

VG GOLD CORP.

MANAGEMENT INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON AUGUST 31, 2009

THIS INFORMATION CIRCULAR CONTAINS INFORMATION AS AT AUGUST 1, 2009.

SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of VG GOLD CORP. (the “Corporation”) for use at the Annual and Special Meeting of Shareholders (the “Meeting”) of the Corporation to be held at the **Sheraton Toronto, 123 Queen Street West, Toronto, Ontario at 4:00 p.m. (Toronto Time) on Monday, August 31, 2009**, for the purposes set out in the foregoing Notice of Meeting, and at any adjournment or adjournments thereof.

Shareholders who are unable to be present at the Meeting in person are requested to fill in, sign, date and return the enclosed proxy instrument to the Corporation’s transfer agent and registrar, Trans Canada Transfer Inc., 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1 or at the registered office of the Corporation at Suite 520, 65 Queen Street West, Toronto, Ontario, M5H 2M5 in time for use at the Meeting. An addressed envelope accompanies this Management Information Circular and may be used for such purpose. The solicitation will be primarily by mail; however, proxies may be solicited by telephone or in writing by employees or designated agents of the Corporation. The Corporation will bear the cost of solicitation on behalf of management of proxies in the form furnished herewith.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed proxy instrument shall represent management at the Meeting. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him at the Meeting may do so either by inserting such person’s name in the blank space provided in the proxy instrument and striking out the names of the two specified persons or by completing another proxy instrument and in either case delivering the completed proxy instrument addressed to the Secretary of the Corporation at the address set forth above, or to the Secretary or Chairman of the Meeting at the time of the Meeting.**

A shareholder who has given a proxy instrument may revoke it:

- (a) by signing a proxy instrument bearing a later date and depositing it with the Secretary of the Corporation, or
- (b) as to any matter on which a vote shall not have already been cast pursuant to the authority conferred by such proxy instrument, by signing a written notice of revocation and delivering it to the Secretary or the Chairman of the Meeting, or
- (c) by attending the Meeting in person and personally voting the shares represented by the proxy instrument, or
- (d) in addition to the revocation in any other manner permitted by law, a proxy may be revoked under subsection 110(4) of the *Business Corporations Act* (Ontario) (the “Act”) by an instrument in writing executed by the shareholder or by his attorney authorized in writing (or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof authorized in writing), deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the proxy instrument is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof and upon either of such deposits the proxy shall be revoked.

EXERCISE OF DISCRETION BY PROXIES

The common shares represented by the enclosed form of proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions of the shareholder executing the proxy and, if such shareholder has specified a choice with respect to any matter to be acted on at the Meeting, the shares will be voted accordingly. **IN THE ABSENCE OF SUCH INSTRUCTIONS SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH OTHER MATTER IDENTIFIED IN THE FORM OF PROXY TO BE VOTED UPON AT THE MEETING.**

The enclosed proxy instrument confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting. At the time of printing this Management Information Circular, management knows of no such amendments or other matters to come before the Meeting other than matters referred to in the Notice of Meeting. However, if other matters not known to management should properly come before the meeting, the accompanying Proxy will be voted on such matters in accordance with the judgment of the person voting the Proxy.

NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, common shares beneficially owned by a person (a “Non-Registered Shareholder”) are registered either:

- (a) in the name of an intermediary (an “Intermediary”) with whom the Non-Registered Shareholder deals in respect of the Common Shares (Intermediaries include, among others: banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular and its form of proxy (collectively the “Meeting Materials”) to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

None of the Directors or Senior Officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of Directors, the matters set out under the heading "Particulars of Other Matters to be Acted On", and as otherwise disclosed herein.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are outstanding as of the date hereof 113,353,328 fully paid and non-assessable common shares of the Corporation. Each common share carries the right to one (1) vote per share. Each holder of outstanding common shares of record at the time of the close of business on August 1, 2009 (the "record date") will be given notice of the Meeting and will be entitled to vote at the Meeting the number of common shares of record held by him on the record date except if such shareholder subsequently transfers the ownership of his common shares and the transferee demands not later than 10 days before the Meeting that the transferee's name be included on the list of shareholders entitled to vote at the Meeting and establishes to the Corporation that he owns such shares in which case the transferee is entitled to vote his common shares at the Meeting.

To the knowledge of the Directors and Senior Officers of the Corporation, only the following person beneficially owns, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation which have the right to vote in all circumstances.

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Common Shares Owned Before Offering
Lexam Explorations Inc.	record and beneficially	12,594,814	11.1%

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The articles of the Corporation provide that the Board of Directors of the Corporation shall consist of a minimum of four (4) and a maximum of nine (9) directors. Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote for the election of the current nominees whose names are set forth below.

Management does not contemplate that any of the current nominees will not be able to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy instrument

reserve the right to vote for another nominee at their discretion. Each Director elected will hold office until the next annual meeting and until his successor is duly elected unless, prior thereto, he resigns or his office becomes vacant by death or other cause.

The following table and the notes thereto state the names of all of the persons proposed to be nominated for election as Directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment, their periods of service as Directors of the Corporation and the approximate number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof and indicates those nominees who are members of the Corporation's Committees.

