

**Virginia Energy Resources Inc. (TSX.V: VAE)(OTCQX: VAERF)** is a uranium development and exploration company. The company holds an approximate 30% stake in the advanced stage **Coles Hill uranium project** in Virginia, USA. Additionally, the company is pursuing active uranium exploration programs in the **Athabasca basin, Saskatchewan** and in the **Otish Basin of Quebec**.

Virginia’s Coal and Energy Commission socio-economic study by Chmura Economics & Analytics concluded<sup>1</sup>:

*The Coles Hill uranium project would support a total of more than 1,000 direct and indirect jobs and have an annual net positive economic impact on the region of approximately \$135 million. The study predicts that over the 35-year life of the operation, the Coles Hill site would create almost \$5 billion in net accumulated economic revenue for local Virginia firms.*

**> VALUE HIGHLIGHTS**

**~30% IN THE GIANT COLES HILL URANIUM DEPOSIT:**

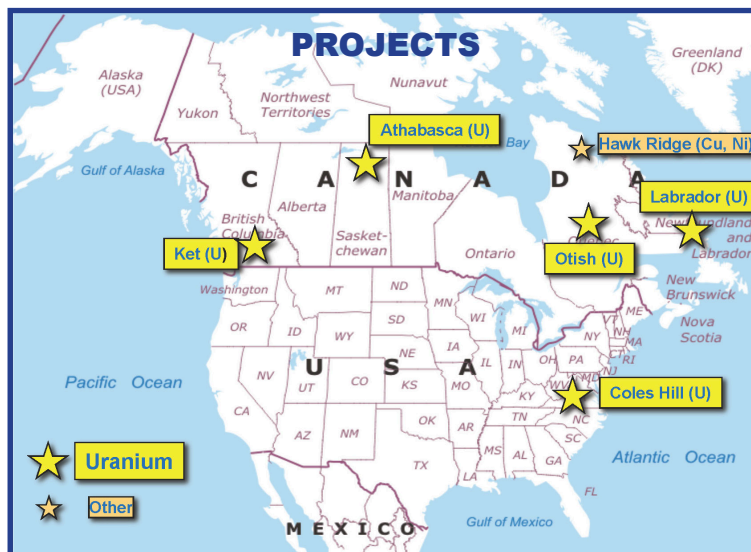
- World class uranium deposit
- 119 million pounds contained uranium oxide<sup>2</sup> (98.7 million tons @ 0.060% U<sub>3</sub>O<sub>8</sub>, M&I resources)
- Positive PEA<sup>3</sup> indicates Outstanding Profitability Potential:
  - Initial production of 2 million lbs per year
  - Initial Cash Cost (years 1-10) \$30/lb
  - NPV of US\$404 M; IRR of 36.3% (at \$65/lb)
  - An increase of US\$5 per pound in uranium selling prices causes the project NPV to rise by US\$95 M

**EXPLORATION PROJECTS IN KEY URANIUM DISTRICTS**

- Athabasca Basin: Produces 25% of world’s uranium
- Otish Basin, Quebec: Emerging uranium district

**GROWTH OPPORTUNITY FROM INVESTMENT ASSETS**

- 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
- 7.5 M shares in Golden Band Resources (TSX.V: **GBN**)



**> SHARE STRUCTURE**

	At Jan 12, 2012
Stock Listings	TSX.V: VAE / OTCQX: VAERF
Shares I/O	97,514,238
52 Week High/Low	\$0.78 - 0.13
Warrants: \$0.35 - \$0.60	11,217,920
Options: \$0.37 - \$7.50	5,901,000
Fully Diluted	114,633,158
Long Term Debt	None
Working Capital	\$3 Million
Market Capitalization	\$19 Million



<sup>1</sup>The Company cautions that a compliant feasibility study has not been completed and there is no certainty the proposed operation will be economically viable.

<sup>2</sup>Please see www.sedar.com for N1 43-101 Report by Behre Dolbear & Company, Inc., Marshall Miller & Associates and PAC Consulting filed Feb. 5th 2009

<sup>3</sup>Please see www.sedar.com for NI 43-101 Report by Lyntek Inc. and BRS Inc. filed Dec. 2nd 2010

> COLES HILL URANIUM DEPOSIT, VIRGINIA

One of the largest undeveloped uranium deposits in the USA

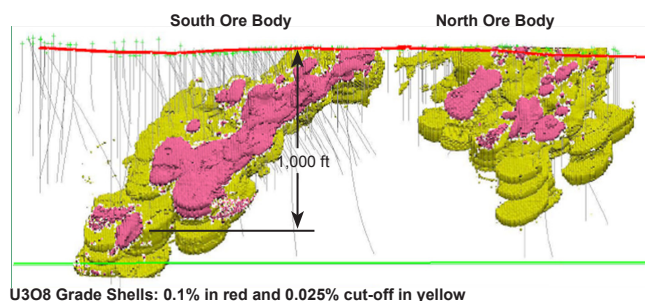
- VAE owns an approximate 30% stake in this World-Class deposit
- Potential for resource expansion along strike and at depth
- Close to roads, rail, gas pipeline, electricity and skilled labour
- 37% of electricity is generated in Virginia by nuclear power

- Multiple nuclear fuel processing facilities located in the state
- A recently released National Academy of Science study on the safety of uranium mining provides the road map for how Virginia can design a regulatory structure to provide oversight for safe uranium mining.

