



Corporate Presentation

January 24, 2012

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Cautionary Note to U.S. Investors Regarding Mineral Resources:

The US Securities & Exchange Commission ("SEC") allows mining companies, in their filings with the SEC, to disclose only those mineral deposits they can economically and legally extract or produce. Certain terms in this document, such as "mineral resources", "measured resources" and "indicated mineral resources" are recognized and mandated by Canadian securities regulators but are not recognized by the SEC. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into mineral reserves.

Investment Highlights

Significant stake in one of the largest uranium deposits in the world

Very attractive demand characteristics for uranium

Positive price trends for uranium

Opportunity to invest alongside sophisticated natural resource investors

Favorable Virginia government in place to lift moratorium

Reduce foreign nuclear energy dependence and stimulate local economy

- Coles Hill is the 15th largest undeveloped deposit in the world with 119 million pounds of uranium at a 0.06% grade
- Project is advanced stage with scoping study completed in late 2010
- Global demand for uranium will increase, despite incident in Japan. Nuclear is the only cost-effective solution for base load power that curtails the emissions of CO2 gas
- Currently 432 reactor operating; 63 under construction; 152 on order; 350 at the proposal stage
- The spot price of uranium rose from the \$40 per pound in the summer of 2010 to \$52 per pound in January 2012.
- Long-term contract price is \$63 per pound, which reflects market expectation that supply availability will decrease in years ahead.
- Sprott Resource Corp. (TSX: SCP), a well-respected and savvy natural resource investor, acquired a 20% stake in the Coles Hill project in late 2010.
- Lukas Lundin is also a significant shareholder. Denison Mines' s CEO is on the Board.
- Gov. McDonnell has pledged to make Virginia the "Energy Capital of the East Coast"
- Virginia is proceeding with the development of draft uranium mining regulations during 2012
- Anticipate that vote to lift the uranium moratorium in Virginia could occur in January 2013
- Uranium from Coles Hill could help fuel Virginia' s nuclear energy needs for the next 35 years.
- The Coles Hill Deposit is expected to create 300-350 permanent jobs in Southside Virginia and will add approximately \$240-300 million of economic activity each year to the local area.

Corporate Structure

Overview

- Virginia Energy (TSX-V: VAE) is focused on developing high-quality uranium deposits in North America
 - Recent share price: C\$0.21
 - \$21 million market capitalization
- Virginia Energy holds a 29% interest in VA Uranium Holdings, Inc. (“VAU”) which holds the Coles Hill uranium property, as well as various financing and M&A rights
 - Right of First Refusal on future financings
- Virginia Energy holds a portfolio of exploration assets in the Otish Mountains, Quebec, Labrador and the Athabasca Basin. Other assets of note include:
 - 7.5 million shares of stock in Golden Band Resources (TSX-V: GBN)
 - 27.3 million shares of Boss Power Corp (TSX-V: BPU) which recently announced a cash settlement with the Province of British Columbia for CDN \$30 million.

Share Price Performance



Share Capitalization

(as of January 20, 2012)

	Outstanding
Shares Outstanding	97,514,238
Options Outstanding ¹	5,901,000
Warrants Outstanding ²	11,217,920
Fully-Diluted Shares	114,633,158
Cash on hand	\$2.3 million
Marketable Securities	\$9.6 million
Market Capitalization	\$21 Million

1. Options have a range of exercise price from C\$0.37 to C\$7.50

2. Warrants have an exercise price range of C\$0.35 to C\$0.60

Prominent Team of Supporters

Virginia Energy's Major Shareholders, Board of Directors and Executive Management Team consist of:

Executive Management Team

- Walter Coles Jr. – President and CEO & Director
- Karen Allan – Chief Financial Officer
- Mike Cathro – VP Exploration
- Tony Perri – Investor Relations Manager

Prominent Shareholders

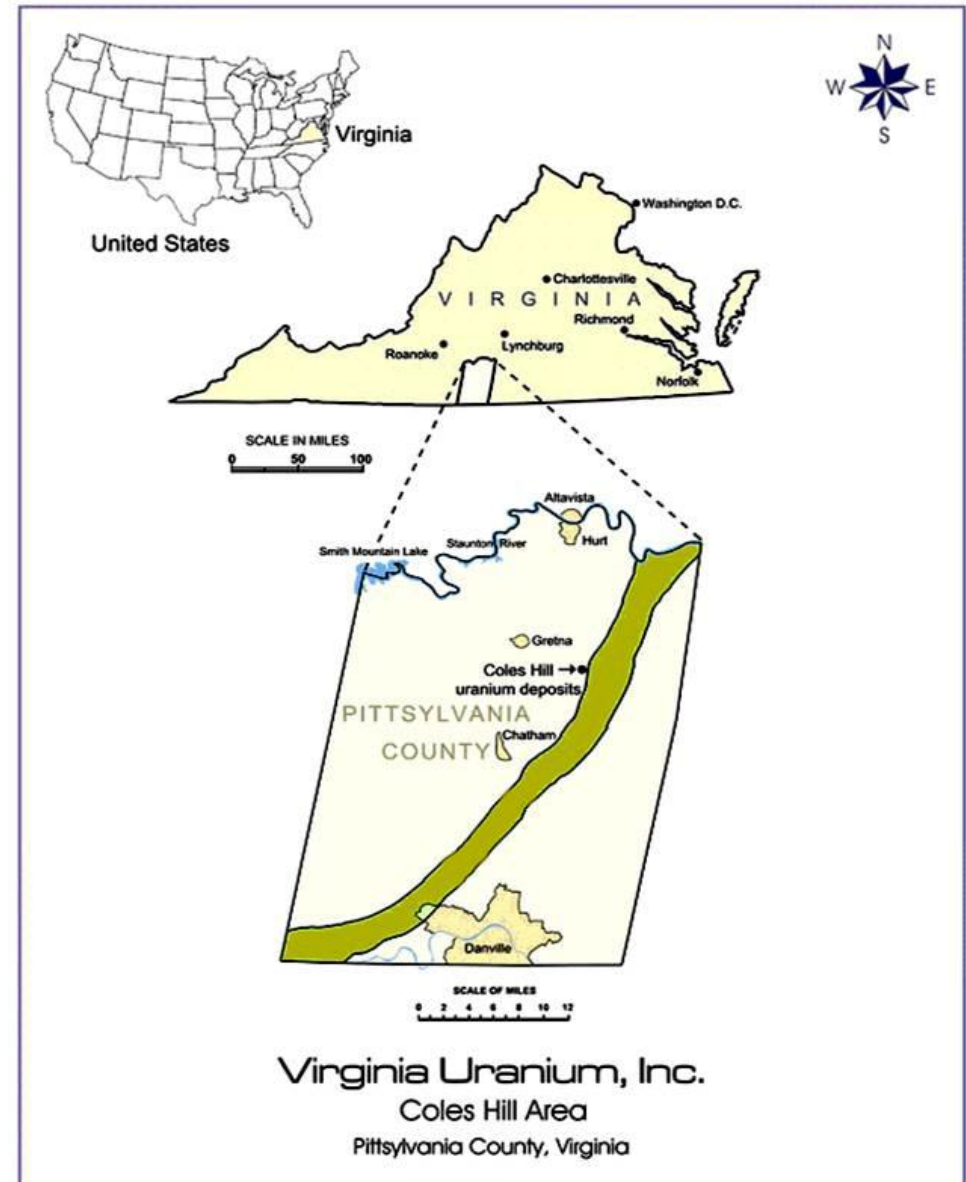
- Sprott Asset Management
- Lukas Lundin
- Dundee Resource Ltd.
- Pine Tree Capital
- Cormark Securities

Board of Directors

- Walter Coles, Sr.
 - Represents Coles Hill landholder family
- Ron Netolitzky
 - Former President & CEO of Santoy
 - Prolific mining entrepreneur
- Ron Hochstein
 - President & CEO of Denison Mines
- Robert Matthews
 - President of Sheppards Building Materials Inc.
 - Director of several public companies
- Robert Ingram
 - President of Ingram & Company, a public accounting practice
- Peter Grosskopf
 - CEO Sprott Asset Management
- Norm Reynolds
 - Former President of Marline Uranium Corp.

