

Press Release

June 11, 1997

Highlights

Discovery - La Grande Sud
Zone 32

9,69 g/t Au / 11,25 m

6,36 g/t Au / 8 m

3,05 g/t Au / 20 m

3,36 g/t Au / 15 m

12,9 g/t Au / 3 m

Discovery in drilling of a
gold-bearing formation on
Auclair: 6.03 g/t Au over 3 m

APQ awards Virginia the title of
Prospector of the year 1996

Virginia Gold Mines

the most active exploration
company in Québec

30 properties covering over
4000 km² of favourable
geology in Québec

Major Partners

-Inmet - Denison

-Kennecott

-Noranda

-Cominco

-SOQUEM

ME - VIA

Exploration budget for 1997
\$6,000,000 (minimum)

Working capital
\$15,000,000 no debt

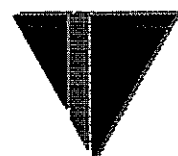
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VIRGINIA

A NEW GOLD-BEARING ZONE ON THE AUCLAIR PROJECT RETURNS 12 g/t Au OVER 3 METRES KOGALUK AND DUPIRE PROJECTS: NEW AGREEMENT

Virginia Gold Mines Inc. ("Virginia") announces the discovery of a new gold-bearing zone on its **Auclair** project, Quebec, Canada.

The new zone confirms the excellent potential of this unexplored area where **Virginia** has recognized a gold-bearing iron formation very similar to the **Musselwhite deposit (10 million tons @ 9.8 g/t Au)** recently put into production by **Placer Dome Canada**.

This new structure is located 10 kilometres away from the gold discovery announced by **Virginia** in February. This discovery had returned **6.03 g/t Au over 3 metres**. The two discoveries lie within the same iron formation now traced over 25 kilometres.

The gold-bearing structure is included within an iron formation 80 metres wide that has returned :

	Intersection			
	g/t Au	metres	oz/t Au	feet
GOLD-BEARING FORMATION	2.08	25.0	0.06	82
Including	5.37	7.4	0.16	24
Including	12.04	3.0	0.35	10

The intersection lies at 50 metres depth.

The **Frank** showing located 5 kilometres west of this new zone returned several values over **10.0 g/t Au**. Moreover, a channel sampling on the **Hammer** showing had also returned a surface intersection grading **0.79 g/t over 24 metres**. Altogether, these results demonstrate that the **Eastmain-Auclair** volcanic belt is an important gold belt totally unexplored.

The **Auclair** property, 100 % **Virginia**, covers a regional fold within an important iron formation representing a target area of approximately 150 km².

A budget of \$1 million has been allocated toward the continuation of the exploration program on the property.

Kogaluk and Dupire projects

Virginia, Cominco and SOQUEM announce the signing of an option agreement with Exploration Boréale on the Kogaluk and Dupire projects. According to this agreement, Boréale has the option to acquire a 25% interest in the projects by incurring \$700 000 in exploration expenses over the next three years, including \$250 000 in the first year. SOQUEM and Virginia share management of the projects.

The Kogaluk (210 km²) and Dupire (77 km²) properties are located on the Ungava peninsula in the New-Quebec region, where SOQUEM - Cominco - Virginia have been exploring since 1992.

Various exploration activities including geophysical surveys and over 1000 metres of drilling are planned for the Kogaluk project during the coming summer.

This agreement is subject to the approval of the Montreal Exchange.

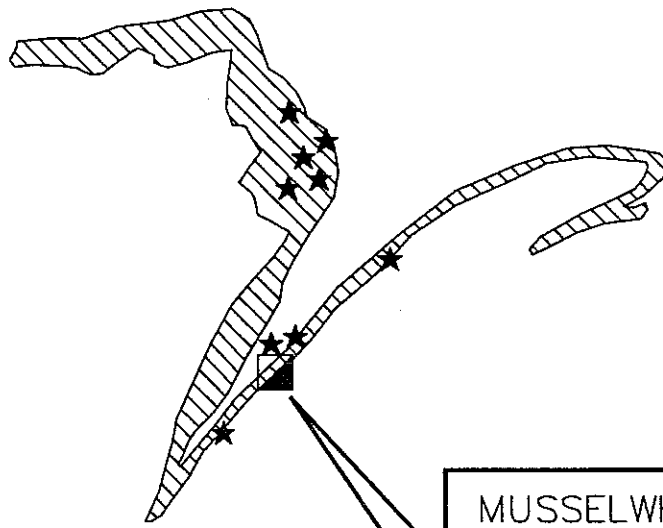
SUMMARY OF ASSAY RESULTS FROM THE KOGALUK PROJECT

