MANAGEMENT DISCUSSION AND ANALYSIS
3rd QUARTER ENDED SEPTEMBER 30, 2014

*This Management Discussion and Analysis ("MD&A") is intended to supplement the Company's condensed interim financial statements and related notes for the nine months ended September 30, 2014. This report is as at **November 21, 2014**.*

All monetary amounts are in US dollars unless otherwise specified.

The above referenced financial statements and the Company's other public filings can be found on SEDAR at www.sedar.com.

INTRODUCTION

The MD&A has been prepared by management and reviewed and approved for distribution by the Board of Directors on November 21, 2014. The following discussion of performance, financial condition and future prospects should be read in conjunction with the condensed consolidated interim financial statements for the nine months ended September 30, 2014 and the audited financial statements and corresponding annual MD&A for the years ended December 31, 2013 and 2012. The information provided herein supplements but does not form part of the financial statements.

FORWARD LOOKING STATEMENTS

Certain information contained in this MD&A constitutes "forward-looking information" within the meaning of applicable securities laws concerning the business, operations and financial performance and condition of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "does not expect", "is expected", "is likely", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "does not anticipate", "continue", "may", "will", "should", "believes" and similar expressions. Forward-looking information is based on the opinions and estimates of management as of the date such information is disclosed, and it is subject to known and unknown risks, uncertainties and other factors that may cause actual results, events, level of activity, performance or achievements to differ materially from those expressed or implied in such forward-looking information. The Company believes that the expectations reflected in this forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct, and such forward-looking information included in this MD&A should not be unduly relied upon. This information speaks only as of the date of this MD&A. In particular, this MD&A contains forward-looking information pertaining to the following:

- *potential receipt of regulatory approvals, permits and licenses and treatment under governmental regulatory regimes;*
- *the estimates of the Company's mineral resources;*
- *anticipated capital expenditures, production rates and costs, mine life and valuations contained in the PEA (as defined below);*
- *expectations of market prices and costs; and*
- *exploration, development and expansion plans and objectives.*

The Company's actual results could differ materially from those anticipated in this forward-looking information, specifically the PEA as a result of the following:

- *failure to lift the moratorium on uranium mining in Virginia;*
- *delays in obtaining permits and licenses for the Coles Hill project;*
- *declines in the market price of uranium;*
- *poor capital market conditions for TSX Venture junior mining companies;*
- *inability of the Company to raise sufficient funding to advance the Coles Hill project notwithstanding improving financial market conditions;*
- *low market prices of the Company's securities;*
- *failure to accurately estimate mineral resources, production rates and operating costs;*
- *geological, technical and processing problems;*
- *cost overruns in capital investment to construct the Coles Hill project;*
- *failure to obtain industry partner, government and other third party consents and approvals, when required;*
- *public resistance to nuclear energy or uranium mining;*
- *actions taken by regulatory authorities with respect to mining activities, including regulations that materially impact the ability of the Company to achieve production that is materially in accordance with the PEA; and*
- *other factors discussed under "Risk Factors" in this MD&A.*

These factors are not, and should not, be construed as being exhaustive. Statements relating to "mineral resources" and the economics of the PEA are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the mineral resources described will be profitably produced in the future. For the key assumptions and factors used in developing this forward-looking information, please see the PEA filed at www.sedar.com. Accordingly, readers should not place undue reliance on forward-looking information.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking information after the date of this MD&A to conform such information to actual results or to changes in the Company's expectations, except as otherwise required by applicable legislation.

THE COMPANY

Virginia Energy Resources Inc. (hereinafter referred to as the "Company" or "Virginia Energy"), formerly Virginia Uranium Ltd., was incorporated in the Yukon on August 31, 2007 and continued to British Columbia under the British Columbia Corporations Act on May 21, 2009. Virginia Energy is a resource company engaged in exploration and development of uranium deposits located in the southern part of Virginia and the exploration of uranium in Quebec.