- One of the largest undeveloped uranium deposits in the World
- 43-101 Compliant estimated measured and indicated resource of 119 million lbs U_3O_8 in two adjacent ore bodies^(1,2)
 - 0.06% average grade at 0.025% cut-off
- Scoping Study (PEA) completed in late 2010
 - Recommends all underground operation
 - \$173 million capex, 3,000 TPD alkaline mill
 - 35 year project life, 2 million lbs initial annual production
 - \$30/lb operating cost in first 10 years, \$36/lb average operating costs over life of project
- Large property position with area supportive of mine development
 - Total mineral rights and leases of 3,500 acres

1. Resource study prepared by Behre Dolbear and Company, Ltd., Marshall Miller and Associates, Inc., and PAC Geological Consulting Inc., June 30, 2008.
2. Based on 43-101 Technical Report prepared for Santoy Resources and Virginia Uranium Inc. by Behre Dolbear and Company, Ltd., Marshall Miller and Associates, Inc., and PAC Geological Consulting Inc., February 2, 2009 updated April 29, 2009



- A 43-101 compliant resource was completed in June 2008⁽¹⁾ and updated in February 2009 and April 2009⁽²⁾
 - Total resource of 119.0 million lbs U₃O₈

Excerpt from Table 1.1
Resource Estimates – June 4, 2008
(Millions of Tons and Pounds In-Place)

Cutoff %U ₃ O ₈	Measured ⁽³⁾			Indicated ⁽³⁾			Total ⁽³⁾		
	Tons ⁽⁴⁾	% U ₃ O ₈ ⁽⁵⁾	Pounds U ₃ O ₈	Tons ⁽⁴⁾	% U ₃ O ₈ ⁽⁵⁾	Pounds U ₃ O ₈	Tons ⁽⁴⁾	% U ₃ O ₈ ⁽⁵⁾	Pounds U ₃ O ₈
Project Total (South and North Coles Hill Deposits)									
0.100	0.755	0.228	3.45	6.27	0.215	26.9	7.03	0.216	30.4
0.075	1.35	0.164	4.44	24.0	0.116	55.9	25.4	0.119	60.4
0.050	2.28	0.124	5.65	35.4	0.101	71.7	37.7	0.103	77.4
0.025	6.62	0.064	8.42	92.1	0.060	111	98.7	0.060	119.0

1. Resource study prepared by Behre Dolbear and Company, Ltd., Marshall Miller and Associates, Inc., and PAC Geological Consulting Inc., dated June 30, 2008.
2. Based on 43-101 Technical Report prepared for Santoy and Virginia by Behre Dolbear and Company, Ltd., Marshall Miller and Associates, Inc., and PAC Geological Consulting Inc., dated February 2, 2009 and updated April 29, 2009 which has been filed on SEDAR at www.sedar.com. The "Qualified Persons" (as defined in NI 43-101) who prepared the resource estimate were Betty L. Gibbs for Behre Dolbear and K. Scott Keim for Marshall Miller and Associates, Inc.
3. Total tonnage above cutoff grade and average weight % U₃O₈ of that tonnage
4. Short tons based on a rock density of 2.56 g/cc
5. Weight %

Note: Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues

Top twenty deposits in the world by size

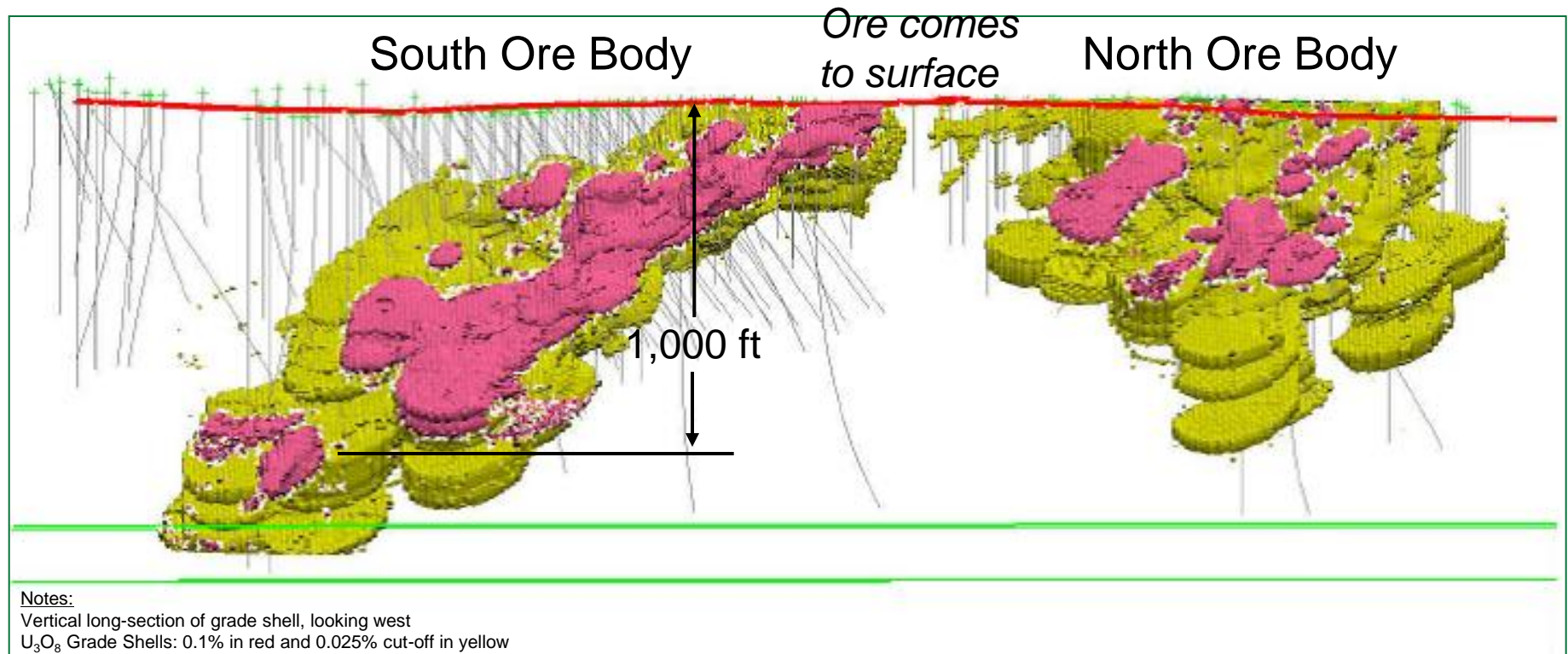
- Coles Hill is 43-101 compliant Measured & Indicated resource
- Deposit has the potential for expansion along strike and at depth
- Higher grade zones near surface provide for many development options

