

**VIRGINIA MINES INC**

**SUSTAINABLE DEVELOPMENT REPORT**

**2014 Fiscal Year**

# Table of Contents

**Introduction**..... 3

**A few words about Virginia Mines** ..... 4

**A process of continuous improvement** ..... 6

**Governance and Economy** ..... 9

**Environment**..... 14

**Social**..... 17

**Strategic Initiatives 2014-2015** .....25

We are very pleased to present our report on sustainable development. This document reflects the work done on the social, environmental and governance dimensions of the company. This year is one of continuity. We tried to build on the strong foundation we have created over the past few years.

We are proud to introduce our Responsible Procurement Policy that takes into account our Sustainable Development Policy for the acquisition of goods and services. For the first time we used responsible procurement practices when choosing suppliers, keeping in mind our values. Virginia Mines firmly intends to continue on this path and share experiences with our partners. We also completed one year of calculating greenhouse gas emissions. This assessment allows us to highlight our most emitting activities and to consider ways to reduce our footprint. We conducted a review of our health and safety protocol and made improvements to it.

Virginia Mine's team has at its heart the promotion and encouragement of good industry practices. With this in mind, we have agreed to collaborate on the development and testing of a new standard in sustainable development specific to the mining exploration industry. We thank the Quebec Mineral Exploration Association (QMEA) to allow us to participate in this project that will lead to certification in 2016.

Thanks also go out to all our stakeholders, who inspire us and encourage us to do better.



A handwritten signature in blue ink that reads "A Gaumond".

André Gaumond  
President and CEO



A handwritten signature in blue ink that reads "Èva Roy-Vigneault".

Èva Roy-Vigneault  
Sustainable Development Manager

# A few words about Virginia Mines

Virginia Mines is one of the most active mining exploration companies in Quebec; it conducts exploration activities in accordance with best industry practices, to create wealth for its shareholders and Quebecers without compromising the quality of life for future generations. It conducts its exploration activities with the greatest respect for the environment and local communities.

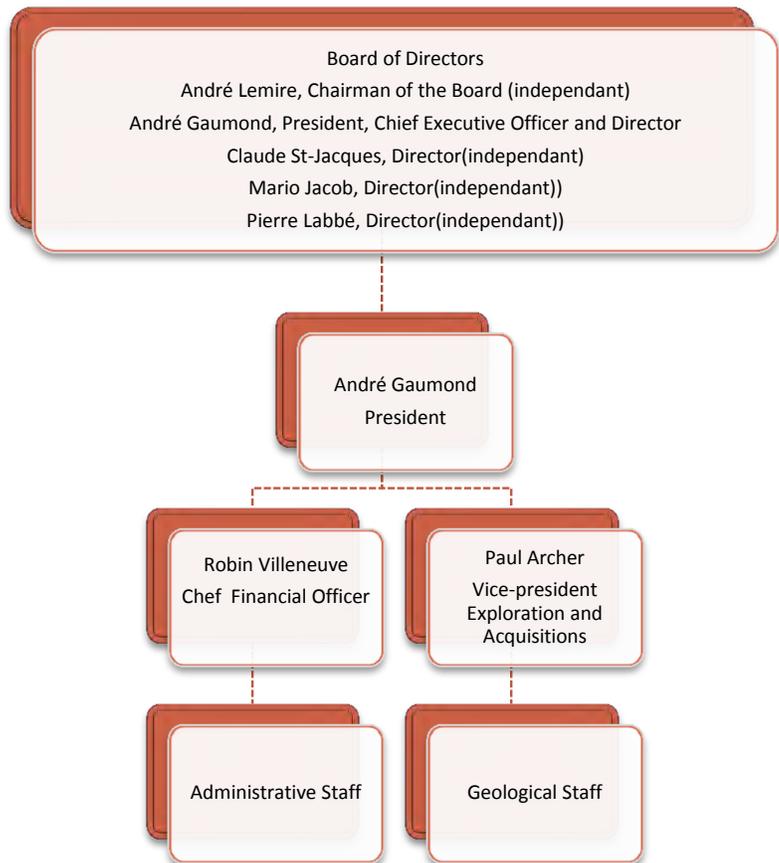
Virginia Mines (VGQ-TSX) is listed on the Toronto Stock Exchange and is headquartered in Quebec City. It has developed a unique exploration strategy that is recognized internationally: focused on Quebec, diversified portfolio, partnerships, expertise and financial strength.

Virginia Mines' staff consists of five directors, three managers and a permanent team of twenty employees. It has an annual exploration budget of \$10 to 20 million.

Some numbers	2013-2014
Permanent employees	26
Seasonal employees	9
Student employees	12
Fully diluted shares in circulation	33 111 454 (28-02-2014) 35 053 254 (28-02-2014)
Debt	0
Working capital	\$44.8 M (28-02-2014)

Virginia Mines is considered a leader in mineral exploration in Quebec and is one of the largest holders of mining claims in Northern Quebec. The Company has been working on several projects that are in various stages of exploration in order to develop mineral resources. One of its findings, the Éléonore project, was acquired by Goldcorp Inc. in March 2006. After this transaction, the new

Virginia Mines was established to continue its mission of exploration in the James Bay region. With its discovery of the Éléonore deposit and more than 20 years of expertise in Quebec, Virginia Mines' team is recognized as one of the best exploration teams in Canada.

