VG Gold Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS

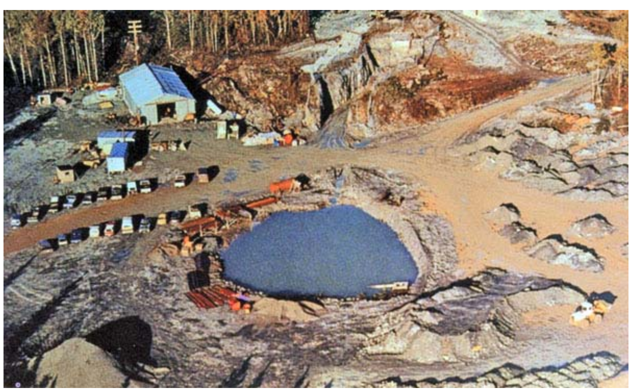
March 31, 2008

General

The following discussion of performance, financial condition and future prospects should be read in conjunction with VG Gold Corp. (the "Company" or "VG Gold") (formerly Vedron Gold Inc.) financial statements and notes thereto for the years ended December, 2007 and 2006, which were prepared in accordance with generally accepted accounting principles (GAAP) in Canada. Additional information, including an Annual Information Form can be found on SEDAR, www.sedar.com. All dollar amounts are in Canadian dollars. This discussion and analysis is dated May 14 2008.

Overview

The principal business of VG Gold is to explore and develop gold properties in Timmins, Ontario, Canada and to acquire additional gold properties in the Timmins area. VG Gold Corp. was formed on March 10, 1972 by articles of amalgamation under the Ontario Business Corporations Act. VG Gold is currently focused on exploring its properties; the Buffalo Ankerite is 100% controlled and the Fuller property is 100% owned, and the Davidson Tisdale property, where VG Gold is earning up to a 75% property interest, having earned a 70% interest in the property as of March 31, 2007. For more information see the Company web site: www.vggoldcorp.com.



Fuller Property

The Fuller Property consists of 13 claims comprised of 512 acres located in the Tisdale and Deloro Townships, Timmins, Ontario. The property is accessed from paved road and is located 2 km southeast of the city of Timmins.

Property geology consists of the east-west trending volcanic flows that have produced more than 50 million gold ounces within a 3 mile radius of the Fuller deposit. Neighbours include the Dome mine to the east and the Hollinger and McIntyre mines to the north and northwest. In 1984 the fractured ownership of the Fuller Deposit was consolidated under VG Gold's control. Exploration and development work proceeded during the late 1980s. This work established a decline ramp to a depth of 650 feet, 5 levels and a historically estimated gold resource. In the late 1990s, VG Gold's exploration drilling was designed to expand the resource; see updated Wardrop NI 43-101 report filed on www.sedar.com December 4, 2007. The Fuller Property resource is situated in steeply dipping zones of sulphide mineralization. The gold zones appear to be the updip extension of the neighbouring Goldcorp owned Paymaster mine. Seven gold zones that contain gold mineralization have been drilled to a depth of 1,600 feet. The on strike neighbour has developed to a depth of 7,000 feet.

VG Gold filed a Preliminary Economic Assessment (PEA) issued by Vetrin Mine Planners on www.sedar.com in April 2008.

Buffalo Ankerite Property

The Buffalo Ankerite property consists of 35 claims comprised of 1063 acres in Deloro township, Ontario. The property is accessed by paved road 2 kilometres southeast of the city of Timmins.

The Buffalo Ankerite mine produced 1 million ounces of gold from 1926 to 1953. Adjacent to the west the Aunor mine produced 2.5 million ounces of gold, and to the east the Paymaster mine produced 1.2 million gold ounces. The geology of the property consists of volcanic flows that are folded from east-west to north by northeast. A 4,000 foot deep production shaft on the property was the primary means of historical gold production.

A PEA issued by Vetrin Mine Planners was filed on www.sedar.com in May 2007 for the near surface gold mineralization in the south mine area outlined by recent drilling. Drilling has been ongoing through 2007 and first quarter of 2008 with plans to continue and is to expand the mine area gold mineralization for the balance of the year.

Davidson Tisdale Property

The Davidson Tisdale Property consists of 6 claims consisting of approximately 360 acres in the Tisdale Township, plus a 50% back-in right on 19 claims having an area of approximately 760 acres.

The property is accessed by an all-weather road from the town of South Porcupine and is located 5 kilometres northeast of the city of Timmins. VG Gold has acquired a 71% interest in the property to date and has the option to earn up to a 75% interest by making exploration and development work expenditures.

