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Initial Resource Estimate
MANYINGEE EAST URANIUM PROJECT
West Pilbara, WA

- **An initial Mineral Resource Estimate of 1,291 tonnes U_3O_8 (at 250 m*ppm grade-thickness cut-off) obtained for the Manyingee East deposit.**
- **Manyingee East is the up-channel extension of Paladin Energy's Manyingee deposit and contains about 10% of the combined resource.**

Energy Metals Limited (ASX: EME) is pleased to announce that a JORC-reported Mineral Resource estimate of 2.84Mt at an average grade of 455 ppm eU_3O_8 for 1,291 tonnes or 2.85Mlb U_3O_8 (at a grade-thickness cut-off of 250 m*ppm eU_3O_8) has been defined for the Manyingee East deposit (WA) within its 100% owned tenement E08/1480 (Figure 1). The Mineral Resource is based on JORC (2012) definitions and the reported resource is classified as Inferred.

The Manyingee East deposit, located 85km south of Onslow, within the West Pilbara region (WA), is a roll-front style of uranium deposit hosted within two domains (North Wing and South Wing) on the margins of a buried, Cretaceous-age palaeochannel. The mineralisation is localised at the interface between oxidised and reduced sediments, and is mainly confined to three stratigraphic horizons at depths between 50 and 80 metres. The project area is located adjacent to, and immediately up-channel of Paladin Energy's Manyingee deposit within a wide part of the main palaeochannel (Figure 1).