Name and Position with the Corporation	Principal Occupation	Director Since	Number of Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof ⁽¹⁾
THOMAS W. MEREDITH ⁽²⁾⁽³⁾⁽⁴⁾ <i>President and Director</i> <i>Toronto, Ontario</i>	President, VG Gold Corp., a gold exploration company	August 8, 1994	2,531,518
ROBIN DUNBAR ⁽²⁾⁽³⁾⁽⁴⁾ <i>Director</i> <i>Toronto, Ontario</i>	President, Mustang Minerals Corp.	September 6, 2005	115,000
DECLAN COSTELLOE ⁽²⁾⁽³⁾⁽⁴⁾ <i>Director</i> <i>Toronto, Ontario</i>	Chartered Engineer & Mining Geologist; Manager of Celtic Mining Ltd, a mining consultancy firm; Until March 2008, was investment manager of the Goldfish Fund. Until 2006, was investment manager and research director of Veneroso Associates Gold Advisors.	May 18, 2005	50,000
JOHN TAIT <i>Chief Operating Officer</i> <i>Toronto, Ontario</i>	President, White Pine Resources Inc. and Chief Operating Officer, VG Gold Corp.	June 20, 2007	115,000

- Notes
- (1) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the Directors individually.
 - (2) Denotes member of Audit Committee.
 - (3) Denotes member of the Nominating and Compensation Committee.
 - (4) Denotes member of the Corporate Governance Committee.

The terms of office of those nominees who are presently Directors will expire as of the date of the Meeting. All of the Directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Corporation.

No proposed director of the Corporation is, or within the 10 years before the date of this Information Circular has been, a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more that 30 consecutive days; or

- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Corporation has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

The above information was provided by management of the Corporation.

Appointment and Remuneration of Auditors

Management of the Corporation is proposing to appoint Segal LLP, Chartered Accountants as auditors of the Corporation for the current fiscal year.

Proxies received in favour of management will be voted for the approval of appointing Segal LLP, Chartered Accountants, as the auditors of the Corporation for the current fiscal year and authorizing the Board to fix their remuneration, unless the shareholder has specified in the proxy that his shares are to be withheld from voting on such resolution.

Private Placement of Units

On July 21, 2009, Lexam Explorations Inc. (“**Lexam**”) purchased by way of non-brokered private placement 12,594,814 units (“**Units**”) of the Corporation at price of \$0.08 per Unit for aggregate gross proceeds to the Corporation of \$1,007,585. Each unit was comprised of one common share in the capital of the Corporation and one common share purchase warrant (exercisable at \$0.15 for eighteen months following issuance) which on a partially diluted basis represents 19.99% of the Corporation’s outstanding shares.

Lexam also agreed, subject to shareholder and regulatory approval, to purchase an additional 24,905,186 Units on the same terms. After the proposed purchase of the 24,905,186 Units, Lexam will own 27.1% of the Corporation on an undiluted basis, or 42.7% on a partially diluted basis.

The Corporation also proposes to issue up to 1,450,000 Units on the same terms to other subscribers, all of whom are arm’s length to the Corporation.

In accordance with Toronto Stock Exchange (the “**TSX**”) policies, if the price per security is less than the market price, the TSX will require security holder approval be obtained for any private placement where the aggregate number of securities issuable in such private placement is greater than 25% of the number of issued and outstanding securities of the issuer, on a non-diluted basis, on the date immediately prior to the date of closing of the transaction. The TSX will also require security holder approval for a private placement where the private placement would materially affect control of the Corporation. “Materially affect control” is defined in TSX policies as the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions, and a transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders will be considered to materially affect control, unless the circumstances indicate otherwise. Shareholder approval of the proposed issuance of Units by the Corporation is therefore required in accordance with the policies of the TSX. The Corporation has agreed to pay Lexam a break fee of \$398,483 in the event that the Corporation does not obtain shareholder approval and as a result the proposed issuance of Units does not take place on or before September 15, 2009.

The Corporation has also agreed that, for a period of five years following the purchase by Lexam of Units on July 21, 2009, Lexam will have the right to nominate a director of the Corporation and a right to participate pro rata in future financings by the Corporation, provided Lexam’s aggregate interest remains above 10% of the outstanding common shares of the Corporation (assuming the exercise of any warrants held by Lexam).

In addition to the forgoing the Corporation further proposes to issue compensation options (“**Compensation Options**”) equal to 5% of the Units issuable in the Private Placement, to arm’s length finders. Each Compensation Option will entitle the holder thereof to purchase one common share of the Corporation at a price of \$0.15 for a period of eighteen (18) months from the date of issuance.

Shareholders will be asked at the meeting to consider and, if thought fit, to approve and adopt the following ordinary resolution:

“**RESOLVED**, as an ordinary resolution that:

- i. the completion by the Corporation of a private placement (the “**Private Placement**”) of up to 26,355,186 Units of the Corporation, at a price of \$0.08 per Unit, where each Unit will be comprised of one common share of the Corporation and one common share purchase warrant (a “**Warrant**”), and each Warrant will entitle the holder thereof to purchase one common share of the Corporation at a price of \$0.15 per share for a period of 18 months following the date of issuance, and such Private Placement will represent 18.9% of the issued and voting shares of the Corporation on an undiluted basis and 31.7% on a partially diluted basis (excluding currently outstanding stock options and warrants of the Corporation), is hereby approved;
- ii. the issuance to Lexam Explorations Inc. up to 24,905,186 of the Units issuable in connection with the Private Placement is hereby approved;
- iii. the Corporation is hereby authorised to issue compensation options (“**Compensation Options**”) equal to 5% of the Units issuable in the Private Placement, to arm’s length finders where each Compensation Option will entitle the holder thereof to purchase one common share of the Corporation at a price of \$0.15 for a period of eighteen (18) months from the date of issuance;
- iv. any director or officer of the Corporation is authorised to execute and deliver such documents and take such further action as may be necessary to complete the Private Placement; and
- v. the board of directors is hereby authorised, in its sole discretion, to pass all resolutions as it deems necessary in the circumstances, to give effect to this resolution, subject to receipt of all necessary regulatory approvals.

A simple vote of the majority of the votes cast at the Meeting in person or by proxy (excluding the votes attached to any common shares held by Lexam) is required to pass the ordinary resolution.