Rank	Primary Owner	Project	Location	MM lbs	% U3O8
1	ARMZ	Elkon	Russia	706	0.18%
2	Aura Energy	Häggån	Sweden	*631	0.02%
3	Extract Resources	Husab	Namibia	488	0.03%
4	AREVA	Imouraren	Niger	477	0.14%
5	Greenland Minerals	Kvanefjeld	Greenland	*350	0.03%
6	A-Cap	Letlhakane	Botswana	261	0.15%
7	VostGOK	Novokonstantinovskoye	Ukraine	243	0.17%
8	Bannerman	Etango	Namibia	213	0.01%
9	Cameco	Cigar Lake	Canada	209	17.04%
10	VostGOK	Severinskoye	Ukraine	178	0.12%
11	INB	Itataia	Brazil	175	0.10%
12	Marenica	Marenica	Nambia	138	0.01%
13	AREVA	Kiggavik/Sissons	Canada	134	0.27%
14	ERA	Jabiluka	Australia	130	0.50%
15	Virginia Energy	Coles Hill	USA	119	0.06%
16	BHP Billiton	Yeelirrie	Australia	115	0.15%
17	AREVA	Trekkopje	Namibia	110	0.01%
18	Paladin (Aurora)	Michelin	Canada	103	0.09%
19	Berkeley	Salamanca	Spain	100	0.05%
20	Uranium One	Mkuju River	Tanzania	93	0.03%

* = Inferred Resource only

Source: Ux Consulting Company, LLC

- Coles Hill has a high-grade core that could allow development flexibility depending on the uranium price environment
 - High grade core (in red) surrounded by lower grade halo



- 3,500 acres support various options for mill and tailings location

Scoping study was conducted by Lyntek Inc. and BRS Inc., two independent engineering consultants

- Lyntek evaluated the ore metallurgy and conducted processing evaluation of acid and alkaline leaching options to select the preferable processing design
- BRS was responsible for the mine design, as well as environmental and permitting considerations

Coles Hill Uranium Project - Forecast Annual Operating Expenses (US\$/LB)				
Production Period	Annual Expense	25% Contingency	Tax and Royalties	Total Operating
Years 1-10	\$21.68	\$5.42	\$2.90	\$30.01
Years 11-20	\$27.84	\$6.96	\$2.72	\$37.52
Years 21-35	\$38.73	\$9.68	\$2.88	\$51.30
Life of Mine	\$27.18	\$6.80	\$2.86	\$36.83

- Recommended underground mine plan with 35 year project life
- \$173 million of up front capital investment with 2.5 year pay back period (includes 25% contingency)
- Annual projected revenue of \$140 million @ \$64/lb uranium selling price
- 250 temporary jobs during construction phase
- 325 permanent jobs once production begins with average salary of \$65,000

Results From Preliminary Economic Assessment (cont.)

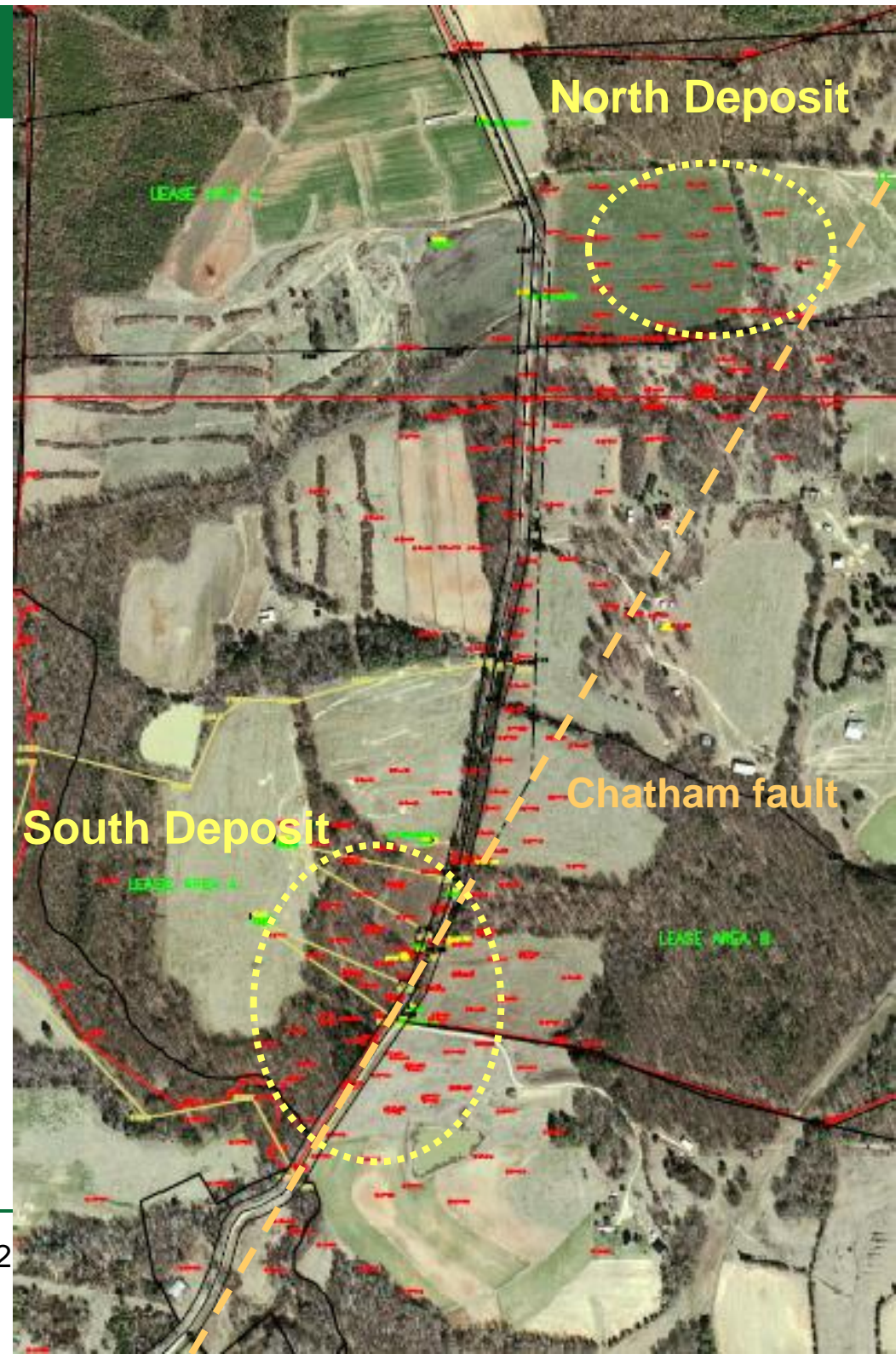
- At a uranium contract price of \$65/lb and using a discount rate of 7%, the NPV of the Coles Hill project is more than \$400 million
- Price sensitivity: a \$5 change in uranium selling prices impacts NPV by approximately \$95 million

Coles Hill Uranium Project NPV Matrix (US\$ in thousands)				
	Discount Rate			
Uranium Contract Price (US\$/LB)	5%	7%	8%	10%
\$55	\$278,041	\$213,962	\$187,573	\$143,560
\$65	\$511,797	\$404,133	\$360,549	\$288,763
\$75	\$745,553	\$594,304	\$533,525	\$433,966
\$85	\$979,308	\$784,475	\$706,501	\$579,169

- * New metallurgy studies completed in late 2011 suggest that recovery rates could be increased to 90% from 83% rate used in the Preliminary Economic Assessment. If confirmed, the higher recovery rate would add approximately \$100 million to the project NPV.

