volcanic member of calc-alkaline basalt and andesite with minor pyroclastic rocks, and an upper volcanic member consisting mainly of calc-alkaline felsic pyroclastic rocks. Iron formation is common at or near the top of the sequence (Pyke, 1982). In the stratigraphic reassignment of Jackson and Fyon (1991), the Deloro assemblage consists only of the middle volcanic member, and the Eldorado assemblage consists of the upper volcanic member. The Tisdale group, estimated to be up to 7,000 metres thick, consists of a 300 to 3,000 metre thick lower volcanic formation of komatiitic and tholeiitic basalt flows, a middle volcanic formation of tholeiitic basalt, and an upper volcanic formation consisting dominantly of felsic calc-alkaline pyroclastic rocks (Pyke, 1982). Jackson and Fyon (1991) include only the lower two formations in the Tisdale assemblage, and the upper formation in the Krist Assemblage.

Gold mineralization on the Fuller property belongs to the structurally controlled Archean lode gold class of deposits. Structurally hosted, low-sulphide, lode gold vein systems in metamorphic terrains from around the world possess many characteristics in common, spatially and through time; they constitute a single class of epigenetic precious metal deposits, formed during accretionary tectonics or continental delamination.

The bulk of the more than 60 million ounces of gold production in the Porcupine district in the Timmins area has been from well-known deposits in Tisdale Township north of the Porcupine-Destor fault zone. These include the producing Dome Mine (more than 12 million ounces) and the past-producing Hollinger (19.35 million ounces), McIntyre (10.36 million ounces), Coniaurum (1.11 million ounces), Paymaster (1.19 million ounces) and Preston East Dome mines (1.54 million ounces). In the northern part of Deloro Township are the former Buffalo Ankerite (1.0 million ounces), Aunor (2.5 million ounces) and Delnite (0.92 million ounces) mines, as well as one of the Paymaster shafts on the Placer Dome property. Most of the production has been from deposits, which occur within or immediately adjacent to the Tisdale group. The average historical underground-recovered grade of Timmins area deposits has been about 0.25 opt Au. The Dome mine is currently producing from an open pit (the superpit) at a grade of about 0.07 opt Au, as well as underground operations at a grade of about 0.13 opt Au.

The following is excerpted from the “Preliminary Economic Assessment” from March 2008 by R.D. Moran, P.A. Bevan and R.J. Doran.

SUMMARY

Introduction:

The Fuller Project is a proposed underground mining program which will extract 824,400 tons of ore in order to recover 153,970 ounces of gold bullion. Phase I of the mine plan expands the existing ramp access and lateral development to the 650 foot level in order to mine 476,000 tons while Phase II of the plan involves deepening of the ramp to the 950 foot horizon and associated lateral work to extract an additional 348,400 tons.

The overall activities will consist of dewatering, mine rehab, surface plant procurement and setup, 22,000 feet of lateral and vertical development and shrinkage mining of multiple ore blocks. The waste produced during this project will be stockpiled on site. Ore grade material will be trucked via highway haulage equipment to a local mill for processing under a custom milling agreement. The tailings will be stored in the custom mill's existing tailings pond and will be treated and monitored by the custom miller.

MINE PLAN & BUDGET

Progress on permitting and addressing the potential social concerns of the nearby residents is ongoing.

The lead time required to receive an approved closure plan is the one activity that is out of an operator's direct control. The economic study evaluates the mining of a total of 824,000 tons at a maximum annual rate of 180,000 tons per year. The actual mining of this volume will require 4.6 years to complete, plus the initial first year of plant set up and mine dewatering. The mining method used will be the standard shrinkage stoping method which will provide the best control over the final mining grade. This method has low productivity rates which are off-set by lowering underground haulage costs, surface trucking and custom milling charges. The ore zone geometries, such as vein width, vein dip angle and host rock competencies adapt to the shrinkage mining method. At full production an average mining rate of 500 tons per day has been used for budgeting and cash flow calculations. Development crews will provide 80 to 100 tons per day with the remaining tonnage coming from stope swell muck and eventually free pull from the stopes. The multiple zones and preexistence of roughly 7000 feet of ramp and sill development will provide a variety of options, above the 550 level, to reach a production rate of 500 tons per day.

Pre –Production Capital & Operating Costs

The resources above the 650 level were reviewed in detail and a conservative mining plan was developed using the standard haulage, draw point and service raise development approach. Stope sizes ranged from 16,000 to a maximum of 40,000 tons in volume. Production rates within the stope were set at 25 tons per man-shift and a development rate of 14 feet per day per heading was used to calculate labour and consumable costs. The capital costs of the underground mobile equipment are rolled into the development and production costs in the form of rental or lease purchase amounts.