Proxies received in favour of management will be voted FOR the approval of the Private Placement, unless the shareholder has specified in the proxy that his shares are to be voted against such resolution.

Other Business

The Corporation knows of no matter to come before the annual and special meeting of shareholders other than the matters referred to in the notice of meeting.

EXECUTIVE COMPENSATION

Definitions

In this section:

“**CEO**” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“NEO” or “Named Executive Officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion and Analysis

The Corporation’s Board of Directors, through the Compensation Committee, is responsible for the compensation program for the Corporation’s NEOs.

The compensation program’s objectives are:

- (a) to attract and retain qualified and experienced executives to drive the continued development of the Corporation and its current and future oil and gas exploration assets, thereby creating shareholder value; and
- (b) to provide executives with appropriate compensation and incentives so as to encourage the development of the Corporation.

Compensation for the Corporation’s NEOs consists of the following:

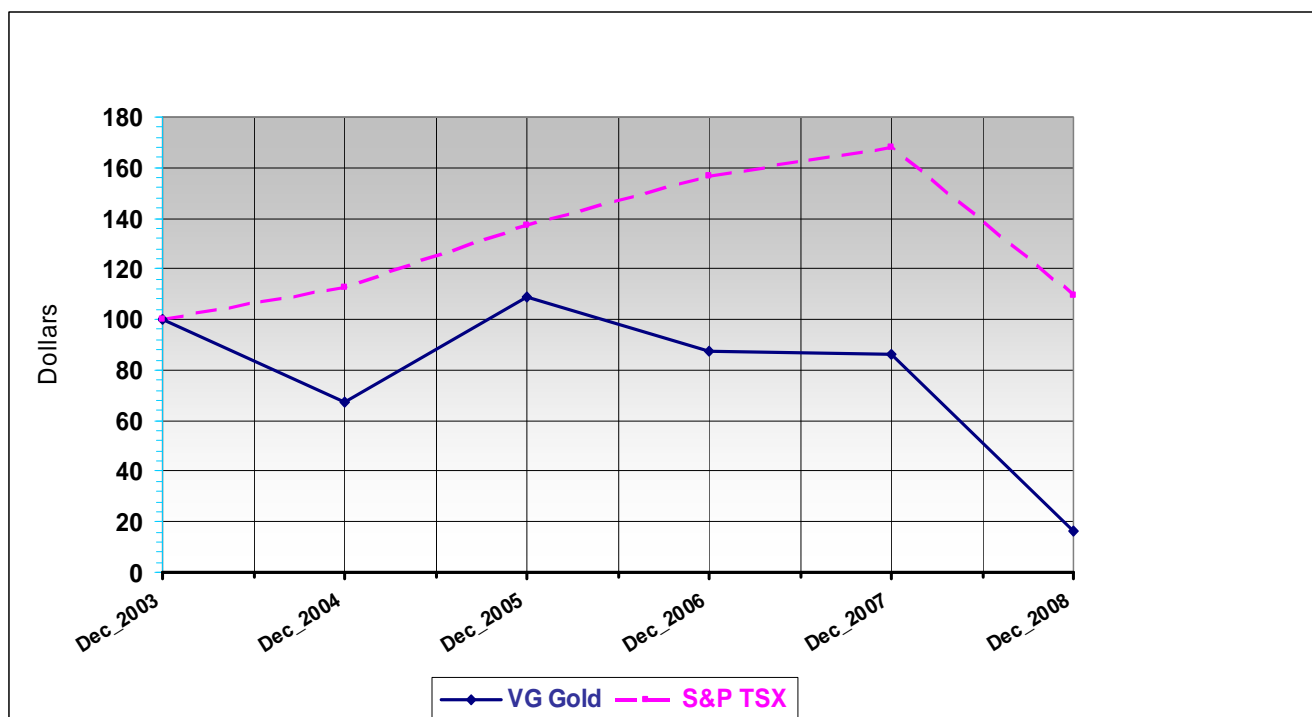
- (a) a base salary (for certain NEOs); and
- (b) long term incentive in the form of incentive stock options.

The Corporation does not provide the NEOs with any personal benefits, nor does the Corporation provide any additional compensation to its NEOs for serving as directors of the Corporation, other than the granting to them from time to time of incentive stock options under the Corporation’s Incentive Stock Option Plan.

The Compensation Committee, with the approval of the board of directors as a whole determines the level of compensation in respect of the Corporation’s senior executives. There were no long-term incentive awards other than options made to the Named Executive Officers of the Corporation during the December 31, 2008 financial year. There are no pension plan benefits in place for the named executive and none of the Named Executive Officers, senior officers or directors of the Corporation is indebted to the Corporation. In addition, there are no plans in place with respect to the Named Executive Officers for termination of employment or change in responsibilities.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholders’ return on the Corporation’s shares against the cumulative total shareholders’ return of the S&P/TSX Composite Index of the TSX for the period from December 31, 2003 to December 31, 2008.



Option-based Awards

The Corporation has in place a Stock Option Plan (the “Plan”) for the purpose of attracting and motivating Directors, Officers, Employees and Consultants of the Corporation and advancing the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the Plan to purchase shares of the Corporation. See “*Stock Option Plan*” under *Securities Authorized for Issuance under Equity Compensation Plans*” below for details of the Plan. (A copy of the Plan will also be available for review at the Meeting.)

550,000 options were granted under the Plan during the fiscal year ended 2008.

