

Press Release

June 26, 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 Exploration
- Noranda
- Cominco
- SOQUEM

ME - VIA

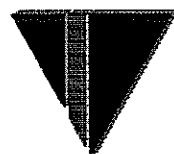
Exploration budget for 1997
\$6,000,000 (minimum)

Working capital
\$15,000,000 no debt

For information

Marie-Claude Poitras
Investor Relations

418.694.9832
800.476.1853
418.692.3969 (fax)



VIRGINIA

VIRGINIA BEGINS ITS MOST IMPORTANT EXPLORATION PROGRAM TO DATE: OVER \$6 MILLION IN 1997

Virginia Gold Mines Inc. "Virginia" announces the beginning of several exploration programs on its numerous projects spread across the Province of Québec.

James Bay

Recently, a number of teams were mobilized to begin exploration on the **La Grande Sud (100% Virginia)**, **La Grande Nord (100% Virginia**, option Noranda 50%), **Eastmain Ouest (50% Virginia, 50 % SOQUEM)**, **Auclair, (100% Virginia)**, and **Opinaca (100% Virginia)** properties.

On **La Grande Sud, Virginia** has resumed drilling to test the lateral and vertical extensions of a newly discovered structure, an important gold-bearing corridor 500 metres long with a width varying between 10 and 20 metres. **Virginia** will also investigate the other zones discovered during the past winter, among them Zone 32-A (1.00 g/t Au and 0.53 % Cu over 19 metres), Zone Pari (9 g/t Au over 3 metres; 95.6 g/t Au over 1 metre; and 3 g/t Au over 9 metres) and Zone 35 (13.9 g/t Au over 2.35 metres). Several other structures that have returned significant intersections (18 g/t Au over 1 metre; 0.5 g/t Au over 15 metres; 0.5 g/t Au over 20 metres; 0.5 g/t Au over 30 metres) will also be tested. Moreover, a few hundred geophysical and geochemical anomalies spread along the 60 kilometres covering the **La Grande Sud** property will be tested for the first time.

An exploration program supervised by Noranda on the **La Grande Nord** property will test the numerous geophysical anomalies identified during last winter.

Virginia and SOQUEM started prospecting on the **Eastmain Ouest-Réservoir** property continuing work that had begun last summer, as well as testing ground geochemical anomalies (Au) discovered last fall.

Because of the results from its first drilling program on the **Auclair** project during winter 1997 (5.2 g/t Au over 4 metres; 5.4 g/t Au over 7.4 metres), **Virginia** plans to perform an important mapping, prospecting and drilling program in the coming months.

Northern Québec

Inmet and Denison Mines will soon begin a first exploration program on the **SAGAR** property (optioned by **Virginia**) located in the Labrador Through. Under the terms of the agreement, Inmet and Denison Mines can acquire a 50% interest in the property in return for exploration expenditures of \$4 million over five years and four payments totalling \$250,000. Work will consist of geological surveys, geophysics (gravity) and drilling. They will attempt to identify the source of erratic boulder fields rich in gold and uranium while testing the potential of the property for Athabasca Basin and Olympic Dam type deposits.

In the Ungava Peninsula, **Virginia** and its partners have recently begun exploration on several properties. Drilling is planned on the **Kogaluk** project, a property developed as a partnership of **Virginia**, SOQUEM, Cominco and Exploration Boréale. Prospecting and sampling is also in progress on the **Payne** and **Duquet** permits within an agreement between **Virginia** and SOQUEM.

North Shore - Grenville

An important exploration program has recently begun on the **Lac Volant's** projects located north of Sept Îles. An \$800,000 budget has been allocated for these projects (Kennecott Canada Exploration Inc. option 50 %). A budget of \$400,000 has been allocated by the Virginia-Vior-Azimut syndicate on other projects in the region. The first phase of exploration includes ground and stream sediment geochemical surveys, mapping and ground geophysics. A diamond drilling program will follow.

Other Areas

Virginia will lead several reconnaissance and/or prospecting programs to test numerous regional geophysical and geochemical anomalies in favourable geological settings.