The Company's head office is in Vancouver, BC, Canada and its operations office is located in Chatham, Virginia, United States.

HIGHLIGHTS AND OVERALL PERFORMANCE

The following events occurred in the three months ended September 30, 2014 and up to the date of this report:

- The Company continues to take a prudent approach with expenditures and has significantly reduced its monthly cash outlays, a process that was begun in February of this year to preserve cash and will continue until such time as there is political will to support the writing of legislation for mining uranium in Virginia that will allow the Company to proceed with its exploration and development plans.

- The Company is reviewing other options that may provide relief to the ongoing delays that the Company has and will endure due to the Commonwealth of Virginia's failure to follow through with the development of mining regulations.

- The Company has further monetized its portfolio holdings in Energy Fuels Inc. for cash proceeds of $2.3 million in the nine months ended September 30, 2014. There were 23,000 shares remaining at September 30, 2014. The Company sold a further 13,000 shares subsequent to the quarter end.

COLES HILL URANIUM DEPOSIT

Virginia Energy's most important asset is the 100% interest in the Coles Hill deposit in southern Virginia, USA, which is the largest undeveloped uranium deposit in the USA and one of the largest in the world. Virginia Energy's ownership in Coles Hill is held through its subsidiary, Virginia Uranium, Inc., which controls the mineral rights, surface rights, and leasehold development and operating rights on the Coles Hill property.

The Coles Hill project is the subject of a National Instrument 43-101 Updated Preliminary Economic Analysis Update (Revised) by Lyntek Inc. and BRS Inc., ("NI 43-101" or the "Technical Report" or the "PEA") that contained an updated PEA and resource calculation. The report, effective June 30, 2012, was revised and restated August 19, 2013 and is available on SEDAR and at www.sedar.com and on the Company's website at http://www.virginiaenergyresources.com. According to the NI 43-101 Technical Report, resources are estimated as follows:

TOTAL INDICATED MINERAL RESOURCES

Total North and South Coles Hill				
Category	**Cutoff**	**Long Tons (million)**	**wt %eU_3O_8**	**lbs (million)**
Indicated	0.025	119.59	0.056	132.93

TOTAL INFERRED MINERAL RESOURCES

Total North and South Coles Hill				
Category	**Cutoff**	**Long Tons (million)**	**wt %eU_3O_8**	**lbs (million)**
Inferred	0.025	36.28	0.042	30.41

Reference: NI 43-101 Preliminary Economic Assessment Update (Revised) of Coles Hill Uranium Property, effective June 30, 2012, and dated August 19, 2013 by Lyntek Inc. and BRS Engineering.

It should be noted that mineral resources are not mineral reserves and do not have demonstrated economic viability.

The PEA indicates the project has the potential for attractive economics based on an assumed U_3O_8 price of $64 per lb. as summarized below:

- Initial production of 2 million lbs per year and a 35 year mine life;
- Underground mining of 3,000 tonnes per day, to extract a portion of the indicated resource totaling 64.2 M lbs U_3O_8 with an average grade of 0.098% at a cutoff grade of 0.06%
- Capital cost of $147 million prior to construction, including a 25% contingency;
- Cash cost of $30.72 per lb. U_3O_8 for the first ten years of production;
- Net Present Value of $427 million at a discount rate of 7%;
- IRR of 36.3% based on a uranium price of $64 per lb. U_3O_8
- A change in the price of uranium of $5.00 per lb results in a potential change in the project NPV of $110.0 million

In terms of project risks, the updated PEA noted the following:

"The technical risks related to the project are low as the mining and recovery methods are proven. The mining methods recommended have been employed successfully at similar projects in the past. The mineral processing methods employed are typical of those used in the industry for decades and are supported by metallurgical tests done to date and are available.