Upside Potential

- Deposit Characteristics
 - Uranium discovered on fault line between Triassic basin and hard rock
 - Similar to Athabasca unconformity style deposits
 - Potential for resource expansion along strike, laterally and at depth
- Opportunities highlighted by the Scoping Study
 - Recommended all underground operation
 - Optimization of the ore block model for underground operation
 - Update metallurgical studies for possible increase in recovery rates
 - Initiate environmental baseline studies



Five Years to Production

Coles Hill Project Timeline

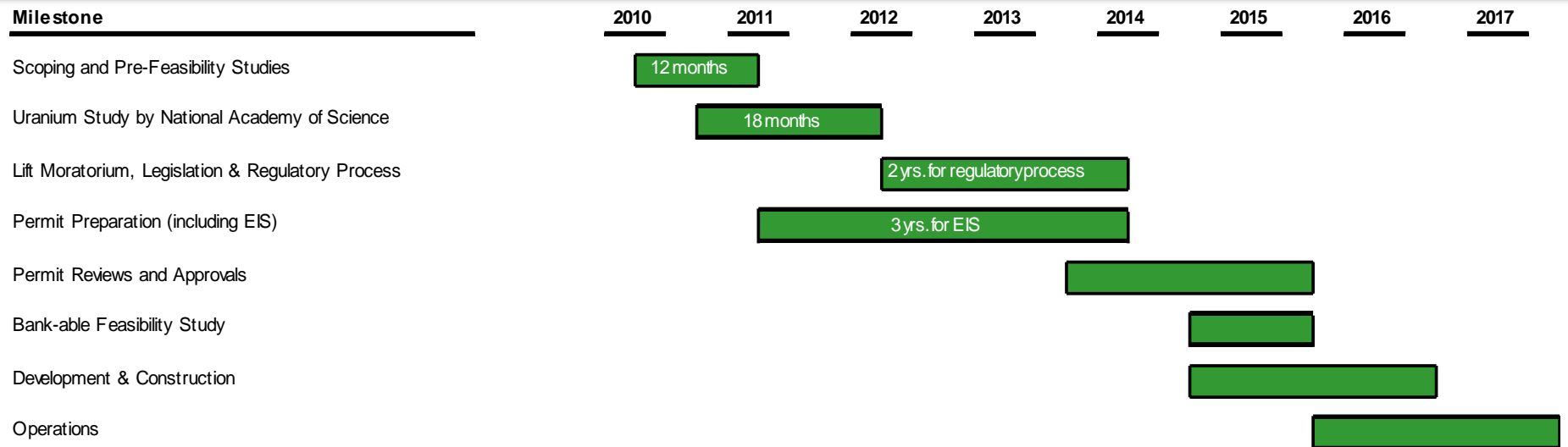
1979- 1985

- **1979:** Resource discovered
- **1981:** Dravo Engineers – Order-of-Magnitude Study
- **1981:** Pincock, Allen & Holt – Scoping Study
- **1984:** UMETCO (Union Carbide) – Feasibility Study

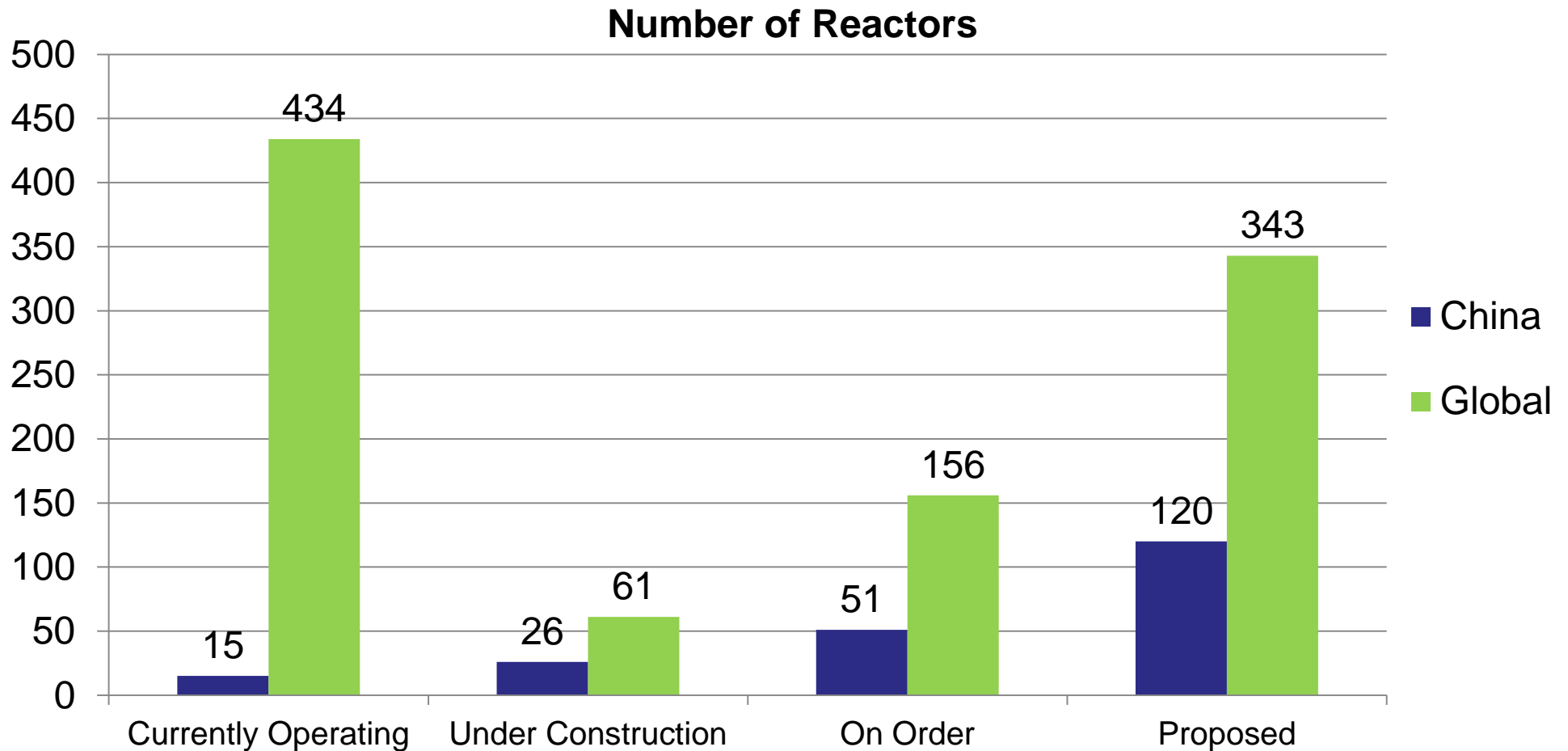
2007- Present

- **Nov. 2007:** 43-101 compliant Technical Report on historical work
- **Apr. 2008:** 43-101 compliant Resource Report
- **Feb. 2010:** New Scoping Report launched
- **Oct. 2010:** New Scoping Report completed

Coles Hill Project Future Timeline



Status of Reactors Globally and in China



Many of the anticipated reactor new builds are coming from Asia, though it is picking up in the Middle East.