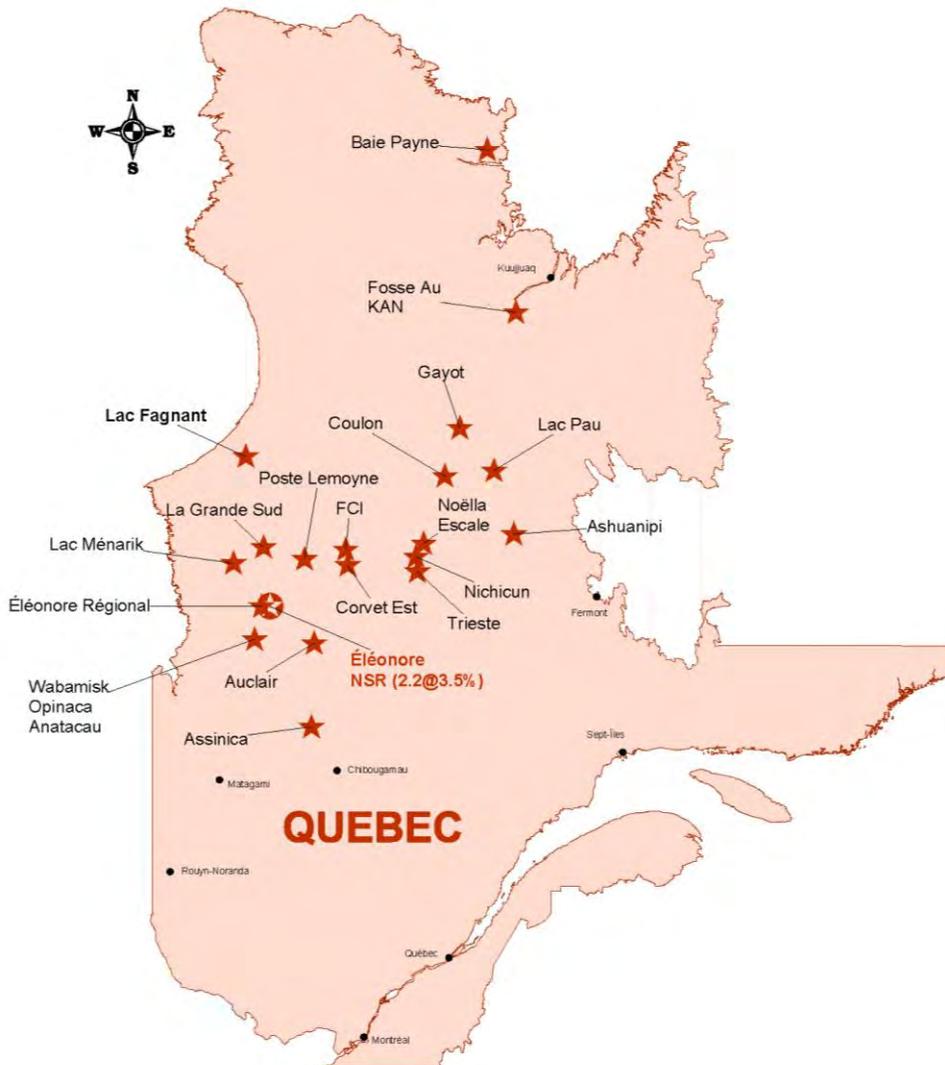


Several of Virginia Mines' projects involve partnerships with other mining companies. These various exploration partners contribute annually to its exploration budget. Virginia Mines has also formed strategic alliances with several consultants and universities to participate in the development of its projects.

An agreement was signed in January 2014 with three Quebec institutional partners, namely SODÉMEX Development (a subsidiary of the Caisse de dépôt et placement du Québec), the Fonds de solidarité du Québec (FTQ) jointly with the Nord-du-Québec Regional Fund, and SIDEX Limited Partnership. These partners have joined Virginia in financing a \$28 million accelerated program to fund the Coulon project over the next four years. Virginia Mines transferred all of its interest in the Coulon project to a newly incorporated subsidiary under the name Coulon Mines Inc. In return, Virginia Mines received common shares of Coulon Mines worth 42 million dollars.

Virginia Mines' success in Quebec is the result of perseverance and many years of effort. To maximize the chances of discovery and the talents of its exploration team, Virginia Mines is active in the field year-round. In addition, this success is closely linked to the social acceptability of First Nations communities in the territory. Virginia Mines maintains excellent relations with the communities by employing local workers, respecting local customs and being in constant communication with people living on the territory.

### Virginia Mine's Main Properties



# A process of continuous improvement

For the past three years, Virginia Mines has following a path of continuous improvement inspired by the e3+ models and the BNQ 21000 approach.



An important step towards improvement is to acknowledge our strengths, our areas of improvement and our challenges, together with our stakeholders. In 2012 this diagnosis was developed in consultation with our internal and external stakeholders. At first, a presentation or a telephone call was made to inform the stakeholder of our consultation initiative. Then an email was sent with a document explaining the process in more detail with a link to an electronic questionnaire. Here are the stakeholders that were consulted:

Stakeholders consulted		
Target Group	People consulted	Organization
Director	1	Virginia Mines
Management	5	Virginia Mines
Employees	20	Virginia Mines
Favoured Partners	1	Services Technique Géonordic
First Nations	2	Cree Mineral Exploration Board Fonds d'exploration minière du Nunavik
Suppliers	6	Abitibi Géophysique Héli-Inter Forage Chibougamau Instrumentation GDD Miller Thompson Pouliot SENCRL / LLP (2)
Investors	2	Fonds FTQ (2)
Competitors	3	Exploration Midland Inc. Ressources Cartier Inc. Osisko Mining Corp.
Universities	2	Université du Québec à Chicoutimi Université Laval

This consultation and diagnosis identified or confirmed Virginia Mine's priority issues in the coming years, namely:

- promotion of socio-economic development of First Nations communities near areas of exploration;
- health, engagement and skills-upgrading of the team;
- promotion and exemplary conservation and restoration of natural habitats in the North;
- an approach to corporate social responsibility in procurement and investment;
- management of greenhouse gases emitted in connection with our activities.

The stakeholder consultation that took place found Virginia Mines is already perceived as a leader in sustainable development. The resulting diagnosis indicates a level of progression and a company that is committed and proactive.

Prioritized recommendations following diagnosis were part of two action plans detailed on the following page.