Geologically the property is situated on the north limb of the Porcupine Syncline that hosts a number of the richest gold deposits in Timmins, including the Hollinger and McIntyre Mines. Significant development work took place in the 1980s with a decline ramp driven to a depth of 550 feet. Historical work in the 1920s established several mine levels down to 600 feet.

Drilling has been focused in the area from surface to 200 metres in the S-Zone and the Main Zone. VG Gold's recent exploration focus is on the high grade quartz veins in the Main Zone. VG Gold filed a PEA issued by Vetrin Mine Planners on www.sedar.com in October 2007. The Company is working towards obtaining all necessary permits required for production, and plans to have permitting completed by the year end, December 31, 2008.

Overall Performance

For the quarter ended March 31, 2008 the Company cash position decreased, from $2,908,412 as at March 31, 2007 to $1,926,514. The Buffalo Ankerite property is expected to be the primary exploration focus of the Company during 2008. The Company has sufficient cash resources on hand to maintain exploration work on its Ontario gold properties for the next two quarters of the fiscal year 2008.

The Company will continue to focus on its three central Timmins properties during 2008, with exploration work, permitting and mine planning activities. The main activities carried out during the quarter were focused on increasing the quantum of gold resources through exploration drilling on the Buffalo Ankerite property.

During the quarter the Company sold its royalty interest in the Pipestone Bay Property - Red Lake.

Selected Financial Information

The following table provides selected financial information that should be read in conjunction with the financial statements of the Company.

	QUARTER ENDED MARCH 31,		*YEAR ENDED DECEMBER 31,*	
	2008	*2007*	*2007*	*2006*
Interest and Other Income	$25,360	$38,058	$173,819	$52,647
Loss for the period	$315,172	$806,220	$1,045,403	$1,262,328
Loss per share	$0.004	$0.010	$0.01	$0.02
Total assets	$24,974,886	$25,901,150	$25,419,324	$20,710,491
Mining interest	$21,652,031	$18,529,956	$20,928,012	$17,833,602
Total liabilities	$951,512	$1,349,671	$1,080,778	$296,152

Results of Operations

The Company's operations involve exploration of its gold properties in Ontario, Canada. The Company has no income from mining operations. For the quarter ended March 31, 2008, the Company had a net loss of $315,172 (March 31, 2007 - $806,220). The decreased loss of $491,048 over the comparable quarter ended March 31, 2007 was mainly due to a decrease in the stock-based compensation charge of $507,141, and a decrease in the recovery of future income taxes of $174,000. General and administrative expenses for the quarter ending March 31, 2008 was $338,306 (March 31, 2007 - $470,074).

The Company cash position decreased from $2,980,412 as at December 31, 2007 to $1,926,514 as at March 31, 2008.

Revenue

The Company did not earn revenue during the quarter ended March 31, 2008, other than interest on investments of $25,360.

Expenses

		March 31, 2008		***March 31, 2007***	***% Change***
Write down of mineral resource property	$	-	$	-	-
Office, general and administrative	$	338,306	$	470,074	(28)%
Stock-based compensation	$	-	$	507,141	-
Amortization	$	1,266	$	41,063	(97)%

General and administrative expenses decreased by $131,768 (28%), due to tightening of controls over expenditures, including decreasing office rental costs and decreased activity in corporate activities involving mine permitting and corporate funding. Office, general and administration include corporate activities associated with property acquisitions, corporate funding, permitting and mine planning activities and investor communications.

Stock based compensation is directly related to the options granted during the year ended March 31, 2007. There were 1,600,000 options granted during the year with an associated stock-based compensation expense of $507,141. Amortization decreased due to not taking amortization of the mill equipment for the quarter ending March 31, 2008.

Exploration and Development Expenditures

Drilling and other exploration expenditures are capitalized. Exploration expenditures, excluding acquisition costs, for the quarter ending March 31, 2008 amounted to $710,753. Exploration and development expenditures for the quarter ended March 31, 2008 included $31,748 on the Davidson Tisdale Property, $29,205 on the Fuller Property and $649,800 on the Buffalo Ankerite Property and $nil on the Windsor Property.

Exploration and Development Expenditures (continued)

The Company is focused on exploring and developing its three advanced gold properties located in central Timmins, Ontario; the Davidson Tisdale Property, the Fuller Property and the Buffalo Ankerite Property. During the first quarter of fiscal 2008, the primary exploration focus was on the Buffalo Ankerite property with two exploration drills operating.