Maintenance costs are included in the development and production costs in the form of hourly operating rates for each type of equipment needed for each activity.

Pre-production capital includes all lateral and vertical development, either in ore or waste, which is required to actually bring an ore block to the point where stoping can begin. The extension of the main ramp to the 950 level is scheduled for early in year 2 of the actual start of mining. The scheduling of the 950 ramp extension as soon as possible allows for production tonnage from the 800 and 950 levels while at the same time tonnage is available from 500 and 650 levels thereby smoothing out the demands on the size and number of trucks.

Project costs were developed assuming a Mining Contractor would be involved with the project.

There is a "Contractor's" fee added into the cost per foot and cost per ton calculations. VG Gold will provide the project administration, engineering and geology while the Contractor supplies direct supervision, maintenance and mining labour. The underground equipment fleet is also supplied by the Contractor on a rental basis throughout the project.

For a project of this duration the ownership of the equipment and or a final buyout of the equipment would normally be factored into the tender document. For this study, no residual value of the surface plant or underground fleet has been factored into the final cash flow model.

The table below is extracted from the Moran, Bevan, Doran 2008 Preliminary Economic Assessment on the Fuller Property, Section 9.0:

FULLER PROJECT – RESOURCES ESTIMATE

Section 17 of the Wardrop 43-101 report for the Fuller property; details the various calculation methods, modeling parameters, and validation procedures used to calculate the mineral resources on the Fuller property. The data in Table 9.1 summarizes the “Wardrop 43-101” calculation of the indicated and inferred resources using a .075 ounce per ton cut off grade.

Undiluted Resource Estimate @ .075 oz cut off

<i>Indicated Resources:</i>	<i>1,533,489 tons grading 0.162 oz. Au/ton</i>	<i>Containing 248,000 oz. gold</i>
<i>Inferred Resources:</i>	<i>1,813,065 tons grading 0.165 oz. Au/ton</i>	<i>Containing 299,960 oz. gold</i>
<i>Total :</i>	<i>3,346,554 tons grading 0.163 oz. Au/ton</i>	<i>Containing 547,960 oz. gold</i>

B. Buffalo Ankerite Property

The Company controls a 100% interest in the Buffalo Ankerite Property, subject to a 10% NPI, except on gold extracted from the South Mine Open Pit, which is subject to a 20% NPI. The Buffalo-Ankerite Property is a historic Timmins Camp producer, with past production from the 4000 feet deep production shaft and from a small open pit.

VG Gold is carrying out an exploration drilling program on the Buffalo Ankerite Property that is designed to test for additional deeper gold mineralization, below the known near surface gold mineralization in the South Mine area of the property.

Drilling work is exploring the east-west trending gold zones that are located in the South Mine area of the Buffalo Ankerite property, and then trend to the west towards the Aunor Mine where the South Mine is situated. The property saw historical production of 1,018,000 gold ounces between 1926 and 1953 (Ontario Ministry of Northern Development and Mines, Buffalo Ankerite & Ankerite March listings). The property continues to hold significant potential to explore and develop deeper, down dip gold mineralization where historical workings reach a depth of 4,000 feet. Records of historic underground workings and current drilling indicates good potential to expand gold mineralization within the known geological structure of the Buffalo Ankerite Property.

The drilling has intersected a number of rock types typical of the Timmins gold camp, including ultramafic volcanic, porphyry, and mafic volcanic rock, the main host rock of former gold production at the Buffalo Ankerite Mine and the neighbouring Aunor and Dome Mine properties. Mineralized quartz tourmaline breccia and/or quartz vein system hosted within pervasive sericite-ankerite altered volcanic sequences or mineralized quartz porphyry is prevalent on the property. Alteration and mineralization is similar to that found at the Dome and Aunor Mines as well as the Buffalo Ankerite Mine.

A full description of the Buffalo Ankerite property is available in an updated report written by Peter Bevan, P.Eng, entitled “Qualifying Report on the Buffalo Ankerite Property - South Porcupine”, dated 11 February 2009, and filed on SEDAR on 25 March 2009. A Preliminary Economic Assessment, authored by R Moran P.Eng, P Bevan P.Eng and R Doran P.Eng on the South Pit area was prepared in May 2007 and was filed on SEDAR 6th July 2007.

