

VG GOLD CORP.

**6.17 grams Gold over 3.80 metres or 0.18 oz. over 12.5 feet
At the Buffalo Ankerite Property, Timmins, Ontario**

FOR IMMEDIATE RELEASE, August 29, 2008, Toronto, Ontario.

VG Gold Corp., (TSX:VG), (FRANKFURT:VN3), announces drill results from 4 exploration drill holes recently completed at the Buffalo Ankerite Property. The results continue to confirm gold mineralization in the South Mine area of the Buffalo Ankerite property.

Highlights:

- **VBA-08-126 assayed 7.1 grams Au per tonne over 1.3 metres**
- **VBA-08-127 assayed 6.17 grams Au per tonne over 3.8 metres**
- **VBA-08-129 assayed 7.37 grams Au per tonne over 1.8 metres**

The program has been designed to outline gold mineralization in the South Mine area, with these results to be used in a resource estimate planned for the fourth quarter of 2008. The current results are from mineralization that is situated between depths of 300 and 500 metres, in the eastern part of the South Mine area. Drilling is also currently ongoing at depths below 500 metres, continuing to follow the gold mineralization to greater depths. Several neighbouring mines have been developed to depths in the range of 1,700 to 2,500 metres. The South Mine zones remain open to depth and along strike.

Four drill holes tested east-west trending gold zones that are located in the east area of the Buffalo Ankerite South Mine. The Buffalo Ankerite Property saw historical production of 1,018,000 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 deeper down-dip gold mineralization. Records of historic underground workings and drilling indicate good potential to expand gold mineralization on the property. Known gold mineralized stratigraphy crosses the South Mine area of Buffalo Ankerite property for a strike length of 2,000 metres which is located within the 6,000 metre length of the regional geological structure, known as the south limb of the Porcupine syncline. The Porcupine Gold Camp has produced more than 60 million ounces of gold to date (source: Ontario Ministry of Northern Development and Mines).

The drill program intersected mineralized quartz-tourmaline breccia zones which are recognized as host rocks for ore in the prolific Timmins Gold Camp, and all of the drill holes intersected gold values. The mineralization has a known depth extent of 500m at the east end of the property. It remains open at depth in the central and western portions of the property where it is known to extend more than 2000 metres below surface. Our targets are in the area of the historic production on the Buffalo Ankerite property where we are exploring extensions of the previously mined areas.

VBA-07-126

Intersection (in Metres)		Length		Gold	
From	To	Metres	Feet	Grams per tonne	Ounces per ton
375.5	376.8	1.3	4.3	7.1	0.21
496.2	497.1	0.9	3.0	2.1	0.61
498.3	499.6	1.3	4.3	3.15	0.092

VBA-07-127

389.9	390.8	0.9	3.0	3.57	0.104
511.1	512.4	1.3	4.3	2.0	0.058
548.1	552.4	4.3	14.1	3.98	0.116
<i>including</i>		0.9	3.0	7.78	0.227

VBA-08-127 - Wedge

490.7	492.2	1.5	4.9	2.16	0.063
530.4	531.9	1.5	4.9	3.36	0.098
546.4	550.2	3.8	12.5	6.17	0.18
<i>including</i>		1.3	4.3	9.87	0.288
566.0	567.7	1.7	5.6	8.85	0.258

VBA-07-128

514.5	518.2	3.7	12.1	1.78	0.052
580.9	582.8	1.8	5.9	3.05	0.089
645.8	649.5	3.7	12.1	1.68	0.049

VBA-07-129

359.0	362.0	3.0	9.8	1.37	0.04
495.9	497.7	1.8	5.9	7.37	0.215
503.2	505.0	1.8	5.9	3.02	0.088

Notes:

- Lengths reported are core intersection lengths and do not represent true widths.
- It is anticipated that true width estimates will be made possible after additional drilling.
- Conversion: grams per tonne times 0.0292 equals troy ounce per short ton.

