



**VIRGIN
METALS
INC.**

FOR IMMEDIATE RELEASE
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TSX
Symbol: VGM
Shares Outstanding: 84,881,246

Virgin Metals Announces Receipt of a Positive Pre-Feasibility Study on the Los Verdes Molybdenum-Copper Project, Sonora, Mexico

Virgin Metals Inc. ("Virgin Metals" or the "Company") announces that it has received from its consultants, headed by Mine and Quarry Engineering Services ("MQES"), the results of the pre-feasibility study (PFS) of a mining and processing operation to exploit its 100% owned Los Verdes molybdenum - copper project. A NI 43-101 technical report will be filed within 45 days.

The study is based on a 1 million tonne per year open pit operation to recover molybdenum and copper concentrates from non-oxide ore. The study results for a base case, which uses constant prices of US\$ 25/lb for molybdenum and US\$ 2.50/lb for copper, may be summarized as follows:

Mineable Reserve tonnage of non oxide ore:	7,050,000 tonnes
Average Mineable Reserve grades:	0.137% Mo, 0.657% Cu
Waste:ore ratio, including stockpiling oxide material:	2.12
Molybdenum recovery:	71%
Copper recovery:	92%
Molybdenum produced, life of mine:	15 million lbs
Copper produced, life of mine:	89 million lbs
Capital Cost:	US\$ 138.8 million
Targeted Development Period:	3 years from issue of the PFS
Design and Construction Period:	2 years
Average Mine Site Cash Operating Cost:	US\$ 22.71/tonne ore
Average total cost (including downstream processing)	US\$ 15.53 /lb molybdenum
Average total cost after copper credits	US\$ 0.67/lb molybdenum
Undiscounted Pre Tax Cash Flow:	US\$ 220.5 million
Pre Tax Net Present Value at 8% discount rate:	US\$ 96.9 million
Internal Rate of Return (before tax):	23%
Pay back period:	3.3 years

The PFS includes details of a planned work program aimed at collecting the data and samples that are necessary in order to finalize the basis for project final feasibility study and production decision. The program includes: infill drilling for resource definition and detailed mine planning; locked cycle flotation testwork on multiple ore types for geometallurgical mapping and final process plant design; hydrological and geotechnical studies to validate water and waste management plans; implementation of environmental and social management action plans and advance of other activities including but not limited to permitting and surface rights acquisition.

Virgin Metals CEO Chris Davie commented: "We are pleased to have been able to demonstrate in considerable detail the technical and economic viability of the Los Verdes project. We are also encouraged by the potential identified in the study to improve project economics to include tungsten recovery and increase molybdenum recovery. In anticipation of receipt of the PFS, we have resumed



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discussions with selected financial institutions in order for them to commence assessing the project. We look forward to working to determine the best way to finance this project in the medium and long term. In parallel to this activity the Company will be taking action to further strengthen the project development team and commence discussions with candidate consultants and advisors to assist it to implement the final studies and prepare for development.”

About Virgin Metals:

Virgin Metals is a junior exploration and development company; its projects include two copper-molybdenum porphyry properties in Sonora, northern Mexico. One of these, Los Verdes, is the subject of a pre-feasibility study and is expected to evolve rapidly towards production while the other, Cuatro Hermanos, is presently the focus of an intense exploration effort.

FORWARD-LOOKING STATEMENTS

This press release includes certain “forward-looking information” within the meaning of applicable securities laws, including, but not limited to the following: statements as to estimated reserves and resources of the Los Verdes project; assumptions regarding development of a mine at Los Verdes; the timing of mining and processing operations at Los Verdes and any project financing at Los Verdes. This forward-looking information addresses future events and conditions and so involves inherent risks and uncertainties, as disclosed under the heading “Risk Factors” and elsewhere in Virgin Metals documents filed from time to time with securities commissions in Canada, the Toronto Stock Exchange and other regulatory authorities. Important factors that could cause actual results to differ materially from this forward-looking information include: the results of independent Canada NI 43-101 reports; the outcome of assays and additional exploration sampling and drilling efforts; increases in anticipated cash costs, operating costs, mining costs, capital expenditures and other costs; decreases in anticipated plant molybdenum and copper recoveries and molybdenum and copper prices; delays or problems in construction, permitting and start-up; variations in ore grade, mining, or processing problems or issues. The forward-looking information contained herein is Virgin Metal's reasonable estimate today of future events and conditions, but no assurance can be given that such events or conditions will occur.

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