## Progress of the process

Strategic priorities	Issues	Strategic Initiatives 2012-2013	Achievements 2012-2013	Strategic Initiatives 2013-2014	Achievements 2013-2014
<b>Reinforce our relationships with local and First Nation communities</b>	Impacts on local development	Further document our contributions to community development.	✓	Continue to document our contributions to community development	✓
	Work conditions	Involve and educate employees on social causes.	↻	Organize a day of work in a non-profit organization in Quebec City	✓
<b>Encourage the participation of employees in the process of sustainable development</b>		Health and Safety	Require a report for all courses and conferences attended by staff in order to promote knowledge-sharing among employees.	↻	Promote tools at disposal of employees
	Designate a person responsible for health and safety issues.		✓	Promote tools at disposal of employees	✓
	Standardize documents relating to incidents and document prevention activities.	✓	Revise the Health and Safety document	✓	
<b>Create shareholder value</b>	Managing the impact of sustainable development	Develop a purchasing policy that optimizes our local impact.	🔧	Continue dialogue with current suppliers. Make an inventory of local suppliers available. Develop a responsible procurement policy	✓
		Assess our efforts and contributions to sustainable development.	✓	Continue the compilation of our efforts and contributions to sustainable development	✓
<b>Ensure the longevity of Virginia Mines</b>	Strategies of the organization	Improve mission statements, vision and values of the company through prioritizing the principles of sustainable development.	✓	Translate the first sustainable development report and the mission, vision and values document. Disseminate sustainable development report in French and English	✓
		Complete and better communicate our sustainable development policy.	✓	Update our website. Continue to inform our stakeholders	↻
	Develop performance indicators for sustainable development linked to the exploration activities of Virginia Mines.	🔧	Consider relevant and sustainable indicators over time	↻	
<b>Reduce our environmental footprint</b>	Energy management and GHG	Document our GHG emissions and identify opportunities to offset them.	↻	Continue experimenting with the calculator	✓
		Reflect on how to offset GHG	↻		
	Management of global environmental impact	Standardize our reforestation efforts.	↻	Experiment with new approaches to reforestation	↻
		Continue our restoration efforts of abandoned mining and outfitter sites.	↻	Continue supporting the Fonds Restor-Action Nunavik and continue fundraising for the Fonds Restor-Action Cree.	✓
					

## **Involvement in the development of a new certification in mineral exploration**

The Quebec Mineral Exploration Association (QMEA) has launched a project to create a new certification in sustainable development in our industry. Although there are already standards and methods for applying the principles of sustainable development, their application is often difficult and unsuitable for small exploration companies. The mineral exploration field offers a very special combination within the four dimensions of sustainable development (governance, economy, society, and environment).

The certification project will extend to the whole of the mining sector including exploration companies

as well as service providers. The expertise that Virginia Mines has developed over the years in sustainable development is now sought by organizations working towards developing the new certification standard.

Development of this certification involves several entities: QMEA is the promoter and the Chair in Mining Entrepreneurship (CME) of UQAT-UQAM is the project manager. The MISA Group, using the ACCORD process, as well as the Quebec Minister of Finance are also partners. QMEA member companies will test the new standard before its implementation in 2016, and Virginia will take part in this. Progress results will be discussed in our next sustainability report.

In the past, we have revised the mission, vision and values of Virginia Mines by integrating the principles of sustainable development. An effort was made to disseminate information in our internal and external communications. We also established a sustainable development policy.

This year, we developed a responsible procurement policy that stems from our sustainable development policy. In addition, we thought about a new indicator to compare our

financial performance with other companies in our industry. To regularly monitor our performance, in our monthly reports we collect health and safety statistics, relationships and initiatives with First Nations communities and environmental incidents. This collection of information is the basis of present and future data indicators of sustainable development.

## Mission, Vision, Values

### **Mission :**

“Virginia Mines is one of the most active mining exploration companies in Quebec and it conducts exploration activities in accordance with best industry practices in order to create wealth for its shareholders and Quebecers without compromising quality of life for future generations.”

### **Vision :**

“Virginia Mines is a pioneer in exploring the virgin territories of North Quebec. It is recognized that it conducts its exploration activities with the greatest respect for the environment and local communities.”

### **Values :**

**Respect :** Acting with integrity, honesty and good faith is essential to Virginia Mines. Whether in regards to shareholder relations, native communities or stakeholders, Virginia Mines prioritizes respect and consideration in all these interactions.

**Communication :** Over the years, Virginia Mines has imposed several rules related to operations with local and First Nations communities. The company has developed a relationship of trust through consistency and transparency in its dealings with the communities of James Bay and North Quebec. Whether through information meetings, visits or correspondence, Virginia Mines wishes to achieve excellence in relationships with First Nations communities by involving all staff and subcontractors.

**Health, Safety and the Environment:** Virginia Mines manages its exploration activities in compliance with the standards, laws and regulations relating to health, safety and the environment. The company makes sure that the workplace is proactive in these areas through management, working methods and appropriate training.

# Sustainable Development Policy

In keeping with the values of Virginia Mines, the team developed a policy of sustainable development. The Company undertakes to revise its policy of sustainable development every five years and measure its progress using indicators. Here are our commitments classified into three areas:

## Health and Safety

- Provide proactive management of health and safety in our field operations by appropriate training and recurring meetings highlighting accident prevention.
- Ensure the health and well-being of our employees by promoting physical exercise and training.
- Aim to reduce the number of incidents each year.

## Environment

- Do all we can to minimize our impact on the environment during exploration activities.
- Evaluate our environmental footprint by calculating GHG emissions.
- Look for ways to offset emissions resulting from our operations by supporting initiatives that benefit the land and its people.
- Contribute to initiatives to restore abandoned mine sites in Northern Quebec

## Community Relations

- Support some local initiatives to improve quality of life, education and cultural heritage.
- Encourage transparency and communication with communities through information meetings, visits and correspondence.
- Promote local labour and services when available.

# Responsible Purchasing

To be consistent with our policy of sustainable development, we have established a responsible procurement policy.

To begin, we informed our main suppliers of our thoughts in regards to procurement. We shared our sustainable development policy with them, our mission, vision and values, and an article that underlines our commitment to the BNQ 21000 initiative.