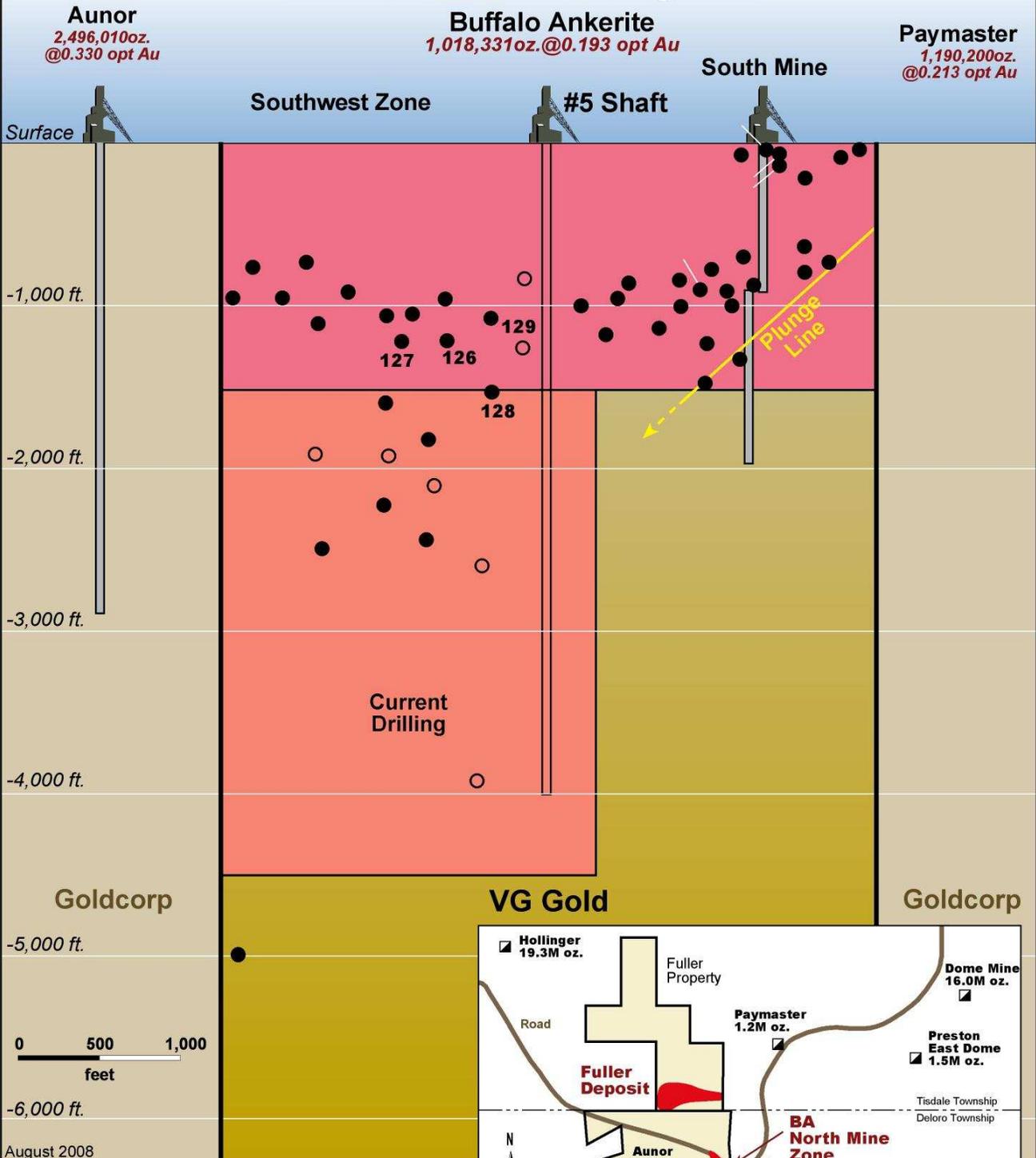
All exploration work was conducted under Kenneth Guy, P. Geo., designated Qualified Person for VG Gold, who has reviewed the this press release. Gold analyses of samples collected by VG Gold were assayed by Laboratoire Expert in Rouyn-Noranda, Quebec. Analyses consisted of a fire assay of a 30-gram sample with an atomic absorption finish. Samples assaying over 1.0 gram per tonne Au are re-assayed with gravimetric finish. Samples noted to contain visible gold are analyzed via the total metallic assay method. A rigorous Quality Control and Assurance program (QA/QC) is in place, using control samples such as Blanks and Rocklabs Standards and duplicate checks. In addition, duplicate analyses of 10% of the samples were corroborated by check assays performed by Bourlamaque Laboratory of Val D'Or, Quebec.

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

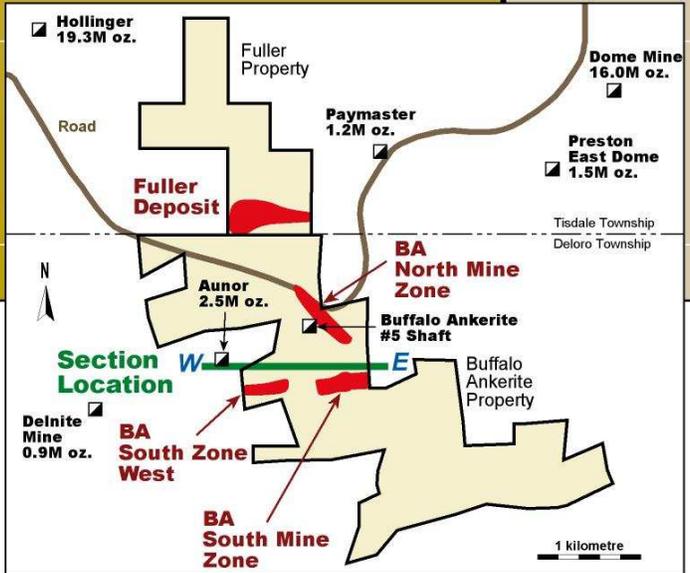
The TSX Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Vertical Section Looking North



● Reported hole
○ Pending hole

VG Gold Corp.
Buffalo Ankerite Project
Timmins, Ontario



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