Primary risks related to permitting are rescinding the moratorium to allow mining in Virginia and gaining the confidence of the local community that the mining and milling can be safely conducted to protect human health and the environment. The remainder of the permitting issues is tied to obtaining the necessary permits to operate the mine and mill.

The authors are not aware of any other specific risks or uncertainties that might significantly affect the mineral resource estimates or the consequent economic analysis.

Estimation of costs and uranium price for the purposes of the economic analysis over the life of mine is by its nature forward-looking and subject to various risks and uncertainties. No forward-looking statement can be guaranteed and actual future results may vary materially."

Coles Hill is located on gently rolling hills in Pittsylvania County, southern Virginia, in close proximity to established infrastructure and skilled labor. Virginia is one of the leaders in the U.S. nuclear industry, home to four high-performing nuclear power plants, commercial nuclear fuel production and engineering services, and significant naval nuclear infrastructure.

The deposit was initially explored between 1980 and 1982, when Marline and Union Carbide drilled 210 holes (190,000 feet) to define the deposits. Between 1982 and 1983, a subsidiary of Union Carbide completed a feasibility study to put the deposit into production, but the project was shelved due to the drop in the price of uranium. At that time, a 5,000-ton per day open pit mine and mill was envisioned. The project lay dormant until 2007 when Virginia Uranium, Inc. drilled 12 holes to confirm the historic grades as part of the initial NI 43-101 technical report and resource calculation.

The potential for resource expansion exists along strike and at depth. Higher-grade zones near surface provide for many development options and potential to improve the project economics.
On November 30, 2011, a state-sponsored economic study by Chmura Economics & Analytics concluded that the Coles Hill uranium project would bring much needed jobs, tax revenue and investment to an area of Virginia that remains economically depressed. The Chmura study said that the mining operation Virginia Uranium Inc. has proposed for Coles Hill would support a total of more than 1,000 direct and indirect jobs and have an annual net positive economic impact of approximately $135 million. The study predicts that over the 35-year life of the operation, the Coles Hill site could generate almost $5 billion in net accumulated economic revenue for Virginia firms. The reader is cautioned that this economic study was completed by another organization independent of Virginia Energy. A NI43-101 compliant feasibility study has not been completed and there is no guarantee the proposed operation would be economically viable given the uncertainty of future uranium prices in combination with permitting risk related to the current moratorium on uranium mining.

In January 2012, the Virginia Governor, at the time, announced his decision to create an interagency task force to analyze the state's ability to adopt and enforce uranium mine regulations. The governor's decision was an important milestone toward advancing a regulatory framework that could potentially enable the construction and operation of one of the safest uranium mines in the world at the Coles Hill site.

Legislation to lift the moratorium on uranium mining in Virginia was scheduled for debate in the Virginia State Legislature during the 2013 winter session. The Company believed that the necessary votes existed in the State House of Delegates to pass such a bill. However, due to a shortfall of votes in the Virginia state Senate, legislation to lift the moratorium was withdrawn by its chief patron, Senator John Watkins in February 2013 prior to debate. Senator Watkins had planned to re-introduce uranium legislation during the winter 2014 General Assembly session but the election of a Democrat as Governor (Terry McAuliffe) and the public announcement by the new Governor that he would veto any pro-uranium legislation means that any such bill would fail to become law. In Virginia, Governors cannot run for a second consecutive term. Thus the Company is hopeful that the next Governor elect will support policies that are more favorable toward the mining industry. The company is currently evaluating its options and has implemented a substantial reduction in its operating budget.

EXPLORATION PROPERTIES

OTISH MOUNTAINS, QUEBEC PROJECTS

Pursuant to the Plan of Arrangement which concluded on September 27, 2012, Anthem Resources Incorporated ("Anthem") transferred the Otish Mountain property interest and CAD $400,000 (US$406,840) cash to Virginia Energy in return for a Promissory Note for $3,966,690, payable to Anthem.