As a second step, we surveyed our major suppliers on their views towards sustainable development through thirty questions. The main points were their views on sustainable development, their code of conduct in environmental matters, their initiatives in the areas of energy efficiency, waste management, compilation of greenhouse gas emissions, etc. There were also questions about their working conditions, health statistics and safety, training and local employment.

Categories of companies questioned			
Category	Number of companies	Category	Number of companies
Diamond drilling	1	Analytical laboratories	1
Fuel suppliers	1	Legal services	1
Geophysics	3	Helicopter transport	1

We then developed a policy in harmony with our values.

Here are the details of Virginia Mine's responsible procurement policy:

### **Objectives**

- Introduce principles and provisions to ensure that the goods and services acquired by Virginia Mines are produced under conditions that minimize the environmental impact of its activities, respect the rights of workers and promote local community development.
- Specify the criteria for the responsible sourcing of targeted goods and services.

### **Statement**

- This policy defines the application of Virginia Mine's sustainable development policy towards its procurement activities. A responsible acquisition must be made while taking into account social, economic and environmental issues inherent to the goods or services sought.
- Virginia Mines encourages a cooperative approach with suppliers.

### **Specifications related to sustainable development**

- Virginia Mines favours suppliers who respect the fundamental rights of individuals and employees.
- Whenever possible, Virginia Mines supports local labour and services.
- Virginia Mines favours goods and services from suppliers who minimize their ecological footprint and their adverse impact on the environment and consumers.

### **Policy Implementation**

- Virginia Mines will initiate a dialogue with its suppliers about their approach and obtain information on their business and methods of

sustainable development. The responsible procurement policy will be communicated in the tender documents. A questionnaire must be completed by the bidder that will allow Virginia Mines to assess the company regarding sustainable development.

- As part of the tender process, Virginia Mines may proceed in three ways:
  - Environmental performance criteria may be required when accessible to a sufficient number of suppliers.
  - A contract with a supplier may be accepted if the supplier is committed to integrating environmental performance objectives in the year following the start of the contract.
  - Encourage the supplier to participate financially towards compensation initiatives regarding greenhouse gas (GHG) emissions or the environmental rehabilitation of mining sites or any other sustainable development initiative.
- For goods and services of equal quality, an indigenous supplier or one who hires indigenous people could be favoured.
- Virginia Mines favours suppliers who show the most compatibility with the expectations and requirements outlined in this policy.
- Virginia Mines is committed to gradually establishing a system for verifying the application of its ethical sourcing policy.
- Virginia Mines undertakes to revise its responsible procurement policy every 5 years and to measure its progress using indicators. Results of this policy will be published in its sustainability report.

### **Definitions**

In this policy, the term supplier means any company or individual who sells Virginia Mines goods or services or who has implemented a contract of significant value.

At first we applied the terms of the new policy to tenders for diamond drilling. We were able to select a supplier using standard tender form and a questionnaire on their environmental, social and sustainable development practices. An evaluation grid with established criteria was used to evaluate bidders.

We intend to extend this approach to 2014 for other important areas of expenditures beginning with helicopter transport.

Suppliers solicited through the Responsible Purchasing Policy	Bidders who answered the call for tenders including sustainable development criteria
3	3

For the fiscal year 2014, we spent over \$930 000 in the purchase of goods and services from First Nations suppliers. We count among them:

- Air Inuit
- Auberge Kuujjuaq
- Avataa Explorations and Logistics Inc.
- Cree Nation of Chisasibi
- First Air
- Hélicoptères Whapchiwen
- Képa Transport
- Tullik stores
- Northern
- Nunavik Rotors
- Pétronor
- Services Naskapi Adoschaouna
- Tivi Inc.
- Wechidodao

We encourage our main suppliers to use the First Nations' services.

## Partnerships with First Nations

Since 2007, Virginia Mines has been working in partnership with the Nunavik Mineral Exploration Fund (NMEF) on exploration projects located in Nunavik in Northern Quebec. NMEF is a non-profit organization that aims to raise awareness of Inuit communities in the development of mineral resources, the training of Inuit prospectors,

undertaking exploration projects and fostering of Inuit entrepreneurship in the mining sector.

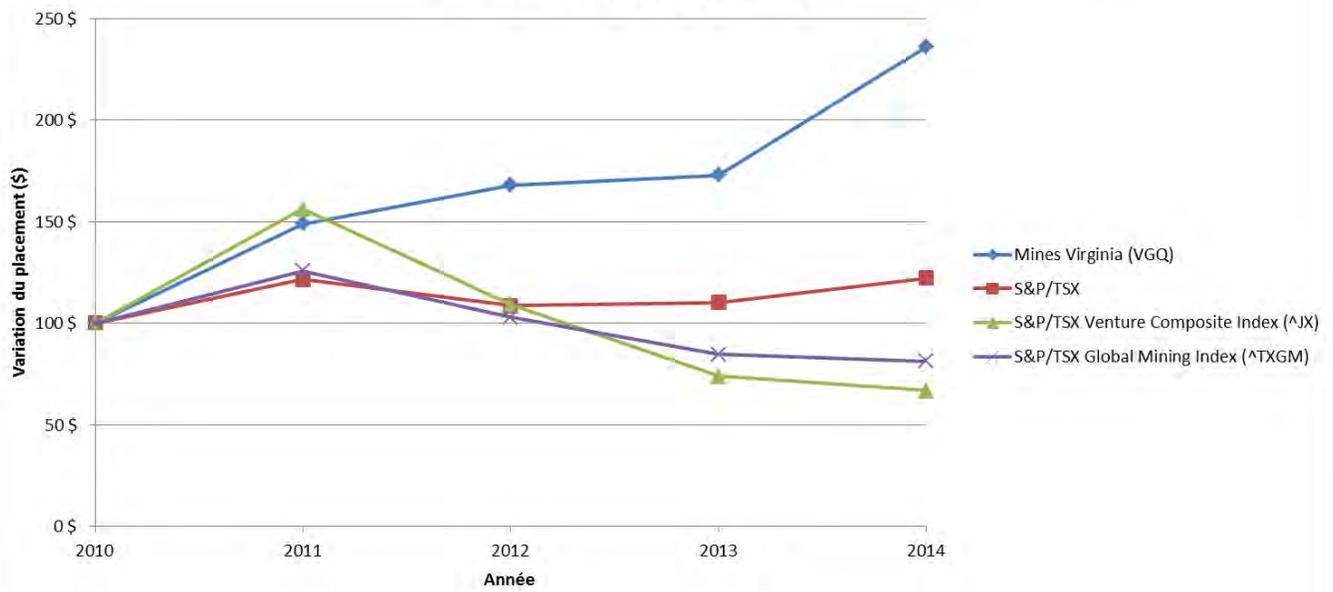
In the summer of 2013, a 17-day field campaign was carried out by five people, including two Inuit workers, in the region of Kuujjuaq. This year, we invested \$ 43,900 in this agreement.