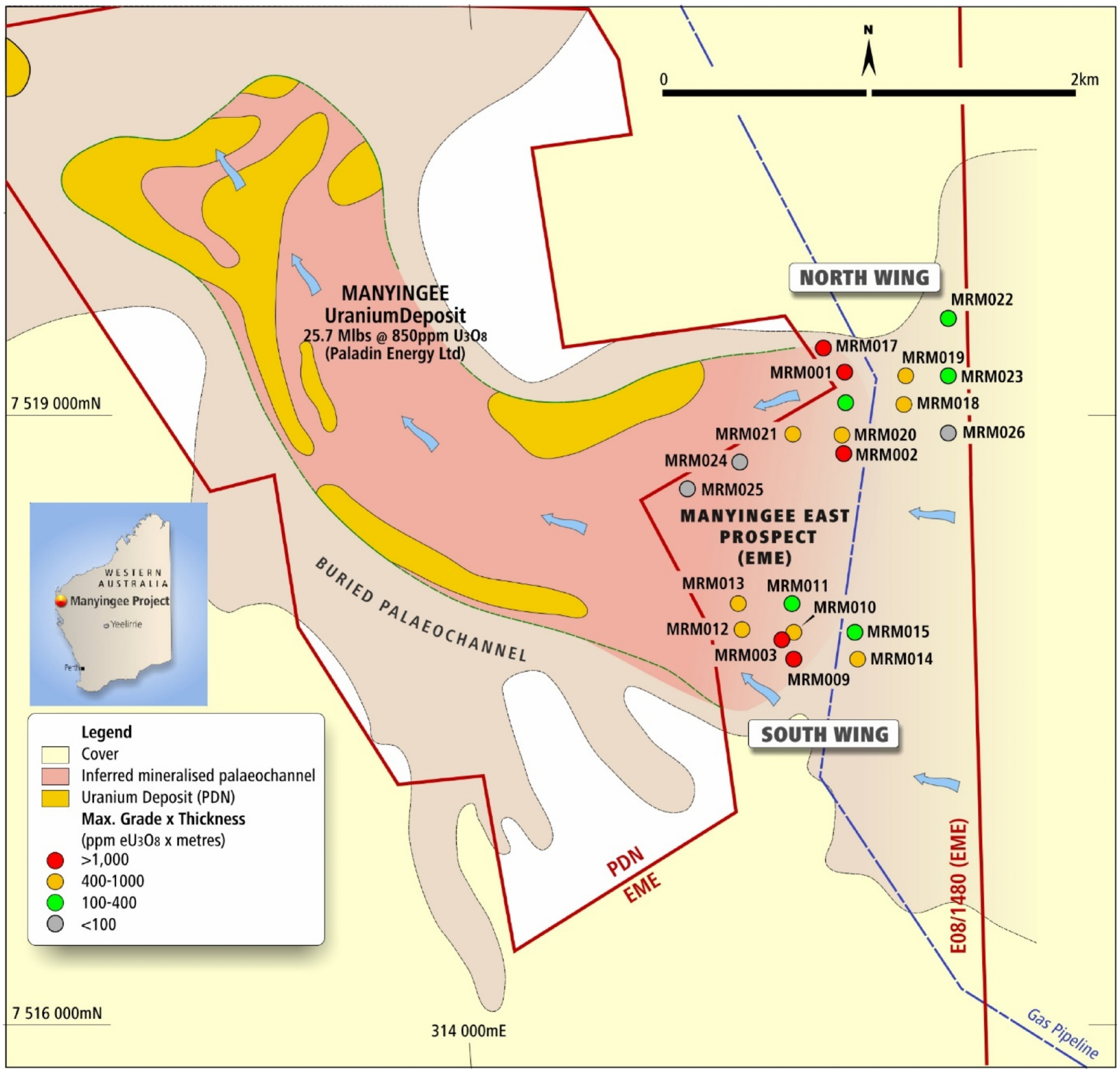

Figure 1. Map showing Energy Metals' Manyingee East prospect, exploration drill holes (categorised by maximum grade-thickness interval), North Wing and South Wing domains, and tenement boundaries in relation to the Manyingee palaeochannel and down-channel Manyingee Deposit of Paladin Energy Ltd (PDN).

The Mineral Resource estimate for the Manyingee East deposit was undertaken by consultants CSA Global Ltd (CSA) based on information supplied by Energy Metals from two EME drilling campaigns and from historical open-file company data pertaining to the area covered by E08/1480 and the immediate surrounds.

Mineralised envelopes and wireframe models were constructed using gamma logging data based on the following parameters: minimum thickness 0.3m, maximum internal waste 0.3 m, minimum grade-thickness product (GT) 30 m*ppm, and cut-off grade 100 ppm eU_3O_8. For the construction of the block model, the data were composited into 0.5m intervals and uranium grades were interpolated into the block model using the inverse distance weighted squared method. Grade-thicknesses were estimated after flattening each of the modelled lenses. The completed model for the deposit was checked visually and also by comparison with composites section to section and was found to be of high confidence. Although Paladin Energy determined that a 4% disequilibrium correction was appropriate for Manyingee wing-style mineralisation (i.e. U_3O_8/eU_3O_8 = 1.04), in the absence of direct measurements a conservative approach was considered prudent at Manyingee East, and no disequilibrium correction was applied (i.e. $U_3O_8/eU_3O_8 = 1$).

A gridded model was generated for the wireframes in order to visualise the uranium grade-thickness (GT) characteristics of the deposit based on the block models (Figure 2). Mineralisation located within the basement and within oxidised sediments, which represents only 0.1 Mlb at an average grade 140ppm eU_3O_8, was excluded from the Mineral Resource estimation. Lastly, resource areas based on historical data and located outside Energy Metals licence E08/1480 (Figure 3) were truncated and excluded from the final estimation table.