The following information (in italics) relating to the Buffalo Ankerite property is an abridged version of a report by Peter Bevan, P.Eng, entitled “Qualifying Report on the Buffalo Ankerite Property—South Porcupine,” dated 11 February 2009 and filed on SEDAR on 25 March 2009.

The Buffalo Ankerite property is situated in Deloro Township about 3.5 miles southeast of the city of Timmins in Northern Ontario. The property, a past producer, forms part of the historic Porcupine Gold Camp. The patented mining rights claims are readily accessible and are all in good standing.

The property has a long history of exploration, development and production. During the years 1926 to 1953 total production from the North and South Zones amounted to about five and a half million tons yielding over one million ounces of gold with minor silver credits.

The Timmins area is part of the Western Abitibi Greenstone subprovince of the Superior Province. The Buffalo Ankerite North and South deposits are located primarily within a narrow pillowed mafic volcanic flow unit of the Central Series, Tisdale Assemblage. The Tisdale Assemblage is bounded to the south by the Dester-Porcupine Fault, a major regional structure in the Timmins Mining Camp. The volcanic rocks are complexly folded around the South Tisdale Anticline and the Kayorum Syncline resulting in an S- shaped flexure in the stratigraphy. The South limb of the syncline strikes approximately E-W and dips 70 °N (South Zone) while the other limb strikes N 50 °W and dips 70 °SW (North Zone). The pillowed mafic volcanic rocks show moderate to strong ankerite alteration and weak sericite alteration. The majority of the mineralization is associated with tourmaline-quartz-carbonate breccia zones. Breccia fragments are comprised of ankerite-sericite altered, mafic volcanics within a tourmaline-ankerite rich matrix. Generally the finer the size of the carbonatized mafic fragments, the higher the gold grade.

The North and South Zones have been extensively drilled by various companies including VG Gold. Only diamond drill holes have been used in the resource estimates because no sampling/ assaying data was available from the underground workings. The results achieved by the writer in estimating resources in the Indicated and Inferred categories are as follows:

South Zone

	<u>Tons</u>	<u>Tonnes</u>	<u>Grade</u> (oz Au/ton)	<u>Grade</u> (gr Au/tonne)	<u>Contained oz.</u>
Indicated	1,341,764	1,217,228	0.134	4.582	179,322
Inferred	1,985,259	1,800,997	0.127	4.350	251,872

North Zone

	<u>Tons</u>	<u>Tonnes</u>	<u>Grade</u> (oz Au/ton)	<u>Grade</u> (gr Au/tonne)	<u>Contained oz.</u>
Indicated	404,929	367,346	0.138	4.738	55,953
Inferred	210,907	191,332	0.130	4.447	27,356

Note: Approximately 51% of the indicated and 42% of the Inferred North Zone resources are situated on VG Gold ground while the remainders lie in the Paymaster Property which has been optioned by VG Gold from Goldcorp.

Excerpt from Preliminary Economic Assessment from May 2007, by R.D. Doran P.Eng, P.A. Bevan P.Eng, J.R. Doran P.Eng:

Introduction:

The Buffalo Ankerite South Zone Project is a proposed gold mine using conventional open pit mining methods with a designed depth of 150 feet and a strike length of 1600 feet. The overall activities will consist of the dewatering, overburden stripping, waste stripping, mine backfilling, waste and ore mining, followed by gold extraction at a local mill facility. The waste produced during this project will be stockpiled adjacent to the open pit. Ore grade material will be trucked via highway haulage equipment, to a local mill for processing under a custom milling agreement. The tailings will be stored in the custom mill's existing tailings pond and will be treated and monitored by the custom miller.

MINE PLAN & BUDGET

Progress on permitting and dealing with the potential social concerns of the nearby residents is underway. At a rate of 1000 tons of ore production per day and a stripping ratio of 3.5 waste to 1 ore, the mining will take approximately 14 months to complete from the initial start of mining. Lead time for regulatory reviews and approvals, contract tenders, social resolutions and dewatering have been forecast to take 9 months from the start of the process (February 1st ,2007).

CAPITAL & OPERATING COSTS

Capital costs are confined to the up front finite activities which can be subcontracted out as required, to advance the project startup. These costs cover such startup charges as permitting, engineering, town site agreements or buyouts, site preparations, settling ponds and overheads during this phase. The total budget for pre-production reaches a maximum of \$2.97 M in the first quarter of 2008. A credit of \$1.5 M is applied in 2009 as a potential resale value of the town site once pit mining is completed.