Summary Compensation Table

Executive compensation is required to be disclosed for each Named Executive Officer. The following table and notes thereto states the name of each Named Executive Officer, their annual compensation consisting of salary, bonus and other annual compensation, and long term compensation, including stock options paid, for each of the three most recently completed financial years of the Corporation.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Thomas W. Meredith CEO	2008	110,000	0	0	0	N/A	N/A	0	110,000
	2007	109,000	0	0	125,000	N/A	N/A	6,000	280,000
	2006	115,000	0	0	10,000	N/A	N/A	0	125,000
Alex Falconer CFO	2008	72,000 ⁽¹⁾	0	0	0	N/A	N/A	0	72,000
	2007	52,000 ⁽¹⁾	0	0	0	N/A	N/A	0	52,000
	2006	35,000	0	0	0	N/A	N/A	0	35,000

1. Paid to a management company controlled by Mr. Falconer.

Narrative Discussion

The Corporation has a verbal consulting agreement with Thomas Meredith, President and Chief Executive Officer, terminable on one month's notice and providing for payment of \$10,000 per month.

The Corporation has a verbal agreement with a management company for the provision of the services of Alex Falconer as Chief Financial Officer of the Corporation, terminable on one month's notice and providing for payment of \$6,000 per month.

Outstanding Share-based awards and option-based awards

The following table discloses the particulars of all awards for each NEO outstanding at the end of the Corporation's financial year ended December 31, 2008, including awards granted before this most recently completed financial year:

Name	Option Based Awards				Share-based Awards	
	Number of Securities underlying unexercised options ⁽¹⁾	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Thomas W. Meredith CEO	100,000 200,000	\$0.35 \$0.40	Sep. 29, 2009 July 24, 2011	\$0 \$0	N/A	N/A
Alex Falconer CFO	100,000 100,000	\$0.55 \$0.60	Jan. 19, 2011 Jan. 18, 2012	\$0 \$0	N/A	N/A

⁽¹⁾ All options are for common shares of the Corporation.

Incentive Plan Awards - value vested or earned during the year

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended December 31, 2008.

Name	Option-based awards - Value vested during the years (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Thomas W. Meredith CEO	NIL	NIL	NIL
Alex Falconer CFO	NIL	NIL	NIL

Narrative discussion

There were no repricings of stock options under the Plan or otherwise during the Corporation's completed financial year ended December 31, 2008. No options were exercised during the fiscal year ended 2008. The total number of options to purchase common shares that were outstanding at December 31, 2008 were 3,620,000.

Pension Plan Benefits

The Corporation has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement.

The Corporation also does not have any deferred compensation plans relating to any NEO.

Termination and Change of Control Benefits

Other than as disclosed herein, the Corporation does not have any pension or retirement plan which is applicable to the NEOs. The Corporation has not provided compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as an NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person, and the Corporation has provided no compensation to any such person as a result of a change of control of the Corporation. The Corporation is not party to any compensation plan or arrangement with an NEO resulting from the resignation, retirement or termination of employment of any such person.

The Corporation does not have any plan or arrangement with respect to compensation to its executive officers, which would result from the resignation, retirement or any other termination of employment of the executive officers' employment with the Corporation and its subsidiaries or which would result from a change of control of the Corporation or a change in the executive officers' responsibilities following a change in control, where in respect of an executive officer the value of such compensation exceeds \$100,000.

Director Compensation

The Corporation has no pension plan or other arrangement for non-cash compensation for its directors who are not NEOs, except incentive stock options. During the Corporation's completed financial year ended December 31, 2008, no options were granted to directors who are not NEOs. The following table shows options held by directors at the 2008 year end that were issued in years prior to 2008.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date
John Tait	400,000	\$0.60	January 12, 2012
Robin Dunbar	175,000 100,000 100,000	\$0.25 \$0.40 \$0.60	September 14, 2010 July 24, 2011 January 18, 2012
Declan Costelloe	200,000 100,000 100,000	\$0.20 \$0.40 \$0.60	May 18, 2010 July 24, 2011 January 18, 2012

Director share-based awards, option based awards, and non-equity incentive plan compensation

The following table discloses all amounts of compensation provided by the Corporation to its directors who are not NEOs for the financial year ended December 31, 2008:

Name	Option Based Awards				Share-based Awards	
	Number of Securities underlying unexercised options ⁽¹⁾	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
John Tait	Nil	N/A	N/A	N/A	N/A	N/A
Robin Dunbar	Nil	N/A	N/A	N/A	N/A	N/A
Declan Costelloe	Nil	N/A	N/A	N/A	N/A	N/A

All directors of the Corporation receive directors' fees of \$500 per month in compensation. The lead director, Mr. Robin Dunbar, receives an additional \$1000 for acting as lead director. No other compensation during the most recently completed financial year was paid to directors pursuant to any other arrangement or in lieu of any standard arrangement save and except through the granting of stock options under the Corporation's Stock Option Plan (the "Plan"). All reasonable expenses incurred by directors in respect of their duties are reimbursed by the Corporation.

Other than as set forth in the foregoing, no director of the Corporation who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Corporation's compensation plans under which equity securities of the Corporation were authorized for issuance at the end of the Corporation's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	3,620,000	\$0.46	3,330,000
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total:	3,620,000	\$0.46	3,330,000

Stock Option Plan

The Corporation has in place a Stock Option Plan (the "Plan") for the purpose of attracting and motivating Directors, Officers, Employees and Consultants of the Corporation and advancing the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the Plan to purchase shares of the Corporation.

