

VIRGINIA MINES

"It has not been an easy year for junior gold stocks, and **Virginia Mines, Inc.** (VGQ.TO 3.83 Toronto) has slid, though less than many. However, things are developing on plan for the company, and we should see a good move over the next 12 months. Having purchased the remainder of an attractive zinc property from its erstwhile joint venture partner, it concluded exploration and essentially has the property on the shelf, ready to sell when the market recovers. Now it is focusing on gold in the highly prospective James Bay area of Quebec, where it earlier discovered the valuable Eleonore property that it eventually sold to Goldcorp. It is hoping to replicate at least some of that success. Well financed, it is ready to start the exploration programs with a total budget of over \$8.5 million (less than \$4 million of which is Virginia's share). Most will be spent on prospective properties around Quebec, but Virginia is also spending over C\$1 million to test new gold targets in James Bay, and this is where the big potential lays. It already has identified several targets, and now can start more active on-the-ground exploration, including drilling. We expect a steady flow of news over the next six months, and an active stock price. Summer is typically a weak period for junior gold stocks, so this is the ideal time to buy, before the news starts flowing."

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