



2009

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Virginia continues to reign as leader in Quebec exploration

Annual Information 2009



A Word from the President

«The Virginia team was first to believe in the mineral potential of James-Bay and we are proud to see that today the industry recognizes this exceptional potential.»

I am pleased to present this report and announce upcoming developments. Virginia continues to reign as leader in Quebec exploration. The Company has perpetually gone through difficult periods by adapting its exploration approach, optimizing budgets and finances and encouraging partnerships.

Financial Stability

An integral part of Virginia's strategy has always been to maintain exceptional working capital that allows us to go through both good times and bad. In May of 2008 Virginia undertook a private placement of \$4.5 million, at a price of \$9.00 per share, a premium of 38% to the market price at that time. Seizing opportunities in favourable market conditions ensures Virginia's financial stability when financing becomes more difficult. As of February 28, 2009, Virginia had \$38.5 million in working capital and no debt. The Company has been receiving advance royalty payments for the Éléonore project since April 2009. This revenue will rise considerably along with the development of the deposit.

Éléonore Royalty

The discovery and subsequent sale to Goldcorp of the Éléonore deposit represents the biggest success in Virginia's short history. The royalty that Virginia holds on the deposit will continue to increase in value, to a point that many analysts consider this to be the company's most important asset. Furthermore, it seems evident that this value will continue to grow significantly along with the increase of the deposit's resources and the advancement of development work.

Gold exploration

During 2008 Virginia undertook several drill campaigns on the Corvet Est, Poste Lemoyne and Anatacau-Wabamisk projects. These campaigns not only developed previously known auriferous zones but also helped open new ones. Additional work will be carried out on these projects throughout 2009.

Coulon Project

In the first half of 2008 the Coulon project monopolized a large portion of the exploration budget. The financial crisis and the significant drop in base metals prices put the brakes on spending on the project. In December 2008 Virginia announced that it had acquired 100% interest in the Coulon property and had become the sole proprietor. In April 2009, Virginia published its first resources calculation. Despite the poor situation of the metals market, Coulon remains one of the most important undeveloped base metal resources in Quebec.

Thank you

On behalf of the Board of Directors and Management, I would like to express my sincere thanks to our team of professionals, contractors and partners that have made Virginia the best exploration team in Quebec. A special thank you goes out to our shareholders, for your confidence and support, which has allowed us through the years to create market value and ensure Virginia's growth and longevity.



André Gaumond

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Why hold shares in Virginia Mines ?

A proven exploration strategy

- ◆ Exceptional financial situation – royalty revenue, no debt
- ◆ One of the most successful explorers in Canada (six discoveries in 12 years)
- ◆ Expertise (one of the best exploration teams in Canada)
- ◆ Discovery of the most promising gold mining camp in North America (the Opinaca region)
- ◆ Discovery of a new base metals mining camp (Coulon)
- ◆ Outstanding creation of market value: sale of Éléonore for approximately \$0.5 billion
- ◆ 100% involvement within a territory with no political risk – recognized as one of the best areas in the world
- ◆ Focus on gold – Leverage on base metals
- ◆ Sharing risk with different partners

Éléonore Royalty

Virginia is receiving \$100,000 per month as of April 1st 2009 in advance royalty payments on the Éléonore deposit.

%	ROYALTY	OUNCES PRODUCED FROM THE ÉLÉONORE PROPERTY
2.0%		on the first 3 million oz
+ 0.25%		for every additional million ounces of gold produced to a maximum of 3.5%

GOLD PRICE ADJUSTMENT

- 10%	if price of gold less or equal to US\$350 / oz (Example : 2% - 0.2% = 1.8%)
- 5%	if price of gold greater than US\$350 / oz but less or equal to US\$400 / oz
-	if price of gold greater than US\$400 / oz but less or equal to US\$450 / oz
+ 5%	if price of gold greater than US\$450 / oz but less or equal to US\$500 / oz
+ 10%	if price of gold greater than US\$500 / oz (Example : 2% + 0.2% = 2.2%)

For instance, after the first 4 million ounces, Virginia would receive, for each additional ounce of gold produced at an implied price of US \$500 per ounce, a 2.75% royalty (using the following method of calculation: $(2\% + 0.25\% + 0.25\%) \times 110\% = 2.75\%$). Note that at no time can the royalty exceed 3.5%.

Exploration Budget 2009: >\$8 million, priority to gold projects

Virginia has refocused its activities around auriferous projects, notably gold projects within the immediate vicinity of the Éléonore deposit. Among the projects that will benefit from the largest portion of the budget will be Poste Lemoine (gold), Anatacau-Wabamisk (gold), Noëlla (gold), Corvet Est (gold) as well as the Auclair (gold), FCI (gold) and la Grande Sud (gold) projects.