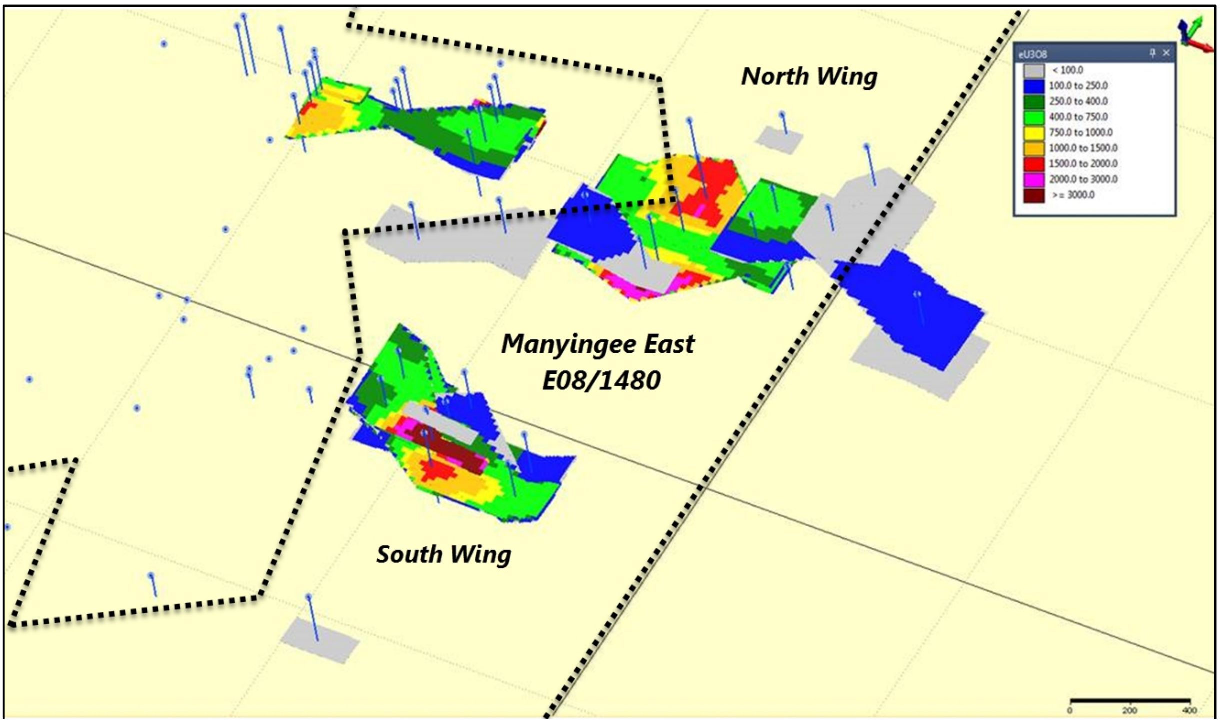

Figure 2. Distribution of Grade x Thickness (metres*ppm eU_3O_8) for the Manyingee East deposit and immediate surrounds based on the block models. Blue dots/lines show EME and historical drill hole traces and/or collars; black dashed lines are the E08/1480 tenement boundary (oblique view from the southeast).

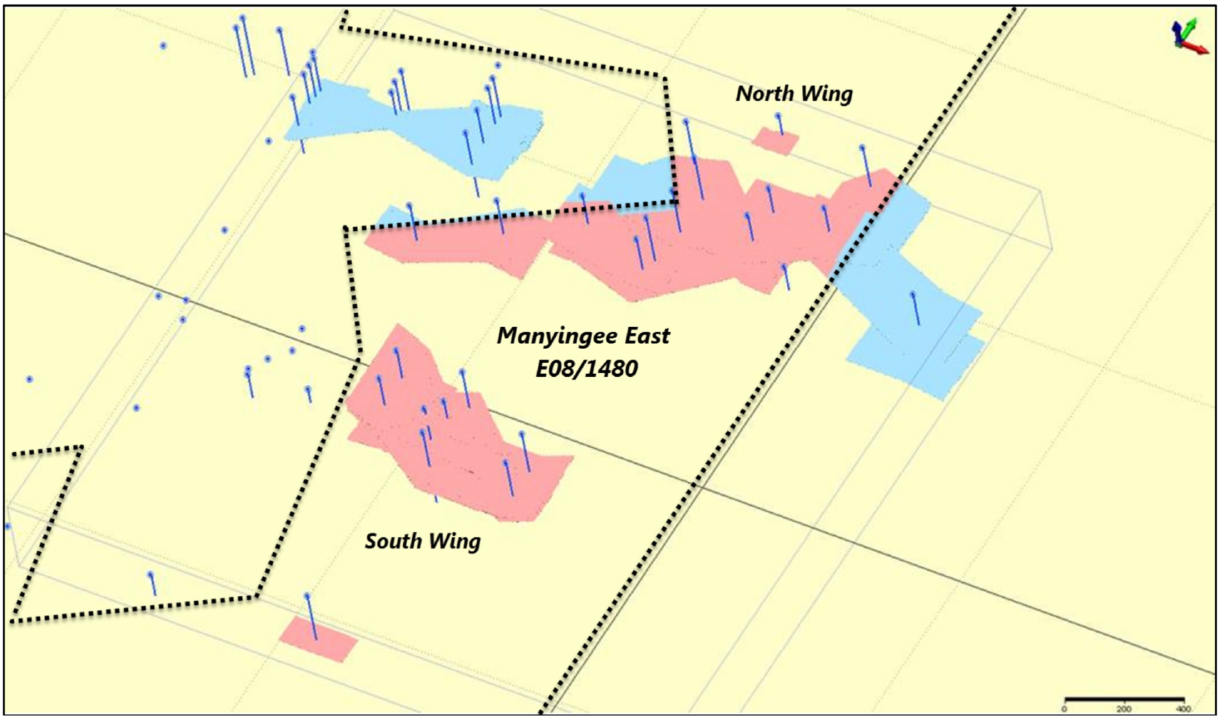

Figure 3. The areas outside the Energy Metals licence E08/1480 (in blue) were excluded from the resource.

The Mineral Resource estimate is provided in Table 1 for various grade-thickness cut-off values and has been classified as Inferred.