The time frame for this project from the start of site preparation to closure is under 24 months. In order to minimize capital outlay for equipment and for estimating the operating costs of mining, the approach used for this evaluation is to use a contractor with pit mining experience as the primary source of labour and equipment. Several local contractors with past experience with grade controlled pitting techniques have been contacted for budget numbers for the mining of the Buffalo Ankerite South Pit. A preliminary pit design was submitted to each of the contractors. For the purpose of this study, the budget numbers from the highest and lowest submissions were not used in the cash flow model.

The following specifications were provided to the potential mining contractors.

The daily ore production rate of 1000 tons per day was specified, using grade control drilling and blast methods. Maximum waste bench heights of 30 feet are planned and ore benches were kept to 15 feet in depth as a grade control method. The pit mining costs submitted included all labour, consumables, equipment rentals, equipment operating,

markup and overheads necessary to excavate 104,000 tons of overburden, 432,000 tons of ore and 1,520,000 tons of waste. The total estimated cost to excavate these quantities is \$7.2 M.

C. Davidson Tisdale Property

The Company has earned an undivided 68.5% interest in the 520 Acres Davidson Tisdale Property as of the completion of the option agreement on September 14, 2008. A joint venture with Laurion is to be formed for the purposes of further exploration, development and commercial production on the properties. Under the terms of the joint venture agreement the Company will be the operator for the purposes of conducting future mining operations.

The Davidson Tisdale Property has been developed by a decline ramp to a depth of 550 feet and five mine levels. Historic mining took place in the 1920's. The Company is completing permitting work and is planning to initiate pre-production mining work with a surface bulk sample from a small surface pit.

A full description of the Davidson Tisdale Property is contained in reports entitled "Davidson Tisdale Gold Property, Timmins, Ontario Technical Report" dated November, 2003 prepared by Geostat System International Inc. and "Exploration Report (2003-2005) and Resource Estimate Technical Report on the Tisdale Project" prepared by Kenneth Guy, P.Geo. and Eugene Puritch, P.Eng. on 26 March 2007. Both Davidson Tisdale reports have been filed as public documents on SEDAR on 1 December 2003 and 2 April 2007, respectively and are available by visiting the SEDAR public documents site, sedar.com. A Preliminary Economic Assessment on the property has been prepared in October 2007 by R Moran P.Eng, K Guy P.Geo, R Doran P.Eng and P Bevan P.Eng and filed on SEDAR 16 October 2007.

The following information (in italics) is a summary of the Preliminary Economic Assessment report of October 2007 prepared by Ronald Moran, P.Eng, Kenneth Guy, P.Geo, Rodney Doran, P.Eng. and Peter Bevan, P.Eng.

Property Description & Location:

The Davidson Tisdale property is located approximately 3 km along strike from three mines which have produced over 31 million ounces of gold. Since discovery in 1911 the property has been explored intermittently. Much of the drilling has concentrated on three areas and was aimed at grade definition in selected areas. The majority of the drilling has been concentrated around the historic underground workings to a depth of approximately 160 metres below surface. A few holes were drilled to greater depths and the deepest known hole intersected the mineralized zone at over 400 m depth.

Several shafts have been sunk on the property with a decline driven for 1,081 m and to a vertical depth of approximately 150 m. Numerous historic, shallow depth vertical and an inclined shaft are also present on the property.

Local Infrastructure and Resources:

The Timmins area is well serviced by mine contracting and mine equipment suppliers. The Timmins area has the expertise and a knowledge base, required to mine safely using underground methods.

VG Gold Corp. conducted surface drilling on the property during the period 2003 to 2006. A total of 56 holes, 12,138 metres were completed. Drilling was primarily focused on increasing the resource of the Main Zone, along strike and at depth. Previous exploration had been concentrated in the vicinity of the historic workings

with little drilling below the –500 foot level of the mine. Typically, mines in the Timmins camp have great depth extent, commonly exceeding 2000 feet.

Results from the VG Gold Corp. drilling were very favourable, indicating high-grade gold mineralization below and peripheral to the historic exploration and resources.

Geological Setting:

The area exhibits a complex structural pattern with at least three major periods of deformation being recognized. This tectonic activity has resulted in a series of doubly plunging, upright, isoclinal folds which are offset by major fault structures and related secondary faults.

The following are the main characteristics of gold occurrence in the Timmins Camp:

- The dominant source of gold is within quartz vein lodes containing locally spectacular free gold
- The quartz vein lode deposits are structurally controlled areas of dilatancy which permitted the development of vein zones.
- The majority of gold production in the Camp is hosted by rocks of the Tisdale Group.
- Some gold production is hosted in pyrite-bearing pyroclastics within the mafic volcanics of the Tisdale Group.
- Some production comes from quartz veins within the sediments of the Porcupine Group where they unconformably overlie productive portions of the Tisdale Group.

