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Sweet gold hits for Virginia at Wabamisk

BY IAN BICKIS

VANCOUVER — In its search for high-grade gold and silver veins, **Virginia Mines** (VGQ-T) has drilled a few enticing high-grade gold hits at its Wabamisk property in Quebec.

The results come from a recently completed winter drill program the company conducted near the Opinaca reservoir in the James Bay region. Virginia released the results from 17 of the 20 drill holes that targeted the Isabelle zone at Wabamisk; of those 17 results, 13 holes were deemed to have insignificant mineralization.

The four positive results, however, were enough to propel Virginia Mines' stock price up 59¢ or 8% on April 5, to reach \$8.08. The 8%-rise comes after a share price increase of \$1.55 or 26% over the seven preceding trading days.

On the south end of the Isabella zone, hole 12 cut 4 metres grading 46.5 grams gold per tonne, or 18.26 grams gold cut. Roughly 50 metres north, hole 4 intersected 10 metres grading 2.75 grams gold and hole 3, cut from the same collar as hole 4, returned 7 metres averaging 2.02 grams gold. Another 50 metres north, hole 7 hit 2 metres grading 5.89 grams gold.

Surrounding and between these results, Virginia Mines hit various insignificant mineralization. It says the inconsistent results are in line with the local geology, which is comprised of gold mineralization in an area of low-sulphide vein networks contained in zones of

intense biotite-silica alterations. Surface mineralization is associated with north-south oriented quartz veins dipping steeply to the east.

The company discovered Isabelle through prospecting in 2007 and then worked on mechanical stripping, detailed mapping and channel sampling on the property last summer and fall. During that work Virginia Mines channel sampled 3 metres grading 11.03 grams gold in the north end of the area and 3 metres averaging 14.98 grams gold in the new south portion. Sampling results, like the drill results, varied widely, from as high as 316.18 grams gold over 1 metre to 0.5 gram gold over 3 metres.

Virginia's initial work last year traced gold mineralization on the surface over 80 metres. Now the company's drilling effort has extended the mineralized strike to 150 metres as well as to a vertical depth of 75 metres. The company reports that deeper drilling was not possible because of poor ice conditions on the adjacent lake.

The company holds a 100% interest in the Wabamisk property and has the option of earning a 100% interest in the adjacent Anatacau property from **Iamgold** (IMG-T, IAG-N) by spending \$3 million on exploration by the end of 2012. The combined property spans 495 sq. km over 941 claims.

Besides Wabamisk, Virginia has some degree of ownership in 20 other projects in northern Quebec. The company has often partnered with other companies as

it built up its sizable property portfolio. Partners range from major producers like **Goldcorp** (G-T, GG-N) and Iamgold to juniors like **Osisko Mining** (OSK-T) and **Breakwater Resources** (BWR-T).

The Éléonore gold project is Virginia's most significant discovery, which it sold to Goldcorp in 2006 in a deal worth roughly \$500 million. Virginia has 2% variable net smelter return royalty agreement at the project, as well as a guaranteed payment of US\$100,000 a month until the mine begins production, for up to 50 months. Éléonore currently has a resource estimate of 8.2 million measured and indicated tonnes grading 11.92 grams gold and 15 million inferred tonnes grading 12.93 grams gold. Goldcorp is close to finishing a prefeasibility study on the project.

Virginia's 100%-owned Coulon property has a resource of 3.7 million indicated tonnes grading 0.25 gram gold, 37.2 grams silver, 1.27% copper, 3.61% zinc and 0.4% lead, as well as 10.1 million inferred tonnes at 0.18 gram gold, 34.5 grams silver, 1.33% copper, 3.92% zinc and 0.19% lead.

Last May the company sold its Dieppe property to **Agnico-Eagle Mines** (AEM-T, AEM-N) for \$1 million in shares, as well as a further \$1 million contingent on Agnico establishing a resource of more than 1 million oz. gold.

Virginia's stock price has risen steadily from a low of \$3.42 last April to a high of \$8.08 on news of the latest drill results. The company has 29.8 million shares outstanding.