On March 28, 2013, the Company learned that the Government of Quebec will conduct an impact study on the exploration and development of uranium in the province. The Bureau d'Audiences Publiques sur l'Environnement ("BAPE") was given a mandate to complete this study and submit a report no later than May 20, 2015 to the Minister of Sustainable Development, Environment and the Fight Against Climate Change, who will then have 60 days to make the report public. In the meantime, the Government says that no certificate of authorization will be issued for the exploration or development of uranium in Quebec until the study is completed. Further exploration on the Company's Otish Mountains uranium project will remain on care and maintenance while the Quebec government undertakes this evaluation. The Company is confident that this study will show that uranium exploration and mining can be done safely and in a way that protects the environment, as has been demonstrated by decades of uranium mining experience in Saskatchewan, and similar recent studies around the world.

The Company has recognized an impairment loss of $3.5M against the Otish mineral properties, which is equivalent to its carrying value, and included the exploration and evaluation expenditures and field equipment for the Otish mineral property.

The Company's application to the Quebec government for relief of annual renewal fees and work commitments due last summer in 2013 on the Otish mineral properties was denied. The Company made the required payments of $100,038 in lieu of work and renewal fees.

DISCUSSION OF OPERATIONS

Being in the exploration and development stage the Company does not have revenues from operations other than for receipts from the rental of some of its land to adjacent ranchers and interest income from its cash.

Summary of Quarterly Results

The following table reports selected financial information of the Company for the past eight quarters.

Quarter ended	30-Sep-14	30-Jun-14	31-Mar-14	31-Dec-13
Revenue [1]	$ -	$ -	$ -	$ -
Net loss for the quarter	$ (393,800)	$ (368,747)	$ (373,208)	$ (902,418)
Loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)

Quarter ended	30-Sep-13	30-Sep-13	30-Jun-13	31-Mar-13
Capitalized property acquisition and (impairment) of exploration costs	$	$ -	$ (3,517,816)	$ -
Revenue [1]	$ -	$ -	$ -	$ -
Net loss for the quarter	$ (961,397)	$ (1,696,551))	$ (5,138,397) [2]	$ (1,549,937) [3]
Loss per share	$ (0.02)	$ (0.07)	$ (0.07)	$ (0.07)

(1) the Company is in the exploration stage and has no revenue;
(2) includes a write-down of the Otish properties of $3,517,816;
(3) includes a currency translation adjustment to the loss on the previously held interest in VAUH of $662,313 and professional fees of $776,432 paid in conjunction with the Plan of Arrangement;
(4) includes the acquisition of exploration and evaluation assets obtained during the Plan of Arrangement;
(5) includes the revaluation of the previously held interest in VAUH.

Three months ended September 30, 2014

A loss of $393,800 was recorded for the three months ended September 30, 2014. Compared to the loss of $961,397 recorded in the prior year for the three months ended September 30, 2013, the current quarter reflects significant reductions of operation costs which came into effect February 1, 2014. Compensation and benefits cost of $103,213 (2013 - $224,612), professional fees of $66,890 (2013 - $420,646), technical expenses of $16,950 (2013 - $87,553) and general and administration costs of $82,644 (2013 - $178,534) comprised of rent, travel and office expenses were incurred in the quarter.

The nine months ended September 30, 2014

The Company's net loss for the nine months ended September 30, 2014 was lower than the nine months ended September 30, 2013 mainly due to the decision to impair the Otish Mountain property for $3,517,816 in the prior year. Compensation and benefits, public relations, professional fees, technical expense and general and administrative costs were all lower this nine month period than the prior nine month period, specifically professional fees of $211,594 compared to $1,626,476 incurred in the prior nine month period.

The Company had a net loss for the nine months of $1,135,755 ($7,796,345 – 2013).