The abundance of faults is one of the most prominent features of the Davidson Tisdale property. Three distinct fault sets have been identified from underground workings on the property (Watts, Griffis, and McOuat, 1988). The faults are moderate to strong shear zones up to two metres in thickness. All known mineralized blocks lie within or very close to these faults. The “Main Fault” strikes 060° and dips 50° to the north. There is a set of faults, which generally parallel the main fault, but dip at 60° to 75° to the north. The second set of faults strikes 025° and dips northwest at 60° to 65° . These have been noted between fourth and fifth levels, representing a dilatant zone between two 060° structures. They contain prominent short veins, locally with gold mineralization. The third set trends 080° , dipping 30° to the north. These are limited to the east end of the workings and contain large “blow-outs” of quartz with erratic gold grains.

Over 74,000 metres of diamond drilling has been completed over an 85 year period with roughly 63,000 metres of this total having been drilled within the last 20 years. The NI 43-101 compliant mineral resource estimate was compiled by Ken Guy, P. Geo., an independent consulting geologist with over 25 years of exploration and property evaluation experience. The 43-101 report compares the results of three independent calculations from three credible sources with the most recent being produced by P & E Consultants of Brampton, Ontario. It is the data from the P & E Consultants’ block modeling that has been used to develop an underground mining resource tonnage for this economic study.

The author has evaluated the Davidson Tisdale Project as an underground gold mine using bulk mining methods to extract the core of what is referred to as the “Main Zone” from the 3100 m elevation to the 3200 m elevation plus a remnant of the “S” Zone. The overall activities will consist of the following:

- 1.) surface plant construction - c/w engineering ,geology and operations offices, mine dry, first aid room, mine rescue room, shop, generator and compressor structure, Horseshoe shaft rehab, backfill plant construction, settling ponds and ventilation fan housing
- 2.) dewatering and rehabilitation of the ramp to the 3150 m elevation
- 3.) deepening the ramp to the 3100 m elevation
- 4.) mining of 374,000 tonnes by MCF methods
- 5.) trucking and milling of the above tonnage to a local custom mill

The waste produced during this project will be used to supplement the need of stope backfill and it is the intention that no waste stockpile will be present at the completion of this project. Ore grade material will be trucked via highway haulage equipment to a local mill for processing under a custom milling agreement. The tailings will be stored in the custom mill's existing tailings pond and will be treated and monitored by the custom miller. VG Gold Corp. has also advanced the permitting process up to and including submission of an application for a C of A to discharge process water, and is in the final stage of fulfilling the requirements in order to submit a closure plan for approval. Public consultations have been held and three native groups have received letters along with formal sit down meetings detailing the project.

MCF Mining:

The mining crew would consist of 8 men per shift of which 3 will be seasoned production miners. The remaining will consist of a 2 man backfill crew and a 3 man haulage crew. Assuming a 3 shift rotation, the total crew would approach 40 when counting supervision, maintenance and technical staff.

The project costs have been calculated using a mining contractor as the primary source of equipment and manpower. VG Gold will have their own project managers, engineering and geology departments on site. The production costs have contract labour, materials and underground mining equipment rental rates included. Total equipment rental charges approach \$3 million over the two year project. No end of project buyout has been factored into the cash flow model. This option or the upfront purchase of the production equipment by VG Gold would inevitably be evaluated in a future detailed study. A contractor's fee on labour in the amount to 25 % has also been built into the mining costs. This results in an additional labour cost of \$1.74 million over the two years. The mining schedule will begin with the advancing of the current ramp bottom another 300 metres from the 3150 elevation to the 3100 level. This capital expenditure will allow for the extraction of the 3120 stope block containing 61,800 tonnes. The geometry of this block may allow bulk mining of this zone but for the purpose of this study the author has assumed MCF costs.

The productivity advantage of using the MCF method in this ore zone comes from the ability to excavate wide spans using conventional ground support. The author has studied the size of openings created during the 1925 exploration campaign and also the photographs taken in the mid 1980's by Getty Resources of these same openings. The wide spans of these old openings combined with the lack of any serious ground falls lead the author to believe that this deposit is a good candidate for wide span MCF mining. Conventional ground support for this method includes the incorporation of post pillars or rib pillars into the excavation design along with the standard mechanical support systems. In addition to these methods, the use of cable bolt pillars developed at the Detour Lake Mine during the early 1990's, can be incorporated into the stope limits in order to minimize the loss of gold which may result with the use of post or rib pillars.