A summary of the material aspects of the Plan is as follows:

1. the Plan will be administered by the Corporation's Board of Directors or, if the Board so designates, Committee of the Board appointed in accordance with the Plan to administer the Plan;
2. the maximum number of shares in respect of which options may be outstanding under the Plan at any given time is set at 7,000,000;
3. following termination of an optionee's employment, directorship, consulting agreement or other qualified position, the optionee's option shall terminate upon the expiry of such period of time following termination, not to exceed 30 days;
4. an option granted under the Plan will terminate six months following the death of the optionee. These provisions do not have the effect of extending the term of an option which would have expired earlier in accordance with its terms, and do not apply to any portion of an option which had not vested at the time of death or other termination;
5. as long as required by Exchange policy, no one individual may receive options on more than 5% of the issued and outstanding shares of the Corporation (the "Outstanding Shares") in any 12 month period, no one consultant may receive options on more than 2% of the Outstanding Shares in any 12 month period, and options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the Outstanding Shares in any 12 month period;

6. options may not be granted at prices that are less than the must not be lower than the market price of the securities at the time the option is granted;
7. any amendment of the terms of an option shall be subject to any required regulatory and shareholder approvals; and
8. in the event of a reorganization of the Corporation or the amalgamation, merger or consolidation of the shares of the Corporation, the Board of Directors shall make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

A copy of the Corporation's current Plan is available from the Corporation upon request.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors or executive officers of the Corporation, or any of their associates or affiliates, is or has been indebted to the Corporation since the commencement of the last completed fiscal year of the Corporation or to any other entity, which indebtedness is, or at any time since the commencement of the last completed fiscal year, has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, there are no material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any informed persons of the Corporation, directors, proposed directors or officers of the Corporation, any shareholder who beneficially owns more than ten percent (10%) of the Common Shares of the Corporation, or any associate or affiliate of these persons in any transaction since the commencement of the Corporation's last completed fiscal year or in any proposed transaction, which has materially affected or would materially affect the Corporation other than as disclosed herein or in the financial statements of the Corporation for the fiscal year ended December 31, 2008. Reference should be made to the notes to the audited financial statements for a more detailed description of any material transaction.

MANAGEMENT CONTRACTS

The Corporation has a verbal consulting agreement with Thomas Meredith, President and Chief Executive Officer, terminable on one month's notice and providing for payment of \$10,000 per month.

The Corporation has a verbal agreement with a management company for the provision of the services of Alex Falconer as Chief Financial Officer of the Corporation, terminable on one month's notice and providing for payment of \$6,000 per month.

AUDIT COMMITTEE

Relationship with Auditors

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Corporation, to disclose annually in its information circular certain information relating to the Corporation's Audit Committee and its relationship with the Corporation's independent auditors.

Audit Committee Charter

The Audit Committee Charter is annexed hereto as Schedule "A".

Composition of the Audit Committee

The Corporation's Audit Committee is comprised of three (3) directors. As defined in NI 52-110, all the audit committee members are "financially literate". Robin Dunbar, Declan Costelloe and Thomas W Meredith have the industry experience necessary to understand and analyze financial statements of the level of complexity of the Corporation, as well as the understanding of internal controls and procedures necessary for financial reporting.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year and the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total amount of fees payable to the auditors in the fiscal year in which the non-audit services were provided.

Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part. The Corporation relied on section 3.5 for the temporary appointment of a non-independent director, Mr. Thomas W. Meredith to the audit committee, made necessary by the resignation of Mr. Thomas Warren from the Board of Directors.

Pre-Approved Policies and Procedures

The Corporation has not adopted specific policies and procedures for the engagement of non-audit services, other than the provisions of an Audit Committee resolution authorising the engagement of the Corporation's auditor for the purposes of preparing tax filings, and for the provision of assurances to third parties and related services, at the auditor's usual and customary rates. The Audit Committee will review the engagement of additional non-audit services as required.

External Auditor Service Fees (by category)

	Year ended December 31, 2008	Year ended December 31, 2007
	(\$)	(\$)
a) Audit Fees ⁽¹⁾	35,000	32,000
b) Audit Related Fees ⁽²⁾	0	0
c) Tax Fees ⁽³⁾	9,175	\$6,500
d) All Other Fees ⁽⁴⁾	0	0

- Notes:
- (1) Fees paid for services provided in auditing the corporation's annual financial statements. The audit fee for 2008 has been proposed by the auditors of the Corporation and is subject to review and approval by the audit committee.
 - (2) Fees not included in "audit fees" that are billed by the auditors for the assurance and related services that are reasonably related to the performance of the audit or review of the corporation's statements.
 - (3) Fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.
 - (4) Fees billed by the auditors for products and services not included in the foregoing categories.

CORPORATE GOVERNANCE

National Instrument Policy 58-201 - "Corporate Governance Guidelines" (the "Guidelines") and National Instrument 58-101 - "Disclosure of Corporate Governance Practices" ("NI 58-101") requires that each reporting issuer annually disclose its corporate governance system with reference to the Guidelines or NI 58-101. The Guidelines have replaced the guidelines previously set forth by the Toronto Stock Exchange. These non-prescriptive

Guidelines deal with such matters as constitution and independence of boards of directors and board committees, their functions, the effectiveness and education of board members, and other means of ensuring sound corporate governance. The following is a summary of the Corporation's approach to corporate governance with reference to the Guidelines.

Board of Directors

The following table sets out the directors of the Corporation that are directors of other issuers that are reporting issuers (or their equivalent) in any Canadian jurisdiction or foreign jurisdiction:

Name of Director	Name of Reporting Issuer
Thomas W. Meredith	Mustang Minerals Corp.
Declan Costelloe	US Gold Corp. Alexandria Minerals Corporation
Robin Dunbar	Aquila Resources Inc. Mustang Minerals Corp. Western Areas NL
John Tait	Merc International Minerals Inc. White Pine Resources Inc.

The Guidelines recommend that a majority of directors of a listed corporation be "independent" as defined by National Instrument 51-110 ("NI 52-110"). An independent director is a director who does not have any direct or indirect material relationship with the issuer. "Material relationship" is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 further sets out certain relationships which are deemed to be material relationships.