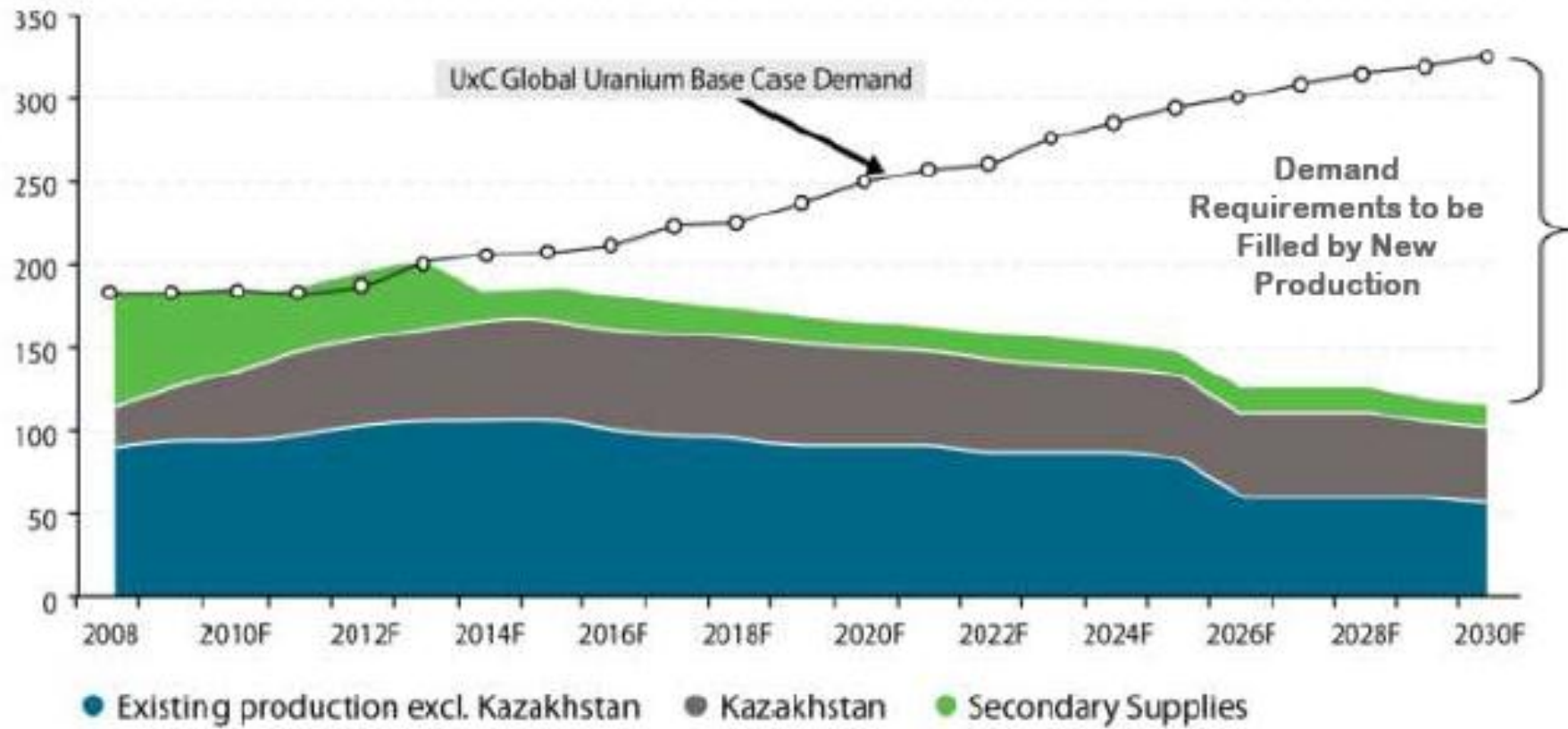
Source: World Nuclear Association 1/1/2012

Supply / Demand Gap Increasing

- Mine supply (~141M lbs U_3O_8 in 2011) does not meet current demand (178M lbs in 2011), nor is it expected to grow at the same pace as future demand
- Increasing share of world production coming from less stable regions – Kazakhstan & Africa

Production from Existing Mines and Secondary Supply

Million pounds U_3O_8



U3O8 Spot Market Prices from 2009-2012



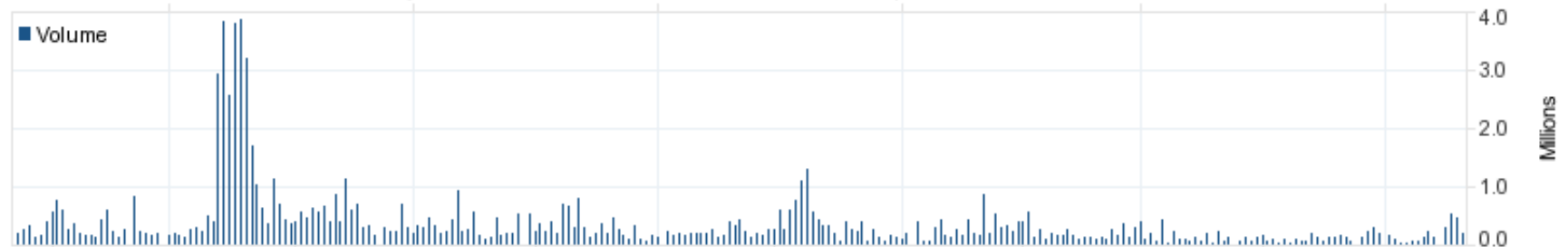
- Uranium spot price is \$52.50/lb, up from \$40/lb in the summer of 2010...despite Fukushima
- Long term contract price for uranium is \$63/lb
- Note that the Russian “Megatons to Megawatts” program ends in 2013