Exploration and Development Expenditures for the Quarter ending March 31, 2008

	Davidson Tisdale	*Fuller*	*Buffalo Ankerite*	*Total*
Geological		$3,000	$82,120	$85,120
Engineering		$5,500		$5,500
Geophysics				
Drilling			$517,243	$517,243
Consulting				
Permitting	$28,727	$20,705	$20,175	$69,607
Other	$3,021		$30,262	$33,283
Property Total	$31,748	$29,205	$649,800	$710,753

Summary of Yearly Results

Selected financial information for the eight previous fiscal quarters.

Yearly Financial Information (unaudited)								
		2008		*2007*		*2007*		*2007*
		Q1		Q4		Q3		Q2
(a) Revenue - interest	$	25,360	$	38,143	$	47,235	$	50,383
(b) Net Income (loss)	$	(315,172)	$	(30,172)	$	(162,574)	$	(166,781)
(c) Net Income (loss) per share	$	(0.004)	$	(0.001)	$	(0.002)	$	(0.002)
(basic & fully diluted)								
		2007		*2006*		*2006*		*2006*
		Q1		Q4		Q3		Q2
(a) Revenue	$	38,058	$	37,322	$	15,224	$	51
(b) Net Income (loss)	$	(806,220)	$	(99,341)	$	(493,457)	$	(313,871)
(c) Net Income (loss) per share	$	(0.010)	$	(0.003)	$	(0.008)	$	(0.005)
(Basic & Fully Diluted)								

Liquidity and Capital Resources

For the quarter ended March 31, 2008 the Company's cash position decreased from the December year end total of $2,980,412 to $1,926,514. The company has sufficient cash resources on hand to maintain exploration work on its Ontario gold properties for the next two quarters of the fiscal year. The Company invests surplus funds in Bankers' Acceptances guaranteed by a Canadian financial institution.

Outstanding Share Data

The authorized capital of the Company is comprised of an unlimited number of common shares. At March 31, 2008 the Company had 86,276,014 common shares outstanding. The Company had 11,325,000 purchase warrants outstanding as at March 31, 2007, of which 10,362,500 are exercisable at $0.60 until August 13, 2008 and 962,500 are exercisable at $0.40 until August 28, 2008. The Company has 4,420,000 options outstanding as of March 31, 2008, exercisable at prices ranging from $0.20 to $0.60 per share.

Commitments

VG Gold enters into option agreements with others whereby the Company may earn an interest in certain mineral properties by making option payments in cash and property work obligations to maintain the option on properties. VG Gold's current commitments are as follows:

1) The Davidson Tisdale agreement has commitments of up to $360,600 of property expenditures in 2008.

2) The Windsor Property agreement has commitments of $20,000 and 50,000 shares on or before October 4th, 2008. VG Gold is also to maintain the claims in good standing for the duration of the agreement.

Transactions with Related Parties

Management fees were paid to officers and directors, totalling $48,000 for the quarter.

The Company paid legal fees of $18,277 for the quarter to a firm in which an officer of the Company is also a partner of the law firm.

The Company has paid directors' fees of the Company totalling $7,500 for the quarter.

All related party transactions entered into by the Company are recorded at fair market value as determined by the Company's directors with no beneficial interest in respect of a particular transaction.

Environmental Risks and Hazards

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 relation to the retirement of its assets save for the Buffalo Ankerite mine site, 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.

Environmental Risks and Hazards (con't)

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

Federal Level (Canada)	Provincial Level (Ontario)
Canadian Environmental Protection Act	Environmental Protection Act
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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Actual results could differ from those estimates.

Nature of Operations

VG Gold is an exploration and development company engaged in the mining business. Some of its mineral properties are currently being explored and developed, and the Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves, as established in accordance with National Instrument No. 43-101, the ability of VG Gold to obtain the necessary financing to complete exploration and development and upon future profitable production or proceeds from disposition of such properties.

The Company tries to maximize its exposure to promising exploration and development opportunities, to manage the risks inherent in exploration and to make appropriate use of financial management resources.

Off-Balance Sheet Arrangements

As at March 31, 2008, the Company does not have off-balance sheet arrangements.

Additional Funding Requirements

As discussed, the mineral properties of VG Gold are in the exploration and development stage and, as a result, the Company has no source of operating cash flow. The Company intends to raise such additional funds to complete its projects. There is no assurance that VG Gold will be able to raise additional funds on reasonable terms. The development of any ore deposits found on the exploration properties of VG Gold depends on the ability of the Company to obtain financing through debt financing, equity financing or other means. If the exploration and development programs of VG Gold are successful, additional funds will be required to develop the properties and, if successful, to place them in commercial production. The only source of future funds presently available to VG Gold is the sale of equity capital of VG Gold, or the sale by VG Gold of an interest in any of its properties in whole or in part. The ability of VG Gold to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company.