The 3150 stope block contains 203,000 tonnes over a vertical drop of 50 metres. This equates to 4060 tonnes per vertical metre. Using a 4 metre mining height will result in an average 16,240 tonne volume for each mining cut. The actual daily production will have to be 650 tonnes per day to average out to 500 tonnes per day when down time for backfilling is factored in. This would mean that an average breast width of 15 metres will have to be cycled per day to achieve the 500 tonne average. The study assumes only one lift is active at a time but the ramp's location through the middle of the zone will in most cases allow for two active faces on each lift.

The following table presents a comparison of the reserves as determined by Geostat with those of Getty

**Geostat Systems Resource Estimate Compared with
Getty Reserves at 1.7 g/t cut-off**

Zone	Geostat Systems		Getty Metals	
	Tonnes	Grams Au/t	Tonnes	Grams Au/t
Main Shaft Upper	125,042	8.29	72,926	11.79
Main Shaft Lower	524,677	9.19	319,679	13.48
Smith Vet "S"	1,140,800	4.73	287,218	12.91
TOTALS	1,790,519	6.28	679,823	13.06

D. Paymaster Property

The former producing Paymaster Property, optioned by VG Gold, contains the extension of the 2,500 feet long Fuller deposit for an additional 1,320 feet (one claim) to the east of the Fuller Property boundary on to the Paymaster Property. The gold zones plunge from surface on the Fuller property across the property line to depth onto the Paymaster Property where future drilling is planned to increase the extent of gold mineralization.

The Paymaster Property also contains mineralized extensions to the Buffalo Ankerite North Mine and the South Mine to the east, plus one additional claim extending to the west of the Buffalo Ankerite South Mine, where the former producing Aunor Mine is located.

E. Augdome Property

The Company has a 100% ownership in the Augdome Property. The property consists of 22 patented mineral claims in Tisdale Township.

F. Windsor Property

The Windsor property hosts a 1.5 km section of the Pipestone Fault which is prospective for gold mineralization. The Company is seeking to dispose of this property.

5 DIVIDENDS

The Company has not paid any dividends since its incorporation and does not anticipate the payment of dividends in the foreseeable future. At present, the Company's policy is to retain earnings, if any, to finance exploration on its properties. The payment of dividends in the future will depend upon, among other factors, the Company's earnings, capital requirements and operating conditions.

6 SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of Common Shares of which 93,066,014 were outstanding as at December 31, 2008. At the time of filing of this AIF, 93,666,014 Common Shares are outstanding.

6.1 Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each Common Share held at all meetings of the shareholders of the Company. The holders of Common Shares are entitled to (a) receive any dividends as and when declared by the board of directors, out of the assets of the Company properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of the Company (after payment of all outstanding debts) in the event of any liquidation, dissolution or winding-up of the Company. The holders of the Common Shares have no pre-emptive, redemption or conversion rights.

6.2 Options and Warrants

There were 3,620,000 stock options outstanding issued to directors, officers, consultants, and employees of the Company exercisable at prices ranging between \$0.20 and \$0.60 per share, as at December 31, 2008, of which 550,000 were options granted by the Company for the period ending December 31, 2008, exercisable at \$0.40 each. There have been no changes between the year end and the date of this filing.

The Company had 1,000,000 purchase warrants outstanding at December 31, 2008, all exercisable at \$0.309. All remain outstanding as of the date of filing of this AIF.

6.3 Securities Held in Escrow, in Pool or Subject to Hold Restrictions

Escrowed Securities

None of the common shares of the Company are subject to escrow restrictions.

Securities Subject to Pool

None of the common shares of the Company are subject to Pooling restrictions.

Securities Subject to Hold Periods

6,400,000 and 600,000 common shares of the Company are subject to a hold period restrictions, until 30 April 2009 and 7 May 2009 respectively.

7 MARKET FOR SECURITIES

The common shares of the Company are listed for trading on the Toronto Stock Exchange under the symbol "VG". The Company is also listed on the Frankfurter Wertpapierbörse under the symbol VN3.

Monthly Summary

Date	High	Low	Volume
Jan-08	0.40	0.30	949,242
Feb-08	0.355	0.285	536,400
Mar-08	0.31	0.23	364,780
Apr-08	0.25	0.195	945,663
May-08	0.235	0.17	960,555
Jun-08	0.25	0.185	195,831
Jul-08	0.235	0.155	528,333
Aug-08	0.20	0.145	116,730
Sep-08	0.145	0.07	3,859,483

Date	High	Low	Volume
Oct-08	0.09	0.04	3,099,822
Nov-08	0.10	0.04	3,113,157
Dec-08	0.0855	0.055	618,249
Jan-09	0.12	0.065	694,550
Feb-09	0.095	0.065	534,300
Mar-09	0.085	0.07	282,704

Includes data only from the Toronto Stock Exchange, as other data are not available.