Preliminary Economic Assessment:<sup>3</sup>

Estimated mine life	35 years
Recommended Mining Method	Underground, Open Stopping
Internal Rate of Return (\$65 long term uranium price)	36.3%
Net Present Value (7% discount rate)	US\$404 million
Annual Production Rate	2 million lbs yellowcake
Mill Processing Capacity	3,000 tpd
Capital Investment	US\$174 million
Average Operating Costs (Life of mine, with 25% contingency)	\$36.83/lb

Longitudinal Section of Coles Hill Uranium Deposit



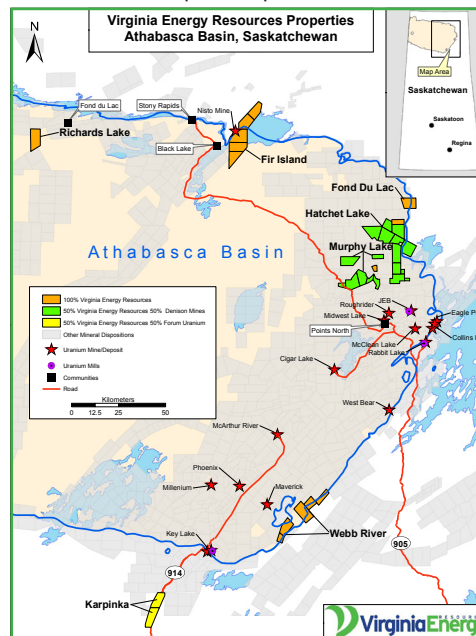
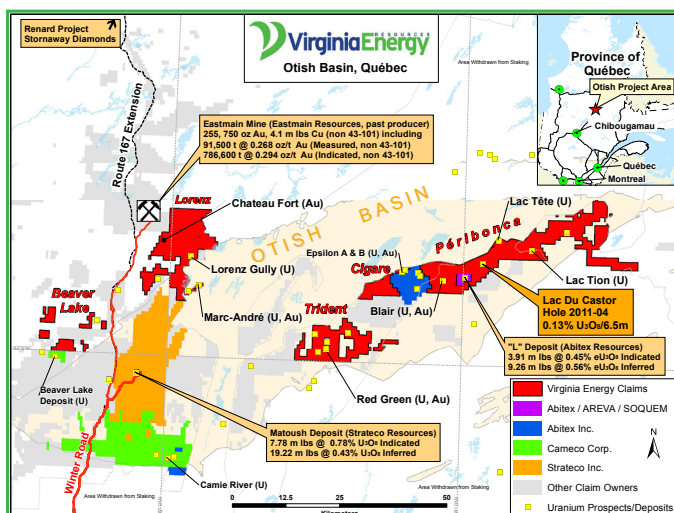
> URANIUM EXPLORATION PROJECTS

OTISH BASIN, QUEBEC

- Quebec is one of the top ranked mining jurisdictions globally
- Proterozoic Otish Basin is prospective for sediment-hosted uranium deposits like Matoush (Strateco Resources), Camie River (Cameco) and Seru "L" (Abitex / Areva / Soquem).
- VAE holds 100% in more than 60,000 hectares within or on the margins of the Otish Basin.
- Drilling at Lac du Castor in 2011 intersected 6.5 m grading 0.13% U<sub>3</sub>O<sub>8</sub> and zone is open to expansion
- Numerous drill-ready targets, some with high-grade mineralization in outcrop or boulders

ATHABASCA BASIN, SASKATCHEWAN

- Interests in >106,000 hectares on favourable trends in the shallow eastern part of the basin.
- Claims held 100% by VAE or in 50-50 JVs with Denison Mines Corp. and Forum Uranium Corp.
- Drilling planned on Hatchet Lake property (Denison 50%) in Winter 2012 as follow-up from previous successful programs.



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Technical information herein has been reviewed by Mike Cathro, P.Geo. VP Exploration Virginia Energy Resources, a Qualified Person under the terms of National Instrument 43-101. This document contains forward-looking statements, including but not limited to comments regarding predictions and projections. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.