Uranium Equities Since Fukushima

Global Outlook

Global X Uranium ETF

■ URA



Source: <http://finance.yahoo.com>

Global X Uranium ETF – LTM High: \$22.42 Now: \$10.34 Decline: -60.14%

M&A Activity is Picking Up

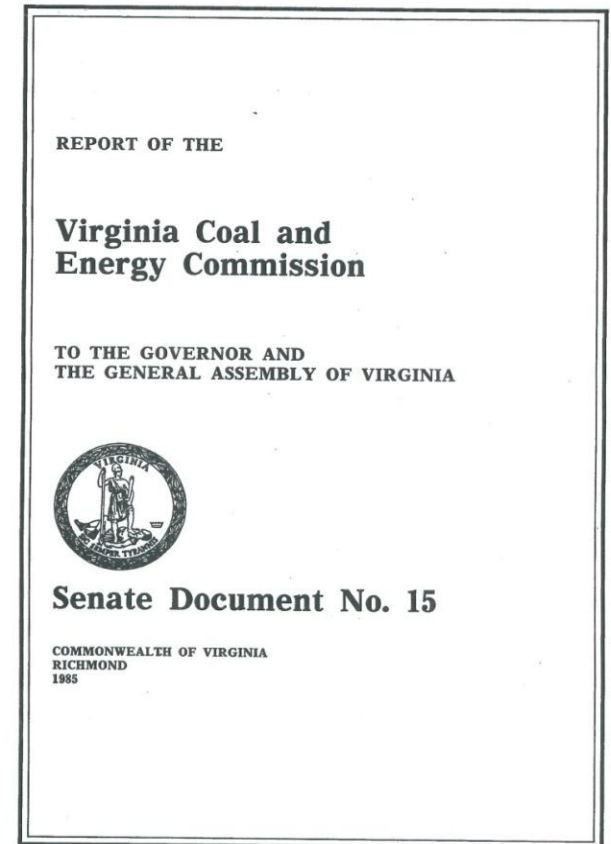
- **Hathor Exploration** became target of hostile takeover battle with **Cameco's** \$3.75 share bid, representing a 40% premium to Hathor's closing stock price (August 2011)
- **Energy Fuels** announced a takeover of **Titan Uranium** for a 34% premium to Titan's closing stock price (October 2011)
- **Rio Tinto** announced \$4.70 a share bid for Hathor, which is a 75% premium to Hathor's stock prior to Cameco's initial bid (November 2011)

Understanding Virginia's Moratorium

- Per Virginia Code § 45.1-274, Uranium exploration is permitted
- Per Virginia Code § 45.1-283
 - “Notwithstanding any other provision of law, permit applications for uranium mining shall not be accepted by any agency of the Commonwealth prior to July 1, 1984, and until a program for permitting uranium mining is established by statute.”

Virginia's Uranium Studies

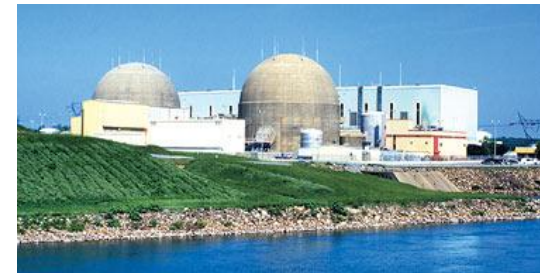
- 1981: Virginia General Assembly approves House Resolution 324 Requesting Va. Coal & Energy Commission ("VCEC") to evaluate uranium
- 1983: Uranium Administrative Group ("UAG") established in Senate Bill 155 that finds that a preliminary study
"...has not identified any environmental or public health concern that could preclude uranium development in Virginia."
- 1984: Recommendation by 16 of 18 (89%) UAG members
"We conclude that the moratorium on uranium development can be lifted..."
- 2009: VCEC creates uranium mining sub-committee to evaluate uranium again
- 2010: National Academy of Sciences undertakes new scientific study on safety of uranium mining
- 2011: NAS study results released December 2011
- 2012: VCEC asks Va Governor to develop draft regs



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Advisers to the Nation on Science, Engineering, and Medicine

Virginia's Strong Nuclear Heritage

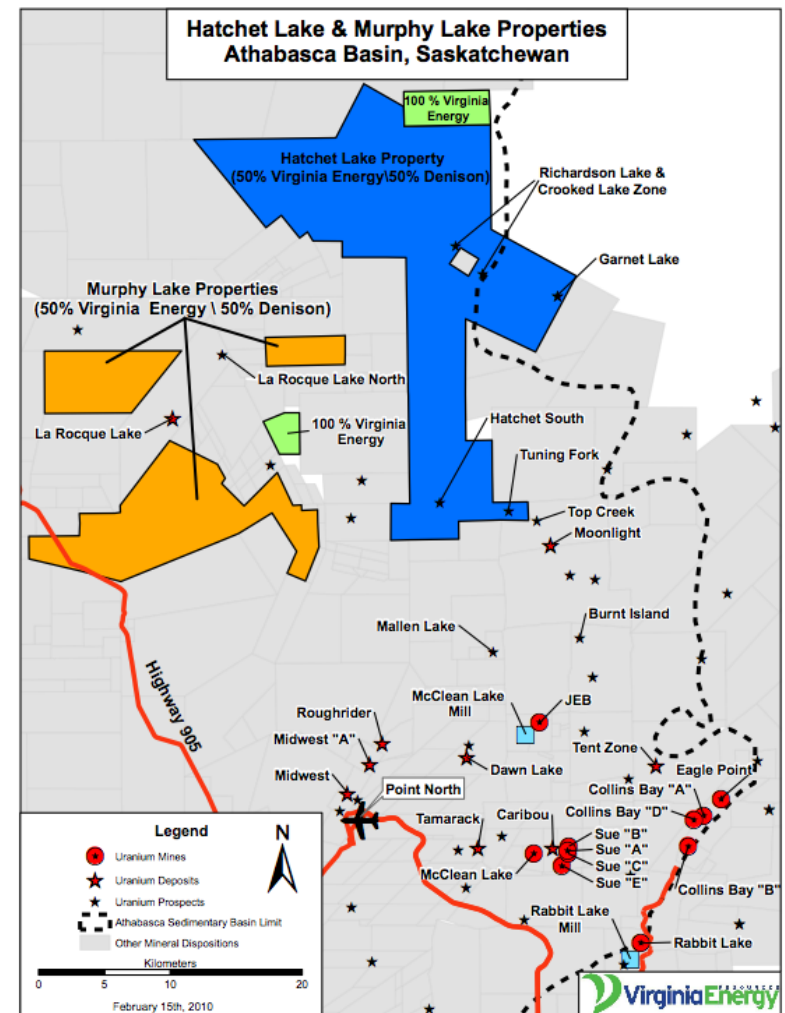
- Dominion Resource's four nuclear power plants providing 35% of Virginia's electricity supply needing about 1.6 MM lbs of U_3O_8 annually(*)
 - Surry-1 & 2 (816 MWe; built 1972 & 1973)
 - North Anna-1 and -2 (925 MWe; built 1978 & 1989)
- New nuclear power plant for North Anna-3 proposed
- Strong AREVA nuclear infrastructure
 - Commercial nuclear fuel production facility
 - Engineering and services
 - Heavy equipment manufacturing partnership with Northrop Grumman
- Strong naval nuclear infrastructure
 - Babcock & Wilcox naval nuclear fuel facility
 - Northrop Grumman naval shipbuilding and maintenance facilities
 - Largest naval base in the world
 - Shipbuilding since 1767
 - Home base to nuclear powered aircraft carriers and subs
 - Commissioned latest aircraft carrier in 2009



Athabasca Basin, Saskatchewan

Virginia Energy has exposure to >106,000 ha on favorable trends in the shallow portions of the eastern Athabasca Basin, close to existing uranium mines and infrastructure:

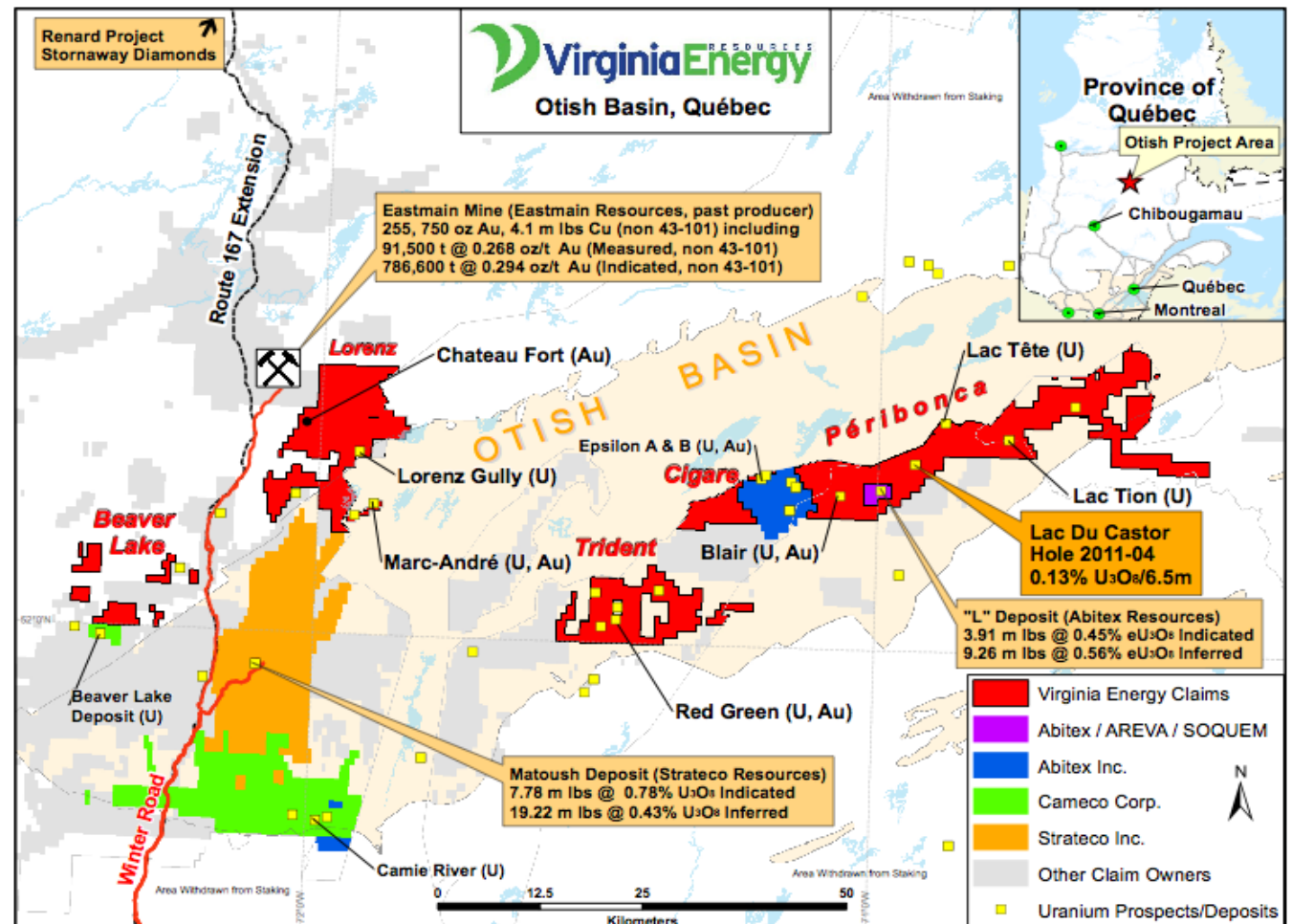
- 100% owned claims and 50-50 JVs with Denison Mines and Forum Uranium
- Drill program planned for Hatched in winter 2012 (JV with Denison)
- IP Resistivity surveys on Fir Island and Fond du Lac in 2012 to refine shallow drill targets



Otish Basin, Quebec

- Emerging uranium district with high-grade unconformity-type deposits (e.g. Cameco's Camie River) and sandstone / gabbro-hosted deposits (Strateco's Matoush and Abitex's "L" Zone).
- One of the top-ranked mining jurisdictions globally. New all-season Route 167 road will greatly improve access.
- Virginia holds 100% interest in 61,520 hectares with numerous shallow, high-grade uranium (+ gold) prospects, e.g.:

- **Lac du Castor:** On "L" Zone trend - Hole 2011-04 cut **6.5 m @ 0.13% U₃O₈** in sandstone
- **Marc-Andre:** 2008 channel sample near gabbro-sandstone contact cut **1.5 m @ 0.146% U₃O₈**
- **Lorenz Gully:** Basement-hosted mineralization traced in outcrop and drill holes for >900 m, with grades up to **7.13% U₃O₈** in surface samples, and **0.5 m @ 1.87% U₃O₈** in historic holes
- **Blair boulder field:** "L" Zone trend: 6 boulders with up to **1.31% U₃O₈ + 5.71 g/t Au**
- **Red-Green boulder field:** >30 sandstone boulders up to 1.5 m in size grading up to **0.863% U₃O₈ and 3.36 g/t Au**
- **Lac Tion:** two boulder trains with up to **5.47% U₃O₈**; Historic hole cut **1.5 m @ 0.555% U₃O₈**



Recent / Upcoming Catalysts

Metallurgy Results (October)

- New tests results released in late 2011 indicated an 89-90% recovery rate (7% improvement)
- Suggests that the Coles Hill project NPV will increase by \$100 million from when the Preliminary Economic Assessment was completed one year prior

Boss Power Court Trial (October)

- Boss Power settled lawsuit against Province of British Columbia for expropriation of the Blizzard uranium deposit. The BC government agreed to pay Boss C\$30 million in cash
- VAE owns 37% of Boss Power Corp. (27.25 million shares)

Virginia State Elections (November)

- Virginia state elections were held on November 8th. Republicans gained a number of seats
- Several anti-uranium candidates were not re-elected

NAS Study Results (December)

- National Academy of Sciences study on uranium mining in Virginia was released late 2011
- Report provides a clear road map for Virginia to develop modern uranium mining regulations

Draft Regulations & Legislation

- Uranium Mining subcommittee of the Virginia Coal & Energy Commission requests that the Virginia Governor develop draft uranium mining regulations
- Governor responds by ordering regulatory agencies to proceed in drafting permitting framework
- Final legislation anticipated for early 2013

Potential for Corporate Restructuring

- In conjunction with a Boss Power reorganization, VAE may spin out exploration assets
- Potential to merge VAE with VUI to gain 100% interest in Coles Hill project
- Board continues to evaluate best strategy to enable market to recognize intrinsic value