8 DIRECTORS AND OFFICERS

8.1 Directors and Officers

The following table sets out the name, municipality of residence, present position(s) held with the Company, principal occupations during the last five years (unless otherwise indicated) and security holdings of each director and officer of the Company:

Name and Municipality of Residence	Position(s) Held with the Company	Date of Appointment and Expiry of Term as directors	Principal Occupations During the Past Five Years	Security Holdings
Thomas W Meredith Toronto, Ontario	President and Director	August 8, 1994, Expiry: 2009 ⁽⁶⁾	President of VG Gold Corp.; Director of Mustang Minerals Corp.	2,286,518 common shares 300,000 options
Alex Falconer Burlington, Ontario	Chief Financial Officer	January 19, 2006	Chartered Accountant, business executive.	45,000 shares 200,000 options
Robin Dunbar ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Toronto, Ontario	Director	September 6, 2005 Expiry: 2009 ⁽⁶⁾	President of Mustang Minerals Corp., CFO of Aquila Resources Inc.	115,000 common shares 375,000 options
Declan Costelloe ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Lakewood, Colorado	Director	May 18, 2005 Expiry: 2009 ⁽⁶⁾	Mining geologist and chartered engineer, mining consultant. Previously investment manager with Veneroso Associates Gold Advisors.	50,000 common shares 400,000 options

Name and Municipality of Residence	Position(s) Held with the Company	Date of Appointment and Expiry of Term as directors	Principal Occupations During the Past Five Years	Security Holdings
Nadim Wakeam Toronto, Ontario	Secretary	September 3, 2003	Partner, Blaney McMurtry LLP, a law firm; prior to April 2005, Partner, McLean & Kerr LLP, a law firm.	150,000 common shares 400,000 options 25,000 warrants
John Tait Toronto, Ontario	Chief Operating Officer and Director	February 2007 Expiry: 2009 ⁽⁶⁾	CEO, White Pine Resources Inc. and Chief Operating Officer, VG Gold Corp.	400,000 common shares 400,000 options

- (1) Member of the Audit committee.
- (2) Member of the Governance committee.
- (3) Member of the Disclosure committee.
- (4) Member of the Compensation committee.
- (5) Member of the Nominations committee.
- (6) All directors' current terms of office continue until the next annual meeting of shareholders at which time the board of directors will be elected. Officers are normally appointed by the board of directors by written resolution or at a meeting held immediately after the annual shareholder meeting. The last Annual General Meeting was held 25 June 2008. All directors and officers will continue to serve in their respective capacities until they resign or are replaced.

As of the date hereof, the directors and officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 3,046,518 common shares, representing 3.25% of the outstanding common shares of the Company. The information as to securities beneficially owned or over which control or direction is exercised, is not within the Company's knowledge and has been furnished by the directors and officers of the Company individually.

8.2 Corporate Cease Trade Orders or Bankruptcies

None of the directors or officers of the Company have been the subject of corporate cease trade orders. None of the directors or officers of the Company have been a director or officer of an issuer that has made a proposal order under bankruptcy or insolvency laws.

8.3 Penalties or Sanctions

None of the directors or officers of the Company have been a director or officer of a Company that has been subject to any penalties or sanctions imposed by a court or regulatory body.

8.4 Personal Bankruptcies

No director or officer of the Company has become bankrupt or made a proposal under any legislation relating to a bankruptcy or insolvency or arrangement with creditors.

8.5 Conflicts of Interest

Some of the directors and officers of the Issuer are or may be on the Board of Directors or act as directors and officers of other resource companies from time to time. To avoid the possibility of conflicts of interest which

may arise out of their fiduciary responsibilities to each of the Boards, all directors have agreed that participation in resource prospects offered to them will be allocated between the various companies on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate.

Other than as discussed above or disclosed elsewhere in this AIF, management of the Company is not aware of any material interest, direct or indirect, of any director or senior officer of the Company, any person or company beneficially owning, directly or indirectly, more than 10% of the Common Shares of the Company or any associate or affiliate of the Company in any transaction within the last three years or in any proposed transaction which in either case has materially affected or will materially affect the Company.

8.6 Legal Proceedings

The Company is not currently a party to any legal proceedings.