## Financial Performance

We decided to use the market as a financial performance indicator. We compared Virginia Mines (VGQ) to the S & P / TSX (TSX) compound index, the TSX Global Mining Index (^TXGM), P / S and the S & P / TSX Venture Composite Index (^ JX ). The graph shows the

cumulative return of each security on an investment of \$100 on 26 February 2010, 28 February 2011, 29 February 2012, 28 February 2013, and 28 February 2014.

### Comparison of Virginia Mines vs S&P/TSX, Venture Composite Index and Global Mining Index



This year, our focus was on testing the greenhouse gas emissions calculator. We also continued our support for the project to clean abandoned mining sites on the land. Finally, we tested a new way to vegetate excavations made during exploration. In

past years, we developed an environmental code of ethics and we also implemented an incentive for employees to take public transit by reimbursing bus fares. The details of these initiatives are available in the 2013 report.

## Environmental Initiatives

### Fonds Restor-Action Nunavik and the Fonds Restor-Action Cree

Virginia Mines is one of the founders of the Fonds Restor-Action Nunavik (FRAN) whose mission is to restore abandoned mining sites in Northern Quebec. A document summarizing the restoration project was produced by Virginia Mines this year. It is available on our website along with activity reports and a presentation containing several photographs. The Fonds Restor-Action Cree (FRAC) continues to seek funding to rehabilitate 203 sites on James Bay territory. We are, again this year, the administrator of the two funds.

### Timely Cleaning

In addition to initiatives for cleaning mine sites, Virginia Mines promptly cleans sites that cross its path. In July 2013, a team from Virginia Mines cleaned the Lafortune camp in Nunavik. The camp consisted of three wooden structures housing dormitories and a dock. Also, an old barrel was found and picked up by the employees working on the Wabamisk project.



Old Lafortune camp before clean-up



Old barrel picked up on the Wabamisk property

## Revegetation of Trenches

The revegetation of trenches is very important to Virginia Mines: on the Trieste project this summer we experimented with a new method of vegetation on five trenches. We used a mixture of alder seeds and grasses adapted to northern climates. During the coming next campaign, we will revisit these trenches to evaluate the effectiveness of this method. Planning is underway to restore the trenches on the Wabamisk project in the summer of 2014. We will use this occasion to perform other tests.

## Mining Group - Caribou

At the invitation of the Canadian Boreal Initiative, Virginia Mines participated in three meetings involving a dozen mining companies. These were held to better understand the status of migratory caribou herds and learn about the close relationship that exists between the First Nations and the caribou. It is important for the industry to hear the recommendations of representatives of the permanent population of the land and any scientific studies taking place.

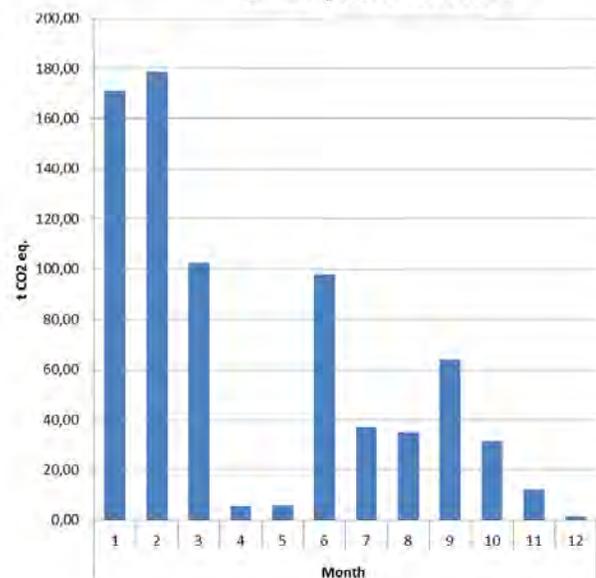
## Greenhouse Gas Emissions

We started to measure our greenhouse gas emissions (GHG) in January 2013 using the calculator designed by the Chair of the UQAC Eco-Council.

From January to December 2013, we estimated a total of 1,425 tonnes of CO<sub>2</sub> equivalents (eq). Of these emissions, 52% were direct and 48% were indirect. Direct emissions are attributable to activities controlled by Virginia Mines and indirect activities stem from activities controlled by suppliers.

Direct emissions come mainly from our oil consumption (60%). Oil is mainly used for heating and power in our camps. In the winter of 2013 we tested a new type of heater in the Coulon camp. According to our tests this unit uses 30% less energy than our current devices. In the winter of 2014 we purchased an additional 10 heaters to replace the old heating systems in the Coulon camp.

Direct Greenhouse gas emissions  
(tonne CO<sub>2</sub> eq.)  
January to March 2013



Winter is a time of great activity at Virginia Mines. It is during this season that our drilling campaigns occur. This explains why we calculated a significant amount of CO<sub>2</sub> equivalents in January, February and March. It is also colder in January and February which increases our tons of CO<sub>2</sub> equivalents emitted. For April and May, there are not many emissions, because there are no field activities. Emissions begin again in June with the onset of summer work. There are fuel purchases and the

mobilization of workers and equipment. Field activities slow down in the fall. November and December are spent on report writing and preparing for winter campaigns.

