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## VG GOLD CORP.

### VG Gold Enters Into Option and Joint Venture Agreement With Goldcorp Timmis, Ontario

#### **FOR IMMEDIATE RELEASE, June 17, 2008, Toronto, Ontario.**

VG Gold Corp., (TSX:VG), (FRANKFURT:VN3) ("VG Gold"), announces that it has entered into an agreement, effective June 13, 2008, to earn a 60 percent interest in select claims of the Paymaster Property situated on the east boundary of both VG Gold's Buffalo Ankerite Property and Fuller Property. Also included is one Aunor Mine Claim situated on the west side of the Buffalo Ankerite Property. Under the terms of the agreement VG Gold has the option to earn a 60 percent interest in 16 claims by incurring exploration expenditures of \$6 million over 4 years, subject to a Back-in-Right. Fourteen claims are in Deloro Township with thirteen on the east side of the Buffalo Ankerite Property, and the Aunor claim on the west side. Two more Paymaster claims are optioned to the 4,075 level in the adjacent Paymaster Mine in Tisdale Township and are adjacent to the east side the Fuller Property. VG Gold also acquired a 100 percent interest in 4 claims in Tisdale Township 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 will also issue 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 also 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.

This agreement provides VG Gold the opportunity to expand the known gold mineralized zones that trend from VG Gold's property onto Goldcorp's properties. The South Mine gold zones trend east toward the Paymaster No 4 Shaft. To the west the South Mine zones trend toward the Aunor Mine property. The Buffalo Ankerite North Mine zones trend north-east towards the Paymaster No 2 and No 3 mine shafts. The Fuller Deposit zones trend east towards the Paymaster 36 and 37 zones that were mined from the Paymaster No 5 Shaft.

The Company currently has two drills operating delineating the steeply dipping gold mineralization in the South Mine area. VG Gold plans to move one drill across the property line and drill the extension of the Buffalo Ankerite South Mine pit zones where they trend east on to Goldcorp's Paymaster Mine property with an initial 2,000 metre program of 10 holes. The plan is then to move the drill north 500 metres to follow the Buffalo Ankerite North Mine zones where they trend north-east onto the Paymaster Property with a further 2,500 metre drill program. VG Gold also plans to move the second drill across the west property line to follow the South Mine mineralization to the west onto the Aunor Mine Property. The company also has future plans to drill the extension of the Fuller Deposit zones to the east where they are known to plunge on to the Paymaster Property.

The Buffalo Ankerite Property saw historical production of 1,018,000 gold ounces, the Paymaster Mine produced 1,190,200 ounces and the Aunor Mine produced 2,496,010 ounces (Ontario Ministry of Northern Development and Mines). VG Gold believes all three properties hold significant exploration potential for additional gold mineralization and plans exploration work to expand gold mineral inventory in the area of known gold zones.

Exploration work is being conducted under the supervision of Kenneth Guy, P. Geo., designated Qualified Person for VG Gold, who has reviewed the this press release.

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

*Statements in this release that are forward-looking reflect the Company's current views and expectations with respect to its performance, business, and future events. Such statements are subject to various risks and assumptions, some, but not necessarily all, are disclosed elsewhere in the Company's periodic filings with Canadian securities regulators. Such statements and information contained herein represent management's best judgment as of the date hereof based on the information currently available; however actual results and events may vary significantly. The Company does not assume the obligation to update any forward-looking statement.*

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**See Map on Next Page**

