

VG GOLD CORP.

First tranche of private placement financing closes

FOR IMMEDIATE RELEASE, May 16, 2009, Toronto, Ontario.

VG Gold Corp., (TSX-V:VG), (FRANKFURT:VN3), announces that on May 15, 2009 it closed on the first tranche of 3,125,000 units of a flow-through private placement financing at \$0.08 per unit, subscribed to by MineralFields Group. Each unit consists of one common share and a half-warrant, with each full warrant being exercisable at \$0.15 for 18 months from the date of closing for the purchase of an additional common share. A finder's fee of 8% cash and 10% compensation options is being paid to eligible finders.

"We are pleased to be entering into this relationship with MineralFields Group", said Thomas W Meredith, President and CEO. "This is an important step in the growth of VG Gold Corp. and we look forward to working with MineralFields Group as we develop our holdings in the Timmins region."

About MineralFields, Pathway and First Canadian Securities ® MineralFields Group (a division of Pathway Asset Management), based in Toronto and Vancouver, is a mining fund with significant assets under administration that offers its tax-advantaged super flow-through limited partnerships to investors throughout Canada as well as hard-dollar resource limited partnerships to investors throughout the world. Pathway Asset Management also specializes in the manufacturing and distribution of structured products and mutual funds (including the Pathway Multi Series Funds Inc. corporate-class mutual fund series). Information about MineralFields Group is available at www.mineralfields.com. First Canadian Securities ® is active in leading resource financings (both flow-through and hard dollar PIPE financings) on competitive, effective and service-friendly terms, and offers investment banking, mergers and acquisitions, and mining industry consulting, services to resource companies. MineralFields and Pathway have financed several hundred mining and oil and gas exploration companies to date through First Canadian Securities ®.

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

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