We would like to compensate for our direct emissions by supporting beneficial initiatives in First Nations communities in James Bay. We are currently looking for such projects.

Virginia Mines has its employee's well-being at heart. Our policies of physical well-being and public transit are still in force as well as the group insurance plan (see "working conditions" in the 2013 Sustainable Development report). This year, we revised our health and safety booklet. We also offered several internships and scholarships. As we

have done in the past, we visited Cree Communities and invited people from these communities to the QMEA Conference in Quebec City. We also invited First Nations people to visit our properties.

## Relationships with First Nations

We have a code of conduct which covers community relations, as we believe we have a social responsibility to the people of the territory. We want to ensure that communities understand what we do and we want to minimize the impact of our work on their land.

Council. Chief Richard Shecapio told us he was very pleased with our communication work with the tallymen. Chief Edward Gilpin of Eastmain also highlighted our good work with the tallymen during our stay in the community.

### The 2013 annual information session in Cree communities

As in the past, Virginia Mines organized information sessions in the various First Nations communities affected by its exploration work. Communities visited this year were Chisasibi, Eastmain, Mistissini and Wemindji. Mr. Youcef Larbi, of the Cree Mineral Exploration Board, and Mrs. Isabelle Poirier, of Minalliance, accompanied us. Virginia Mines' team met the tallymen involved in its projects. Also invited were the chiefs, the deputy-chief, representatives of the Cree Trapper Association and the Economic Development Officers. These meetings were an opportunity to explain the nature of the work planned for this year and share the concerns of those present. During these meetings, two families asked us to see the effect of our field activities on their trapline. We then organized tours with the helicopter at the Wabamisk camp.

Also, we were invited to make a presentation in front of a dozen members of the Mistissini Band



Explanations around maps in Mistissini



Dinner meeting in Wemindji

## Invitation to the QMEA conference

In order to better understand the implications of exploration and enable them to create a network of contacts in the mining industry, each year we invite members of different communities to visit us in Quebec at the Quebec Mineral Exploration Association (QMEA) Conference in November 2013, ten people took us up on our invitation. Among them were:

- The brother of the tallyman where the Coulon property is located.
- The tallyman at the Coulon mining camp and two members of his family.
- The tallyman where the Lac Ménarik project is located.
- A representative of the Cree Trappers Association of Chisasibi.
- The brother of the tallyman at the camp where the Wabamisk project is located.
- A representative of the Cree Trappers Association of Wemindji.
- A loyal employee and his wife. He worked on many of our projects and has been establishing relationships with the Wemindji tallymen.

We also had the honour of welcoming Mr. Matthew Coon Come, Grand Chief of the Crees of Northern Quebec, to our table at the gala dinner.

## Economic Alliance with the Cree of Abitibi

Last May, Virginia Mine's manager of sustainable development and community relations attended conferences organized by the Secretariat to the Cree Nation Abitibi-Témiscamingue Economic Alliance. It was a great opportunity to network with the members of the Cree communities that were present.



Mr. Neacappo and family with Mr. Chiskamish.



Mr. Coon Come, Mr. Gaumont and Mr. Mayappo.

## The Mining Workshop 2013 in Kuujjuak

Two representatives from Virginia Mines visited Kuujjuak last April to attend the *Mining Workshop*. It was an opportunity to both discuss the concerns of Inuit communities facing development in the North, and engage with local suppliers. This visit opened the door to doing business with local companies, including Tivi Inc., Avataa Explorations and Logistics Inc., and Nunavik Rotors.

## Visits to our Projects

On August 1, 2013, Mr. Thomas Mayappo, tallyman of trap line VC-34, and two members of his family came to visit the Éléonore Régional project. We showed them a stripped site and a drilling site. We also flew over their camp near the Opinaca dam to judge the extent of forest fires that took place in the previous month. The fires occurred about 250 metres from their camp. Afterwards they joined us for dinner at the Wabamisk camp.

On August 7, 2013, Mr. Clarence Mayappo, tallyman of trap line RE-02, covering the Assini project and north of the Wabamisk project claims, and three members of his family came to visit us. We dined at camp Wabamisk before the visit and discussed the fire that burned down their main camp. We visited trenches made in 2012 on Assini. Then we flew over the Eastmain River to the location of a secondary family camp to ascertain that it had burned down. They were very satisfied with their visit.

During the year, we received several courtesy visits from the family of Mr. Samuel Tapiatic (tallyman of the trap line of the Lac Pau project), Mr. Ernie Moses (tallyman of the trap line of the Wabamisk project) and Ronnie Georgekish (tallyman of the trap line of the Sarcelle project).



Visiting a stripped site on Éléonore Régional



Visiting a stripped site on Assini

## First Nations Employees

Each year we use First Nations employees during our exploration campaigns. From January to December 2013, we hired six people who totalled 242 man-days of work on eight of our various projects. To put things in perspective, there were fewer man-days worked for all field employees in 2013 compared with 2012. Our goal of having two First Nations workers per project is not always achieved although we are working hard to recruit in the communities. The nature of work and the availability of workers are factors to be considered.

First Nations Work	2012	2013
Number of people hired	7	6
Number of projects where First Nation employees have worked	10	8
Man-days	370	242



Edward Georgekish of Wemindji channelling on a trench on the La Grande Est project

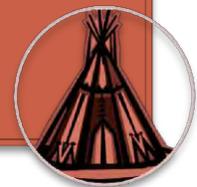
## In-kind Donations and Services, and Community Investment

We do not hesitate for a moment when it comes to helping our neighbours. We cleared the snow from the road leading to the cottage of tallyman Samuel Tapiatic (Lac Pau project). We have also provided him with fuel, building materials and a heater. We loaned a snowmobile to John Tapiatic (Coulon project trapline) so he could retrieve his that had broken down. In addition, we provided food to tallyman Ronnie Georgekish's camp.