AREA OF THE PROPERTY	ROCK SAMPLES	CHANNELS		DRILLING	
		g/t Au/m	oz/t Au/ft	g/t Au/m	oz/t Au/ft
Zone 1 (west centre)	up to 12 g/t Au	2.85 / 4.1	0.08 / 13.5	6.1 / 0.70	0.18 / 2
		5.45 / 1.9	0.16 / 6.3	9.69 / 0.90	0.28 / 3
		8.50 / 0.85	0.25 / 3	7.1 / 1.19	0.2 / 4
		2.87 / 6.4	0.08 / 21	2.68 / 2.06	0.08 / 7
		2.45 / 5.6	0.07 / 18		
Zone 2 (north)	up to 9.26 g/t Au	5.05 / 1.1	0.15 / 3.6	2.0 / 1.46	0.06 / 5
		1.02 / 3.7	0.03 / 12	3.8 / 0.50	0.11 / 1.7
		3.12 / 2.2	0.09 / 7	3.4 / 0.99	0.1 / 3.4
Zone 3 (northern limit)	up to 60 g/t Au	9.67 / 0.50	0.3 / 1.6		
		2.08 / 3.1	0.06 / 10		
Zone 4 (east centre)	up to 40 g/t Au	5.76 / 5.0	0.17 / 16	4.92 / 5.57	0.14 / 18
		including: 14.25 / 1.5	0.42 / 5	including: 16.94 / 1.5	0.5 / 5

Virginia Gold Mines is among the most active mining exploration companies in Québec, Canada, with an exploration budget exceeding **\$6 million for 1997**, **\$15 million in cash**, approximately 23 million shares issued and outstanding, and is debt-free. Virginia owns more than **30 properties** covering **4000 square kilometres**. The Company concentrates its activities in the vast unexplored regions of northern Québec.


For additional information, contact André Gaumont, President
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MINE MUSSELWHITE MINE PLACER DOME INC.



 IRON FORMATION
FORMATION DE FER

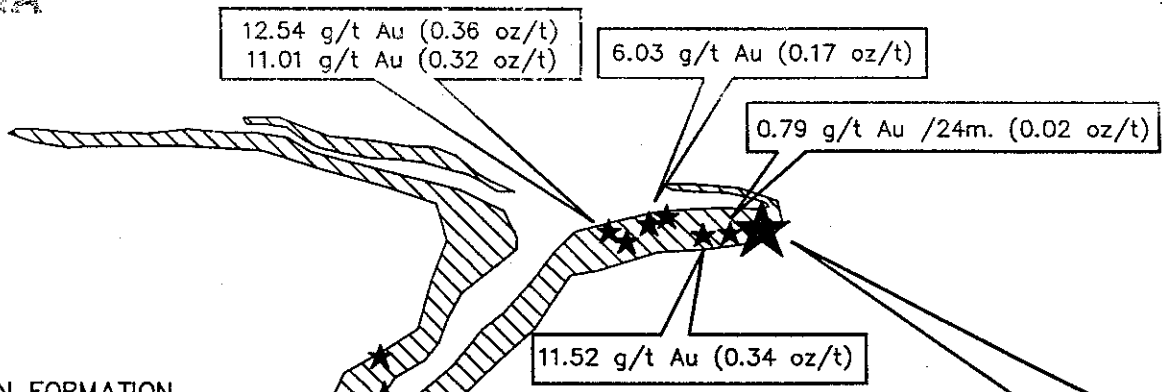
 GOLD ZONE
ZONE AURIFÈRE

 MINE SHAFT
PUITS DE MINE


0 2Km

MUSSELWHITE MINE
10 000 000 Tonnes
@ 9.8 g/t Au
(0.28 oz./t Au)

PROJET AUCLAIR PROJECT VIRGINIA



 IRON FORMATION
FORMATION DE FER

 GOLD ZONE
ZONE AURIFÈRE

C.S. CHANNEL SAMPLE
ÉCHANTILLON EN RAINURE

D.D.H. DIAMOND DRILL HOLE
FORAGE

0 2Km

12.54 g/t Au (0.36 oz/t)
11.01 g/t Au (0.32 oz/t)

6.03 g/t Au (0.17 oz/t)

0.79 g/t Au /24m. (0.02 oz/t)

11.52 g/t Au (0.34 oz/t)

NOUVELLE DÉCOUVERTE
(D.D.H.) 5.4 g/t Au /7.4 m. (0.16 oz/t/24 ft.)
Incl. 12.04 g/t Au/3m (0.35 oz/t/10 ft.)

ZONE GOLDEN BUTTERFLY ZONE
(D.D.H.) 5.1 g/t Au /4m. (0.15 oz/t/13 ft.)
(C.S.) 3.16g/t Au/4m. (0.09oz/t/13 ft.)