There can be no assurance that VG Gold will be successful in its efforts to arrange additional financing if needed on terms satisfactory to VG Gold. If additional financing is raised by the issuance of shares from the treasury of the Corporation, control of VG Gold may change and shareholders may suffer additional dilution. If adequate financing is not available, VG Gold may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause VG Gold to forfeit its interests in some or all of its properties and reduce or terminate its operations.

Mineral Properties and Deferred Exploration Costs

The Company defers the costs of exploration and capital assets in existing projects and carries them as assets until production begins. Mineral properties and deferred exploration expenditures are recorded at cost and do not necessarily reflect present or future values. If a project is successful, the related mineral properties and deferred exploration expenditures will be amortized over the estimated economic life of the project. If a project is unsuccessful, or if exploration ceased because continuation is not economically feasible, the mineral properties and related exploration expenditures are written off.

Senior management periodically reviews the carrying value of the mineral properties and deferred exploration expenditures to consider whether there are any conditions that may indicate impairment.

Where estimates of future cash flows are available, a reduction in carrying value is recorded to the extent the net book value of the investment exceeds the estimated future cash flows. Where estimates of the future cash flows are not available and where other conditions suggest impairment, management assesses if the carrying value can be recovered and provides for impairment, if so indicated.

New Accounting Standards and Policies

Financial instruments

Effective January 1, 2008, VG Gold prospectively adopted the new CICA Handbook Sections 3862, *Financial Instruments – Disclosures* and 3863, *Financial Instruments – Presentation.* The purpose of these sections is to enhance the financial statement users' ability to evaluate:

- The significance of financial instruments over an entity's financial position, performance and cash flows;
- The nature and extent of risks arising from financial instruments to which the entity if exposed during the period and at the balance sheet date; and
- How the entity manages those risks.

The new standards required additional disclosure with no effect on the financial statements.

Capital management

Effective January 1, 2008, VG Gold adopted the new CICA Handbook Section 1535, *Capital Disclosures* for disclosure of a company's objectives, policies and processes for managing capital.

Stock-based Compensation

Effective January 1, 2004, VG Gold adopted the amendment to CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payment". The amendment, issued November 2003, requires the expensing of all stock-based compensation awards for fiscal years beginning on or after January 1, 2004 using the prospective transitional alternative as permitted by the standard, and has therefore used the fair value method for stock-based compensation awards. Any consideration paid by staff on exercise of the stock options or purchase of stock is credited to share capital.

Risks and Uncertainties

The Company's business of exploring and developing mineral properties is highly uncertain and risky by its very nature. In addition, the ability to raise funding in the future to maintain the Company's exploration and development activities is dependant on financial markets that often fail to provide necessary capital.

Regulatory standards continue to change making the review process longer, more complex and more costly. Even if an apparently mineable deposit is developed, there is no assurance that it will ever reach production or be profitable, as its potential economics are influenced by many key factors such as commodity prices, foreign exchange rates, equity markets and political interference, which can not be controlled by management.

Management's evaluation of disclosure controls and procedures

Management is responsible for establishing and maintaining a system of controls and procedures over the public disclosure of financial and non-financial information regarding the Company. Such controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported, on a timely basis, to senior management, including the President and the Chief Financial Officer (CFO), so that appropriate decisions can be made by them regarding public disclosure. The system of disclosure controls and procedures includes, but is not limited to, our Disclosure Policy, our Code of Business Ethics, the effective functioning of our Disclosure and Audit Committees, procedures in place to systematically identify matters warranting consideration of disclosure by the Disclosure Committee and verification processes for individual financial and non-financial metrics and information contained in annual and interim filings, including the financial statements, MD&As, Annual Information Forms and other documents and external communications.

As required by CSA Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures was conducted, under the supervision of Management, including the President and CFO, as of March 31, 2007. The evaluation included documentation review, enquiries and other procedures considered by Management to be appropriate in the circumstances.

Based on that evaluation, the President and the CFO have concluded that the design and operation of the system of disclosure controls and procedures was effective as of March 31, 2007.

The President and CFO are also required, under Multilateral Instrument 52-109, to file certifications of our annual filings. Copies of these certifications may be found on SEDAR at www.sedar.com.

Forward Looking Statements

This report may contain forward-looking statements that involve a number of risks and uncertainties including statements regarding the outlook for the Company's business and operational results. By nature, these risks and uncertainties could cause actual results to differ materially from what has been indicated. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined from estimates, capital and operating costs varying significantly from estimates, delays in or failure to obtain governmental, environmental or other project approvals and other factors including those risks and uncertainties identified above. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information as a result of new information, future results or other such factors which affect this information, except as required by law.

Signed

"*Alex Falconer*" CFO

May 14, 2008