Every year we make donations, sponsor and otherwise subsidize First Nations communities. These are the main causes to which we have contributed this year:

- *Eeyou Economic Group*
- *Wemindji Minor Hockey Association*
- *Cree Nation of Mistissini Golf Classic*
- *Cree of Waskaganish First Nation Golf Classic*
- *Chisasibi Sports & Recreation Association*

First Nations



We continued our commitment to the training of our employees. We spent 3.36% of payroll on training. We also awarded over \$31,000 in scholarships and tuition reimbursements in support of geology. During the summer of 2013, we hired 12 college and university students, who were able to gain work experience and test their

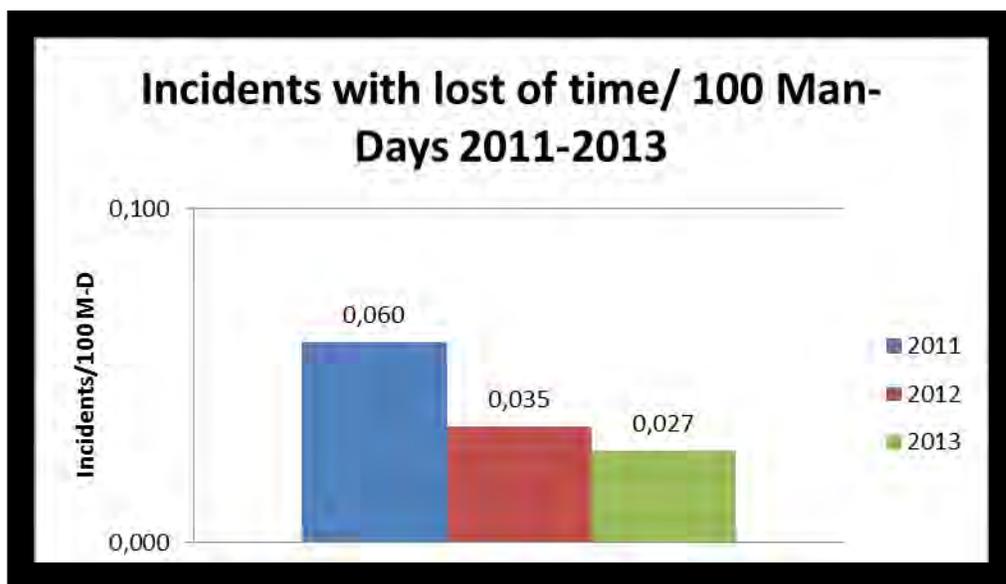
geological knowledge. We also financially supported various educational activities. In fiscal 2014, Virginia Mines donated over \$8,500 in sponsorships and donations to various universities and organizations that promote science and education.

## Health and Safety

Virginia Mines' Health and Safety Guide has been in place for several years. This year we revised the guide by making several improvements inspired by the PDAC's e3+ protocol. It will be distributed to employees at the beginning of the 2014 summer campaign. Moreover, we provide employees with adequate protective equipment and educate them in work safety. At the beginning of each year, employees must sign an agreement agreeing to

comply with the rules and recommendations of the guide. A safety meeting including employees and contractors is mandatory at the beginning of each year and, if necessary, repeated.

Periods used for the compilation of incidents are from January 2011 to December 2013. Employees of Virginia Mines and contractors working in the field are involved in the compilation.



## Donations and sponsorships

Virginia Mines invests in its community by encouraging various organizations through sponsorships and donations. For the period of March 1, 2013 to February 28, 2014, Virginia Mines contributed over \$30,000 in donations, sponsorships and support. Key causes include:

- Develop the next generation of geologists
- Support various universities and student organizations

### Science and Education



- Major mining associations
- Sponsoring organizations in Quebec

### Local Communities



- Organizations that help underprivileged people or those with functional limitations
- Organizations promoting sports and health

### Sport and Health



Last March, the interactive petrography laboratory of the Department of Geology and Geological Engineering of Laval University was inaugurated. This is among the more sophisticated petrographic laboratories in the world. Mr. Gaumont chaired the fundraising campaign. The generosity of various donors, including Virginia Mines, made this project, that contributes to excellence in training and research in geology, possible.



Above : Virginia Mines at Moisson Québec.

Left : Inauguration of the interactive petrography laboratory. From left to right : Ms. Catherine Domingue, student in geological engineering, Mr. Marc Constantin, Director of the Geology and Geological Engineering Department, M. André Gaumont, President and CEO of Virginia Mines, Mr. Denis Brière, Rector of Laval University, Mr. André Darveau, Dean of the Faculty of Science and Engineering , Mr. Yves Bourget, President and Director-General of the Foundation of Laval University and Mr. Célestin Fortier-Rhéaume, student in geological engineering. (Photo credit : Marc Robitaille)

## Knowledge-sharing

Virginia Mines shares its experience and knowledge with the community. Representatives are regularly invited to speak on sustainable development initiatives and environmental excellence in exploration. The President, Mr. Gaumont, also makes presentations on the mining sector and entrepreneurship in universities and at meetings.



In February 2014, Mr. Gaumont, as a recipient of the Green CEO 2013 award, took part in a round table on sustainable development strategies at the third Summit of Sustainable

Development Managers organized by Les Affaires. The Green CEO award recognizes the efforts and excellence of a business leader who values environment and sustainable development, while still being compatible with profitability objectives. The jury was composed of recognized researchers and practitioners in social responsibility.

For several years now, Mr. Gaumont has spoken about the mining engineering profession and the life of a company president on Career Day at Mont-Saint-Sacrement School.



Mr. Gaumont shares his experience in exploration with the students of Mont-Saint-Sacrement.

Virginia Mines has also shared its experience with the BNQ 21 000 project to 21,000 business people in Quebec City as part of an event organized by the Quebec Local Development Centre.