In addition, Section 1.5 of NI 52-110 sets out "additional independence requirements" that provide that executive officers of a shareholder who "controls" a company are considered to have a "material relationship" with the company and consequently are not independent directors.

The Board has determined that out of the four members of the Board, two members, Thomas W. Meredith, the President and CEO of the Corporation and John Tait, the Chief Operating Officer of the Corporation, are not independent directors and that Declan Costelloe and Robin Dunbar are independent directors. The same people are proposed for re-election to the board.

Board Mandate

The Board of Directors assumes ultimate responsibility for the stewardship of the Corporation and carries out its mandate directly and through considering recommendations it receives from the Committees of the Board and from management. The Board of Directors approves all materials acquisitions, dispositions and financings and other significant matters outside the ordinary course of the Corporations' business. The Corporation has adopted a code of business conduct which has been communicated to all consultants, employees and other service providers. The text of the Board Charter is annexed hereto as Schedule "B".

Management is responsible for the day-to-day operations of the Corporation, and pursues Board approved strategic initiatives within the context of authorized business, capital plans and corporate policies. The President is expected to report to the Board on a regular basis on short-term results and long-term development activities.

The Board is specifically responsible for adoption of a strategic planning process, identification of principal risks and implementing risk-management systems, and succession planning.

Each director is elected annually by the shareholders and serves for a term that will end at the Corporation's next annual meeting. The Board believes that four directors is a sufficient number to ensure the Board will be able to function independently of management, but that this number may need to be increased in the future. The Board has regularly scheduled quarterly meetings with special meetings to review matters when needed. The Board encourages its independent members to hold separate discussions regarding the Corporation to the extent such directors believe this is necessary.

Position Descriptions

The Board of Directors has not developed written position descriptions for the Chairman, the chairman of any Board committees or the Chief Executive Officer. The Board is of the view that given the size of the Corporation, the relatively frequent discussions between Board members and the CEO and senior management, and the experience of the individual members of the Board, the responsibilities of such individuals are known and understood without position descriptions being reduced to writing. The Board will evaluate this position from time to time, and if written position descriptions appear to be justified, they will be prepared.

Orientation and Continuing Education

At present, the Board does not provide an official orientation or training program to its new directors. Each of the members of the Board has had solid experience in the industry as well as has had experience in acting as a director of public or private companies, or both. The Corporation's legal counsel is made available to the directors to assist them in better understanding what their legal responsibilities are.

Ethical Business Conduct

The Corporation has adopted a Code of Ethics for directors, officers, consultants and employees. The Corporation requires the highest standards of professional and ethical conduct from its directors, officers and employees and believes that its reputation for honesty and integrity among its stakeholders is key to the success of its business. In that regard, to create a culture of honesty, integrity and accountability, discussion, on an informal basis, is had amongst the Board, management and employees respecting such matters as the retention of confidential information, insider trading rules, the obligation to declare conflicts of interests, the exercise of fair dealing with suppliers and other third parties and the necessity to comply with applicable laws, regulations and rules.

Corporate Governance

The Board established a Corporate Governance Committee consisting of three members, two of whom are independent directors. The principal responsibilities of the Corporate Governance Committee include the development of a corporate governance structure in compliance with applicable legislative policies and standards as well as reviewing and assessing the skills and competencies of the members of the Board of Directors.

Nomination of Directors and Compensation

The Board has a Nominating and Compensation Committee consisting of two members, both of whom are independent directors. The principal responsibilities of the Compensation Committee consist of reviewing the compensation of the chief executive officer of the Corporation and other senior executives of the Corporation and providing recommendations to the Board for approval. The Board has approved a charter for the Compensation Committee.

Executive compensation is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and long term. Compensation for each of the executive officers consists of a base salary, bonus and stock options. Compensation is directly tied to corporate and individual performance.

The Corporation's business strategy, goals and objective for the Chief Executive Officer are reviewed annually. The Board receives at least quarterly updates from management on strategic developments and reviews and adjusts the compensation as necessary.

Stock Options are designed to give each optionee an interest in preserving and maximizing long-term shareholder value to enable the Corporation to attract and retain individuals with experience and ability and to reward individuals for current performance and expected future performance.

Other Board Committees

Disclosure Committee

The Audit Committee also functions as the Disclosure Committee of the Board. The principal responsibilities of the Disclosure Committee consist of reviewing and implementing a communication policy for the Corporation and maintaining the integrity of the Corporation's internal control, management information and public disclosure systems.

Assessments

The practices of the Board respecting the above corporate governance matters are subject to modifications during the evolution of the Corporation. Consequently, the Board keeps in mind the questions surrounding corporate governance and tries to constantly assess, and if necessary, create measures, control mechanisms and the necessary structures to ensure the efficient execution of its responsibilities, without creating additional general fees and without reducing the performance of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available at www.sedar.com and on the Corporation's website at www.vggoldcorp.com. Shareholders may contact the Corporation to request copies of the Corporation's financial statements, MD&A and any documents incorporated by reference herein without charge by emailing vgir@vggoldcorp.com.

Financial information regarding the Corporation is provided in the Corporation's audited financial statements for the year ended December 31, 2008 and the related management's discussion and analysis.

OTHER MATTERS

Management of the Corporation knows of no other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and the accompanying Management Information Circular. If any matters which are not known should properly come before the Meeting, the accompanying proxy instrument will be voted on such matters, in accordance with the best judgment of the person voting it.

APPROVAL OF DIRECTORS

The contents and the sending of this Management Information Circular have been approved by the Board of Directors of the Corporation.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED at Toronto, Ontario this 3rd day of August, 2009.