Liquidity and Financial Resources

At September 30, 2014 the Company had working capital of $2,639,008 as compared to working capital of $4,384,881 at September 30, 2013 representing a decrease in working capital of $1,745,873. Net cash and cash equivalents increased by $180,094 from $2,115,082 at September 30, 2013 to $2,295,176 at September 30, 2014. The Company has significantly reduced its marketable securities holdings comprised of Energy Fuels' shares acquired from a private placement entered into in the prior year by $2,311,478 from $2,465,393 at September 30, 2013 to $153,915 at September 30, 2014.

The Company continues to take a prudent approach to its expenditures to preserve cash and has significantly reduced its monthly cash outlays following various rational measures.

Cash flows for the nine months ended September 30, 2014

During the nine months ended September 30, 2014, the Company used $1,165,585 cash in operating activities as compared to $4,664,840 expended in the nine months ended September 30, 2013.

The Company had net proceeds of $2,319,531 from the sale of Energy Fuel shares acquired from the private placement entered into in the prior year.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

There are no proposed transactions.

RELATED PARTY TRANSACTIONS

Due from related parties consists of $179,201 due from Anthem and $56,247 from Skeena Resources Ltd. ("Skeena") for reimbursement of certain operating expenses. Subsequent to the quarter ended September 30, 2014, Skeena paid $30,419. The Company and Anthem and Skeena have common officers.

Note payable to related party consists of a Promissory Note payable to Anthem of $3,870,365 exchanged in the acquisition of the Otish property. The note bears interest at the rate of 3% per annum and matures on August 20, 2015. Included in the loan balance is accrued interest on the Promissory Note in the amount of $257,484. The note is secured by the shares of Otish Minerals Ltd., which holds title to the Otish mineral claims.

An officer and director of the Company was paid $22,396 2013 - $66,667) for legal services provided to the Company.

CRITICAL ACCOUNTING ESTIMATES

Significant Accounting Estimates and Judgments

The preparation of the Company's condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to the recoverable amount of mineral property interests;

RISK FACTORS

Refer to the Company's annual MD&A on the SEDAR website at www.sedar.com for the complete analysis of risk factors. There are no new risk factors to the date of the MD&A to November 21, 2014.

OTHER MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Stock as at November 21, 2014:

Authorized:
Unlimited number of voting common shares
Unlimited number of redeemable, retractable, convertible, preferred shares

Issued:

57,230,614 common shares, of which 3,577,625 common shares held by certain insiders, remain escrowed to be released in scheduled tranches pursuant to an Escrow Agreement dated September 27, 2012.

Stock Options:

Number	Exercise Price (CAD$)	Date of Expiry
365,000	$1.59	November 11, 2015
10,000	$2.80	February 15, 2016
3,029,700	$0.42	April 29, 2018
3,404,700	[3,404,700 exercisable]	

Fully diluted:

60,635,314 common shares

In addition, the Company has derivative obligations on Anthem warrants exercisable at $1.80, which if they were to be exercised would obligate the Company to issue 407,042 shares for cash proceeds of 10% of the proceeds received by Anthem. These derivative obligations are not considered in the fully diluted calculation.

Directors

Walter Coles, Sr., *Chatham*, *Virginia*
Norm Reynolds, *Chatham, Virginia*
Neal Keesee, *Chatham, Virginia*
Stephen Antony, *Lakewood, Colorado*

Officers

Walter Coles, Sr., *President & CEO*
Walter Coles, Jr., *Executive Vice President of Corporate Development*
Mike Cathro, *Vice-President Exploration*
Karen A. Allan, CMA, *CFO*
Neal Keesee, *Corp. Secretary*

Auditors KPMG LLP

Legal Counsel Cassels Brock

QUALIFIED PERSON

The Qualified Person under the meaning of National Instrument 43-101 for the PEA are Douglas Beahm, PE, PG (BRS Engineering. The technical information in this MD&A has been reviewed and approved by Michael Cathro, P.Geo., the Company's Vice President of Exploration and a Qualified Person under the meaning of National Instrument 43-101.