Virgin Metals Inc. Signs Surface Rights Agreement for Potreritos Concessions

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TORONTO, ONTARIO -- (Marketwire) -- 03/15/12 -- Virgin Metals Inc. (TSX VENTURE: VGM) is pleased to announce that it has signed a 25-year agreement with owners of the property hosting the Company's recently acquired Potreritos concessions.

"We are very eager to begin the work required to add the Potreritos deposit to the Los Verdes reserves," commented Federico Alvarez, Vice President, Project Development. "The local owners have been very accommodating and we now feel we have the basis for a strong long-term relationship."

Highlights

- The agreement is for a period of 25 years;

- Annual fees at the onset accommodate all access and exploration requirements;

- Annual fees are increased when the mine is put into production; and

- In addition to confirming the historic resources, access will allow Virgin to begin the environmental permit process immediately. At this time, fees and payments are being kept confidential at the request of the owners.

Potreritos Project

The Potreritos zone hosts the historic Buenavista mine and Provindencia mines. The pegmatitic bodies with higher grade disseminated mineralization are located in the north-central portion of the property. An additional zone, El Moro-Los Tajos, is topographically represented by a large circular protuberance where an alteration halo coincides with a copper geochemical anomaly, suggesting the possible existence of a copper porphyry body below the surface.

Recent sampling has been undertaken of 780 m of old underground mine workings in the Buenavista mine and 78 m of drifting in La Provindencia mine (898 channel samples); a systematic geochemical chip sampling program (343 samples collected); and 2,360 m of core drilling distributed in 13 drill holes.

The Buenavista zone is constituted by a 200 m by 250 m ovoid shaped area with at least 50 m of depth, conformed by fine grained granodiorite stock, traversed by numerous pegmatitic quartz K-feldspar dikes. Drilling has demonstrated the potential for this mineralized zone to extend at depth. Foliated masses of molybdenite, associated with black coloured acicular tourmaline, characterize its composition. Within the area, several outcrops of breccias pipe bodies (2 km diameter), rich in tourmaline and quartz have been located.

South of Buenavista, a broad extended oxidized zone is exposed (El Moro-Los Tajos), characterized by quartz-pyrite-sericite alteration zones, upper imposed to a copper geochemical anomaly, linked to a high intensity IP anomaly that can be interpreted as the outer portion of the copper ore shell of the Lowell and Gilbert porphyry copper deposit model.

Los Verdes Project

The Los Verdes property is a historic molybdenum producer, which was extensively drilled in the 1970's. Repetition and expansion of that drilling by Virgin in 2006 and 2007 resulted in the completion of a pre-feasibility study in 2008. That pre-feasibility study demonstrated, in considerable detail, a robust project based on molybdenum and copper recovery only; upside exists in tungsten and silver recovery as well as in improved molybdenum recovery.

The Los Verdes project is made up of 15 contiguous titled exploration concessions, covering 5,559 hectares.

It lies within what could be considered the southerly extension of the Basin and Range province of the southwestern USA, near the boundary with the Sierra Madre Occidental province.

The Los Verdes reserve comprises a modest sized, compact zone of molybdenum, copper and tungsten mineralization located at the crest of a steep ridge. The geometry of the deposit is ideal for low cost, open pit mining. During 2007, the Company consolidated the mineral rights of the deposit by acquiring a single isolated claim known as the Bacanora claim. Until this point, the Company's drilling and subsequent resource estimation had been limited to the area east of the Bacanora.

About Virgin Metals Inc.

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 currently the subject of a pre-feasibility study while the other, Cuatro Hermanos, is the focus of ongoing exploration efforts.

Darren Koningen, P. Eng., is the Qualified Person responsible for technical content of this release.

THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Contacts:

Virgin Metals Inc.
Chris Frostad
(416) 306-0990
www.virginmetals.com

CHF Investor Relations
Jeanny So
(416) 868-1079 x 225
jeanny@chfir.com