## Mining Entrepreneurship



From a sustainable development perspective, we believe that it is through entrepreneurship that Quebec will increase innovation. With this in mind, Virginia Mines supports the Chair in Mining Entrepreneurship at UQAT-UQAM, which encourages the development of new business and supports success in exploration, development and mining. It also aims to build a new synergy to increase the collective wealth produced by our industry while considering the environment and communities. The Chair plays an important role in management training in the mining industry. Mr. Gaumont serves on its Executive Committee and was invited to present Virginia Mine's strategy at a seminar on mining finance.



**MINE D'AVENIR**  
Pour une relève entrepreneuriale forte

Mr. Gaumont also sits on the working committee on mining entrepreneurship 'Mine d'avenir'. This committee is composed of managers of mining companies, representatives of PricewaterhouseCoopers (PwC), Sodémex/Caisse de dépôt et placement du Québec, Ressources Québec, Fonds de solidarité FTQ, SIDEX, the Chair in Mining Entrepreneurship of UQAT-UQAM, and lawyers. Their mission is to support strong entrepreneurial succession to promote the growth of the mining sector in Quebec. Their action plan is to help entrepreneurs create new companies.

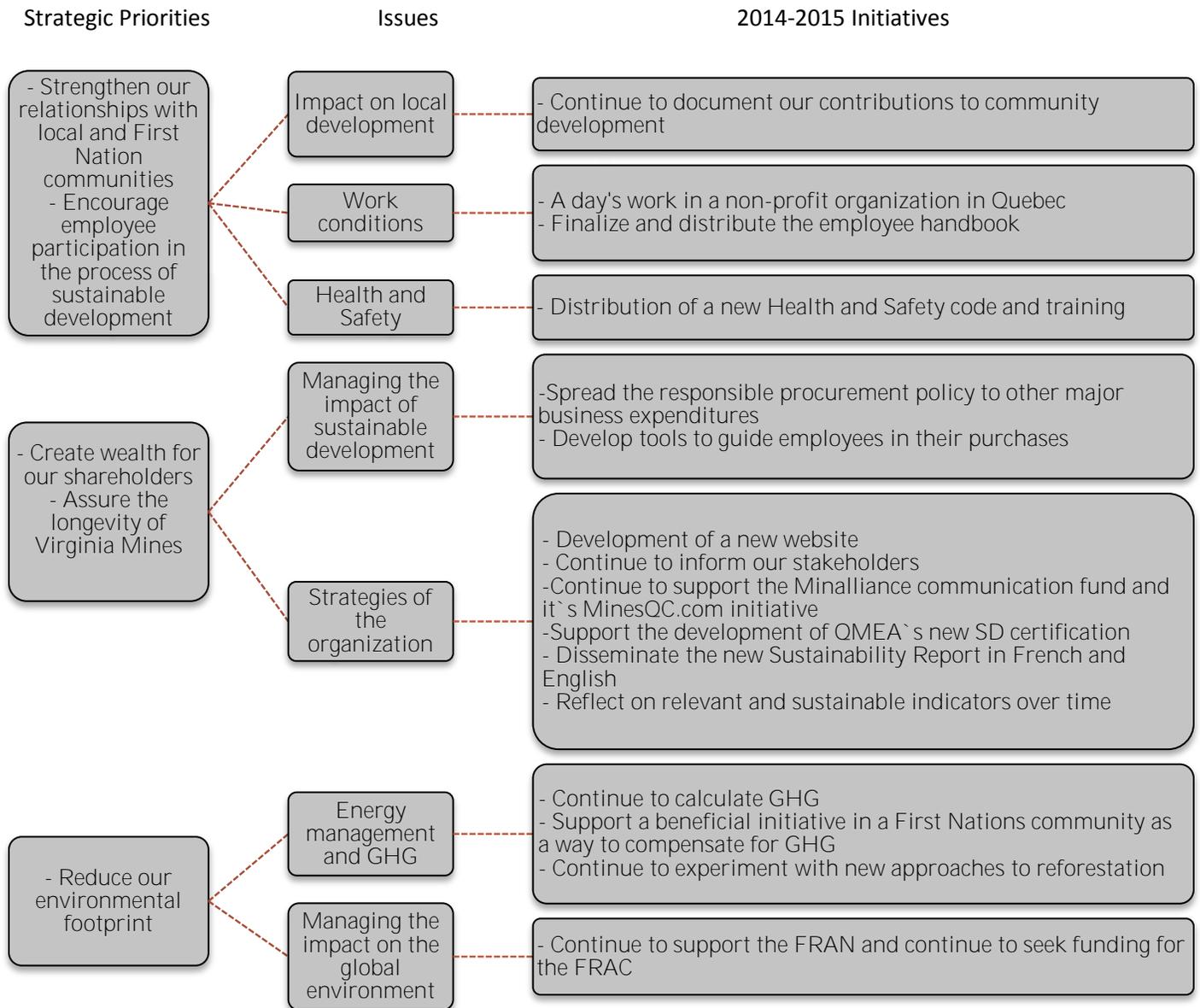
## Maintain dialogue

We believe it is important to establish and maintain the discussion between the mining industry and the general public, which is why Virginia Mines supports the Minalliance communication fund whose mission is to engage in dialogue with the population to raise awareness of the mining industry and its contribution to sustainable development in Quebec. Through the MinesQC.com initiative there is a platform for citizens to ask questions, get answers from experts,

to converse and obtain information on the social, environmental and economic aspects of the mining industry. We believe in the Minalliance approach, so we doubled our funding and we extended our support for a five-year period.



# Strategic Initiatives 2014-2015



Notes:

Unless otherwise stated, the information presented in this report is based on the fiscal year of the Company from March 1 2013 to February 28 2014.

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*Forward-looking statements*

Certain statements in this document constitute forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties that are out of the control of the Company. There is no assurance that such statements will prove accurate. Actual results could differ materially from those anticipated in the forward-looking statements for many reasons, including fluctuation in metal prices, risks associated with the mining industry and natural risks, environmental risks, uncertainties associated with calculating mineral reserves, changes in financial needs, or risks associated with corporate strategy.



## Virginia Mines Pioneer in James Bay



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