By Order of the Board of Directors

"Thomas W. Meredith"

Thomas W. Meredith
Director and President

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

AUDIT COMMITTEE CHARTER

1. PURPOSE

The overall purpose of the Audit Committee (the “Committee”) of Vedron Gold Inc. (the “Corporation”) is to monitor the Corporation’s system of internal financial controls, to evaluate and report on the integrity of the financial statements of the Corporation, to enhance the independence of the Corporation’s external auditor and to oversee the financial reporting process of the Corporation.

2. COMPOSITION, PROCEDURES AND ORGANIZATION

- 2.1** The Committee shall consist of at least three members (each a “Member”) of the board of directors of the Corporation (the “Board”), the majority of whom shall not be employees, Control Persons or officers of the Issuer or any of its Associates or Affiliates (as such terms are defined in the TSX Venture Exchange Corporate Finance Manual (the “TSXV Manual”)), as amended from time to time.
- 2.2** At least 25% of the members of the Committee (the “Members”) shall be resident Canadians.
- 2.3** At least one Member shall be “independent” and “financially literate” as such terms are defined under the Securities Act (Ontario) and rules and policies promulgated thereunder, as such requirements may be amended from time to time. For reference, the terms “independent” and “financially literate” are set out in “Multilateral Instrument 52-110—Audit Committees.”
- 2.4** The Board, at its organizational meeting held in conjunction with each annual meeting of shareholders, shall appoint the members of the Committee to hold such office for the ensuing year or until their resignations or their successors are duly elected. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a director shall cease to be a member of the Committee.
- 2.5** Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from amongst their number. The chair shall be an “unrelated” director and shall not have a second, or casting, vote.
- 2.6** Complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters shall be directed to the chair of the Committee. Once received, the chair will then review them and, if appropriate, seek advice from the Corporation’s legal counsel and/or the external auditors. The chair will then present such complaints to the Committee for discussion in order to determine a course of action. If appropriate, the chair will then notify management of the Corporation to discuss a resolution of such complaints.
- 2.7** The Corporation, with the assistance of the Committee, shall provide in the Corporation’s employee handbook, if any, a policy to enable employees to submit to the chair of the Committee, on a confidential and anonymous basis, concerns regarding questionable accounting or auditing matters or shall otherwise make known to employees that concerns can be submitted to the chair of the Committee or such basis.
- 2.8** Notice of every meeting shall be given to the external auditor, who shall, at the expense of the Corporation, be entitled to attend and to be heard thereat.
- 2.9** Meetings shall be held in accordance with the procedural rules outlined in the “Rules Governing Procedure of the Audit Committee.” In addition, meetings of the Committee shall be conducted as follows:

- (a) the Committee shall meet at least four times annually or more frequently as circumstances dictate and at such times and at such locations as the chair of the Committee shall determine;
- (b) the Committee or at least its chair should also meet with the external auditor and management quarterly to review the Corporation's financials in accordance with Article 3 below;
- (c) as part of its job to foster open communication, the Committee should meet at least annually with management and the external auditor separately to discuss any matters that the Committee or either of these groups believe should be discussed privately;
- (d) the external auditor or any member of the Committee may call a meeting of the Committee;
- (e) the external auditor and management employees shall, when required by the Committee, attend any meeting of the Committee; and
- (f) the Committee may require any attendee at a meeting who is not an "unrelated" director to excuse himself or herself from any meeting.

2.10 The external auditor may communicate directly with the chair of the Committee and may meet separately with the Committee. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.

2.11 Compensation to members of the Committee shall be limited to directors' fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Corporation (other than as members of the Board and/or Board committees).

2.12 The Committee is authorized, at the Corporation's expense, to retain independent counsel and other advisors as it determines necessary to carry out its duties.

3. DUTIES

3.1 The overall duties of the Committee shall be to:

- (a) assist the Board in the discharge of its duties relating to the Corporation's accounting policies and practices, reporting practices and internal controls;
- (b) establish and maintain a direct line of communication with the Corporation's external auditor and assess their performance;
- (c) oversee the work of the external auditor, which shall be responsible to report directly to the Committee, including resolution of disagreements between management and the auditor regarding financial reporting;
- (d) ensure that management of the Corporation has designed, implemented and is maintaining an effective system of internal controls and disclosure controls and procedures;
- (e) monitor the credibility and objectivity of the Corporation's financial reports;
- (f) report regularly to the Board on the fulfillment of the Committee's duties;
- (g) assist, with the assistance of the Corporation's legal counsel, the Board in the discharge of its duties relating to the Corporation's compliance with legal and regulatory requirements; and
- (h) assist the Board in the discharge of its duties relating to risk assessment and risk management.

3.2 The duties of the Committee as they relate to the external auditor shall be to:

- (a) review management's recommendations for the appointment of external auditor, and in particular its qualifications and independence, and to recommend to the Board a firm of external auditors to be engaged;
- (b) review the performance of the external auditor and make recommendations to the Board regarding the appointment or termination of the external auditor;
- (c) review, where there is to be a change of external auditor, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 or any successor legislation, and the planned steps for an orderly transition;
- (d) review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;
- (e) review and approve, in advance, the engagement letters of the external auditor, both for audit and permissible non-audit services, including the fees to be paid for such services;
- (f) review the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditor; and
- (g) review the nature of and fees for any non-audit services performed for the Corporation by the external auditor and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

3.3 The duties of the Committee as they relate to audits and financial reporting shall be to:

- (a) review the audit plan with the external auditor and management;
- (b) review with the external auditor and management all critical accounting policies and practices of the Corporation, including any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, all material alternative accounting treatments that the external auditor has discussed with management, other material written communications between the external auditor and management, and key estimates and judgments of management that may in any such case be material to financial reporting;
- (c) review the contents of the audit report;
- (d) question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (e) review the scope and quality of the audit work performed;
- (f) review the adequacy of the Corporation's financial and auditing personnel;
- (g) review the co-operation received by the external auditor from the Corporation's personnel during the audit, any problems encountered by the external auditor and any restrictions on the external auditor's work;
- (h) review the internal resources used;
- (i) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditor, together with management's response to the recommendations, including subsequent follow-up of any identified weaknesses;

- (j) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) and any key financial executives involved in the financial reporting process;
- (k) review with management and the external auditor and approve the Corporation's annual audited financial statements in conjunction with the report of the external auditor thereon, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
- (l) review with management and the external auditor and approve the Corporation's interim unaudited financial statements, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public; and
- (m) review the terms of reference for an internal auditor or internal audit function.