8.7 Transfer Agent

The Company's Transfer Agent is Trans Canada Transfer, of 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1. Trans Canada Transfer transfers all common shares of the Company. Warrants transfer requests are currently processed directly by the Company.

8.8 Material Contracts

The Company's current material contracts are as described elsewhere in this AIF: the contract with Laurion for the formation of a joint venture and the option agreement with Goldcorp.

8.9 Names of Experts

The Experts who have provided reports filed under National Instrument 51-102 (Continuous Disclosure Obligations) and referenced in this AIF are:

Segal LLP, the Company's Auditor.

Shahé Naccashian and Tim Manula of Wardrop Engineering Inc., who prepared the NI 43-101-compliant report on the Fuller Property.

Kenneth Guy, P.Geo. and Eugene Purich, P.Eng. of P&E Mining Consultants Inc. who prepared the NI 43-101-compliant report on the Davidson Tisdale property.

Peter Bevan, P.Eng., who prepared the NI 43-101-compliant report on the Buffalo Ankerite property.

Ron Moran, P.Eng, Peter Bevan, P.Eng and Rod Doran, P.Eng, who prepared the Preliminary Economic Assessment on the Buffalo Ankerite South Pit and on the Fuller property.

Ron Moran, Ken Guy, Rod Doran and Peter Pevan, who prepared the Preliminary Economic Assessment on the Davidson Tisdale property.

Ron Moran, Ken Guy, Rod Doran and Peter Pevan, who prepared the Preliminary Economic Assessment on the Fuller property.

The Experts referred to herein do not have any direct or indirect interests in the Company.

8.10 Auditor's Fees

For the year ended December 31, 2008, Segal LLP's audit fees were \$32,000. Another \$11,000 in tax fees was paid to Segal LLP for taxation services with respect to reinstating cumulative exploration and development income tax pools Company's tax returns, for total fees of \$43,000. No other fees, as of the date of writing, have been paid to the auditor of the Company.

8.11 Audit Committee

The Company's Audit Committee Charter is available as a part of the Management Information Circular dated August 4, 2005. The members of the Audit Committee are Messrs. Robin Dunbar, Declan Costelloe and Thomas W Meredith. The first two are (i) independent and (ii) financially literate. Thomas W Meredith is financially literate, but not independent, and has been appointed exceptionally, as permitted by s.3.5 of MI 52-110, following the resignation of Thomas E Warren. Further details as to their industry and financial experience are set out in section 8.1.

9 ADDITIONAL INFORMATION

The following documents may be obtained upon request made to the Company or by visiting the SEDAR public documents site at www.sedar.com:

- (i) this Annual Information Form and the pertinent pages of any document incorporated by reference in this document;
- (ii) Financial Statements and Management Discussion and Analyses for the year ended 31 December 2008, and previous years.
- (iii) the National Instrument 43-101 report on the Fuller Property filed May 2006 and the revision filed 4 December 2007;
- (iv) the National Instrument 43-101 report on the Davidson Tisdale Property filed April 2007.
- (v) the National Instrument 43-101 report on the Buffalo Ankerite Property filed 25 March 2009.
- (vi) the Preliminary Economic Assessment on the Buffalo Ankerite South Pit filed 6 July 2007.
- (vii) the Preliminary Economic Assessment on the Davidson Tisdale Property filed 16 October 2007.
- (viii) the Preliminary Economic Assessment on the Fuller Project filed 4 April 2008.
- (ix) the audited financial statements of the Company for its most recently completed financial year financial year ended December 31, 2007 that have been filed with the securities regulatory authorities; and
- (x) the Management Information Circular dated May 20, 2007, which contains additional information including director and officer remuneration and indebtedness, principal holders of the Company's securities and securities authorised for issuance under equity compensation plans.

The Company may require the payment of a reasonable charge if it receives a request for one of the documents referred to in clause (i), (ii) and (iii) from a person or company who is not a security holder of the Company.

Additional information, including details as to remuneration of directors and executive officers, principal holders of the Company's shares, stock option plan and interests of insiders in material transactions, where applicable, and certain other matters are contained in the Management Information Circular. Additional financial information is provided in the Company's comparative financial statements for its fiscal year ended December 31, 2008. A copy of the above-noted financial statements may be obtained upon request from the head office of VG Gold Corp. located at Suite 520, 65 Queen Street West, Toronto, Ontario M5H 2M5, Telephone: 416-368-0099, Fax: 416-368-1539, Email: vgir@vggoldcorp.com, Website: www.vggoldcorp.com.

DATED as at March 31, 2009