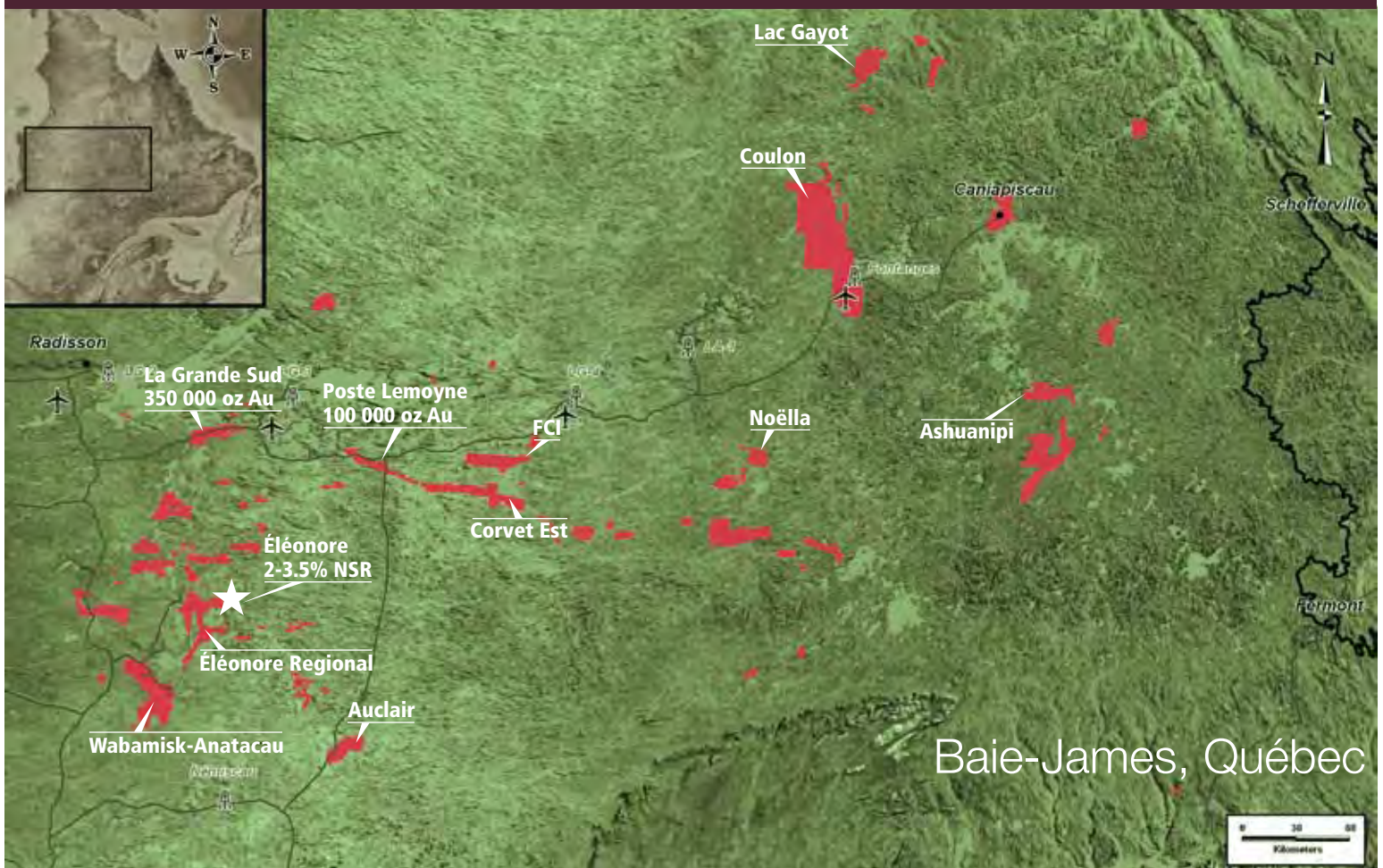


Mineral Resources

- ◆ Indicated resource: 3,675,000 tonnes at an average grade of 3.61% Zn, 1.27% Cu, 37.2 g/t Ag and 0.25 g/t Au
- ◆ Inferred resource: 10,058,000 tonnes at an average grade of 3.92% Zn, 1.33% Cu, 34.5 g/t Ag and 0.18 g/t Au

Quebec: Best land in the world

Quebec is ranked first in the world as having land with excellent exploration potential. The Fraser Institute has been classifying mining territory for several years and Quebec has consistently ranked in the top five. Mining exploration financial incentives, impressive mining and metallurgic infrastructure, one of the best geoscientific databases in the world, constant access to the land, low cost exploration and expertise are all reasons that Quebec holds its stronghold as first choice for exploration.





Community Engagement

Virginia is strongly involved with First Nations communities, and over the years has established very good relationships and a communications system with the native communities present on the land. Virginia also ensures local involvement by employing local people and developing partnerships with them. Virginia remains a partner with the Nunavik Mineral Exploration Fund, in order to explore virgin territory in northern Quebec.

James-Bay: Birth of a Mining Camp

- ◆ Lowest cost of electricity in North America
- ◆ Nine hydroelectric dams
- ◆ 2,925 km of roads – access to territories
- ◆ Telecommunication
- ◆ Eight airports, ten towns
- ◆ Lodging
- ◆ Financial incentives for exploration
- ◆ Government tax credit
- ◆ Manpower available
- ◆ Agreements with First Nations
- ◆ Mining infrastructure in development
- ◆ Over ten deposits discovered in 10 years

Institutional Coverage

- ◆ Laurentian Bank Securities
Eric Lemieux
- ◆ Dundee Capital Markets
Tim Lee
- ◆ Genuity Capital Markets
Michael Gray
- ◆ Macquarie Securities
Pierre Vaillancourt
- ◆ Canaccord Adams
Wendell Zerb

Accomplishments 2008-2009

- ◆ Achieved set objectives in Coulon
- ◆ Maintained financial stability
- ◆ Added quality projects to portfolio (Lac Pau, Ashuanipi, Nichicun, ...)

Objectives 2009-2010

- ◆ Discovery of new auriferous structures
- ◆ Maintain a healthy financial situation
- ◆ Attract new partners
- ◆ Acquire new quality projects

Capital Structure 28/02/2009

- ◆ Shares Outstanding: 29,201,776
- ◆ Fully Diluted: 30,928,276
- ◆ Working Capital: \$38.5 million
no debt
- ◆ TSX Symbol: VGQ

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