3.4 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

- (a) review the effect of regulatory and accounting initiatives and changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the Corporation's financial reporting as reported to the Committee by management and the external auditor;
- (b) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements and consider recommendations for any material change to such policies;
- (c) review the status of material contingent liabilities as reported to the Committee by management;
- (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by management;
- (e) review any errors or omissions in the current or prior years' financial statements;
- (f) review and approve before their release all public disclosure documents containing audited or unaudited financial information, including all press releases, prospectuses, annual reports to share holders, annual information forms and management's discussion and analysis; and
- (g) oversee and review all financial information and earnings guidance provided to analysts.

3.5 The other duties of the Committee shall include:

- (a) reviewing and reassessing, at least annually, the adequacy of this Charter and making recommendations to the Board, as conditions dictate, to update this Charter;
- (b) reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (c) formulating a policy restricting the Corporation from hiring employees or former employees of the Corporation's external auditor without the prior approval of the Committee;
- (d) reviewing annual operating and capital budgets;
- (e) reviewing the funding and administration of the Corporation's compensation and pension plans;
- (f) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (g) inquiring of management and the external auditor as to any activities that may be or may appear to be illegal or unethical; and
- (h) any other questions or matters referred to it by the Board.

SCHEDULE “B”

BOARD CHARTER

VG GOLD CORP.

Board of Directors Charter

Role of the Board of Directors. The role of VG Gold’s Board of Directors is to oversee the business of the Corporation, to select and provide guidance to the CEO and other officers, and to ensure corporate continuity. The Board fulfills its roles directly, through its committees, and via instructions to management. At all times, the board acts with a view towards the best interests of the Company and of its shareholders.

Scope of the Board’s Authority. The Board meets regularly to provide guidance to management, to review reports on the performance of the Company, to discuss significant decisions with regards to the continued business of the corporation. The Board is also directly responsible for the following functions:

Selection of the CEO. The Board is directly responsible for the selection and evaluation of the CEO. The Board is also responsible for defining the role of the CEO of the Company. The Board’s Compensation Committee sets the compensation of the CEO.

Responsibility for senior management. The Board is responsible for the selection and evaluation of the Company’s senior management. The Board is also responsible for succession planning.

Corporate Strategy. The Board is responsible for developing, planning and overseeing the Company’s strategic objectives, approving and monitoring management’s role in realising these objectives and making major decisions affecting the Company’s future.

Risk assessment. The Board, along with management, is responsible for assessing the major risks faced by the Company, and for planning, approving and monitoring the management of these risks.

Integrity. The Board has primary responsibility for maintaining the integrity of the Company and its management. The Board sets and implements internal controls, directly and through its Audit Committee. The Board is also responsible for ensuring that the Company conducts its affairs in an ethical way.

Composition of the Board

Selection and size of the Board. The Board is elected by the shareholders of the Company at the Company’s annual meeting of shareholders. The Nominating Committee proposes a slate of candidates to the board, which in turn proposes them to the shareholders for election. Shareholders may also make independent proposals for nominations to the Board, by complying with the requirements of the Ontario Business Corporations Act (“OBCA”), or alternatively, at the annual meeting.

The number of directors is recommended by the board for shareholder approval, subject to the requirements of the OBCA and the Company’s Articles of Incorporation. Between annual meetings, the board may appoint new or replacement directors to serve until the next annual meeting.

Qualifications of Directors. The Company seeks to have an active board, and one which is well-suited to advancing the best interests of the shareholders. As such, the members of the board should possess skills and competencies in areas relevant to the Company’s activities, and should complement each others’ strengths. A majority of the Company’s directors are to be unrelated directors, as defined by the Toronto Stock Exchange.

Orientation. of New Directors The Nominations Committee, working with management, are responsible for the orientation and education of new directors, who are also offered the opportunity to undertake additional training at Company expense.

Meetings. The Company's board meets at least once per quarter, in person or by telephone. The Board is responsible for its agenda. Prior to each board meeting, the lead director and the CEO discuss agenda items for inclusion, and prepare materials for distribution to the directors.

At the end of each regularly scheduled board meeting, the unrelated directors will meet without management presence, chaired by the lead director. Any director may initiate meetings without management presence by contacting the lead director.

Committees. The Board has established the following standing committees: Audit, Nominations, Compensation and Disclosure. Committee chairs submit reports to the full board from each committee meeting. The terms of reference for each of the committees are reviewed annually by the board.

Nominations Committee. The Nominations Committee performs an annual evaluation of the board's effectiveness as a whole, as well as of its individual directors and committees. Individual committees also self-assess annually. The Nominations Committee annually recommends to the board appropriate compensation for non-management directors.

Compensation. Compensation for management directors is determined by the Compensation Committee. The Compensation Committee recommends to the board appropriate compensation for Company management.

Access to outside advisors. The board and any committee may at any time retain outside advisors at the expense of the Corporation. Any director may, with the approval of the lead director, retain an outside advisor at the expense of the Corporation.

Corporate Responsibility Policy. The board, as well as its committees and individual members, are expected to abide by the Company's Code of Business Ethics.