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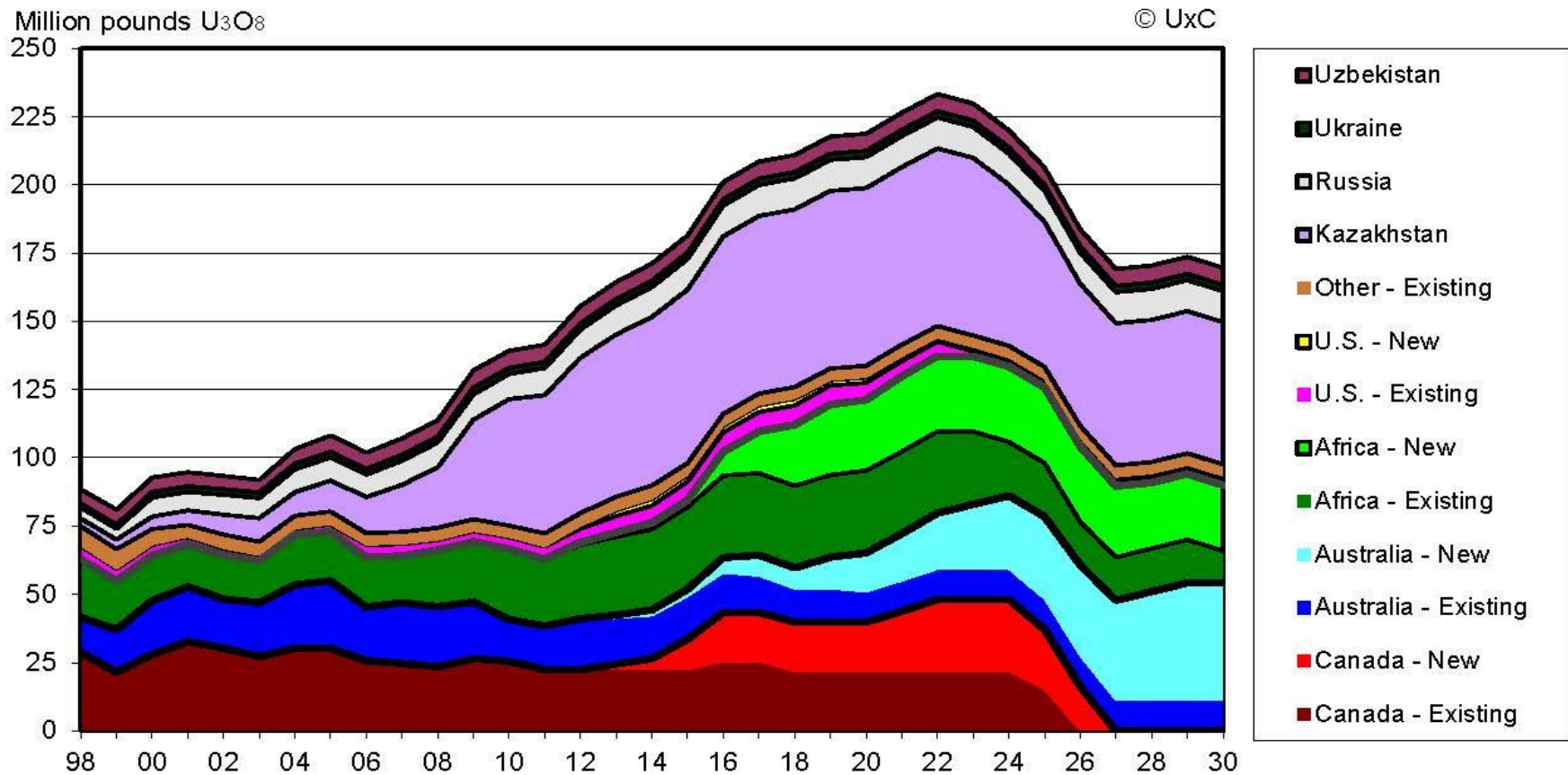
TSX Venture Exchange: VAE

OTCQX: VAERF

Supply / Demand Gap Increasing

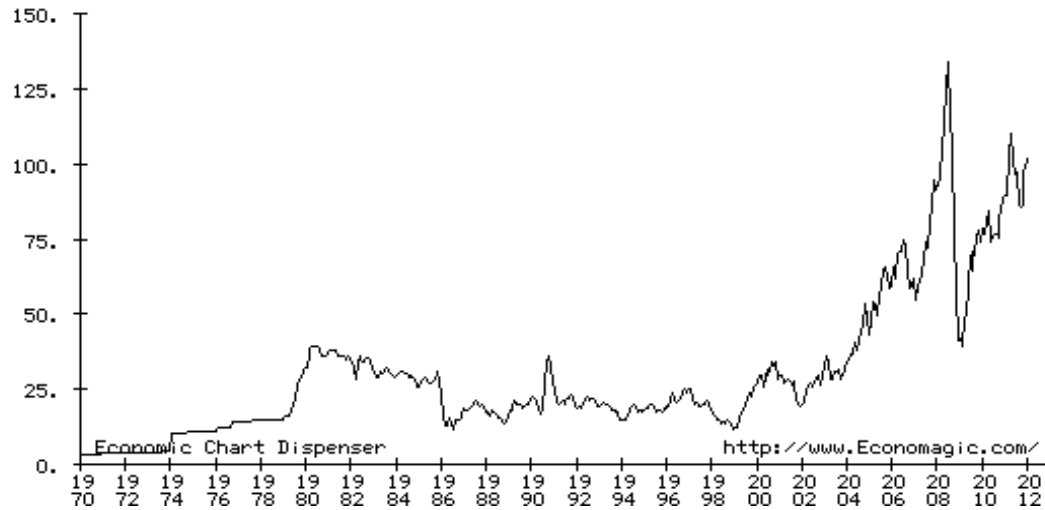
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- Increasing share of world production coming from less stable regions – Kazakhstan & Africa

Figure 5. Existing and New World Production, 1998-2030

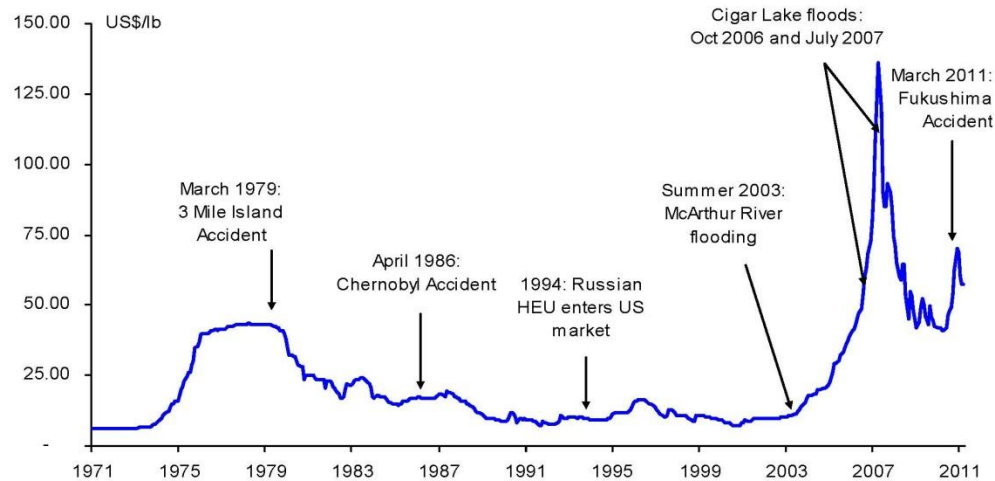


An Uncanny Correlation

Price of West Texas Intermediate Crude; Monthly NSA, Dollars Per Barrel



Uranium price evolution, 1970-2011



Source; TradeTech, UxC, Morgan Stanley Research