Table 1: Manyingee East Resource Estimate at various grade-thickness (GT) cut-off values

Tonnes (Million)*	Cut-off GT (m*ppm eU_3O_8)	Average Grade eU_3O_8 (ppm)	Average GT (m*ppm eU_3O_8)	Contained U_3O_8 (tonnes)	Contained U_3O_8 (Mlb)
2.84	**250**	**455**	**993**	**1,291**	**2.85**
2.06	**500**	**524**	**1,224**	**1,079**	**2.38**
0.86	**1,000**	**756**	**1,996**	**650**	**1.43**

Tonnes are metric (2204.62 pounds), figures may not total precisely due to round-off errors. Significant figures do not imply precision. *A bulk density value of 1.7 t/m^3 was used for the estimation.

The Mineral Resources have been classified and reported in accordance with JORC (2012) requirements. The resource classification is based on the assessed level of confidence in sample methods used, geological interpretation, drill spacing and geostatistical measures.

In addition to the Mineral Resources, an Exploration Target representing unclassified resources of between 200 and 1,000 tonnes U_3O_8 has been outlined. Recent passive seismic and deep ground penetrating radar investigations (ASX quarterly report, 27 October 2016), suggest additional sites favourable for mineralisation are likely within Energy Metals' portion of the main Manyingee palaeochannel, implying that the Exploration Target is likely to be at the upper end of the estimated range. As Manyingee-style mineralisation is considered favourable for extraction of uranium by cost effective in-situ recovery (ISR) methods, Energy Metals will continue to evaluate future resource upgrade and development options as market conditions improve.

For and on behalf of the Board

Weidong Xiang
Managing Director
7th November 2016

Competent Persons Statement

The information in this report that relates to Mineral Resource estimation is based on information compiled by Dr Maxim Seredkin, Principal Resource Geologist, and Mr Dmitry Pertel, Principal Resource Geologist. Dr Seredkin is a fellow of the Australasian institute of Mining and Metallurgy (FAusIMM) and a member of the Australian Institute of Geoscientists (MAIG) and Mr Pertel is a member of the Australian Institute of Geoscientists (MAIG); both are employees of CSA Global. Dr Seredkin and Mr Pertel have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as is a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)", and they consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Information in this report relating to exploration results, data, cut-off grades and QAQC analysis is based on information compiled by Dr Wayne Taylor and Mr Lindsay Dudfield. Mr Dudfield is a member of the AusIMM and the AIG. Dr Taylor is a member of the AIG and is a full time employee of Energy Metals; Mr Dudfield is a consultant to Energy Metals. They both have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Dr Taylor and Mr Dudfield both consent to the inclusion of the information in the report in the form and context in which it appears.

Information in this report relating to the determination of gamma probe results and associated geophysical work is based on information compiled by Mr David Wilson. Mr Wilson is a member of the AusIMM and the AIG. Mr Wilson is a consultant to Energy Metals. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Mr Wilson consents to the inclusion of the information in the report in the form and context in which it appears

JORC CODE, 2012 EDITION – MANYINGEE EAST URANIUM DEPOSIT

The following commentary is provided to ensure compliance with the JORC (2012) requirements for the reporting of Mineral Resource Estimates as discussed above for the Manyingee East Deposit located on tenement E08/1480.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Mud rotary drill holes at the Manyingee East prospect were sampled open hole by downhole wireline radiometric (gamma) logging. Drill holes were probed using calibrated 33mm Auslog downhole gamma tools to obtain a total gamma count reading with depth at 5 cm intervals (see below for further information). Uranium grade was estimated by deconvolution of the gamma data to yield equivalent U_3O_8 or eU_3O_8 values (see below). Other downhole geophysical tools used were SPPR and calliper probes. • In wireline gamma logging, gamma radiation is measured from a volume surrounding the drill hole that has a radius of approximately 35cm. The gamma probe samples a significantly larger volume than either drill cuttings or core samples recovered from a drill hole of normal diameter and thus can be considered to yield a more representative estimate of uranium grade for the mineralised body compared with other methods (subject to application of appropriate correction and calibration factors, see below). • Estimates of uranium concentrations derived from gamma ray measurements are based on the commonly accepted initial assumption that the uranium is in secular equilibrium with its daughter products (radionuclides), the latter being the principal gamma ray emitters along the U-series decay chain. Because no investigations of potential disequilibrium have been undertaken at Manyingee East prospect, no disequilibrium correction was applied at this stage (see below for further information) • Routine chemical assays were not carried out on mud rotary drill cutting samples as this method of drilling does not provide a representative sample for uranium assay.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Mud rotary was the preferred drilling method used at the Manyingee East prospect. Twenty-one holes were drilled in two campaigns totalling 2,076m with an average hole depth of 99m. Hole diameter ranged from 5 1/8" to 5 7/8" (130-150mm) utilising both chevron blade & tri-cone roller bits.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Apparent sample recoveries were visually estimated, however, because sample collection using the rotary mud method cannot be undertaken in a rigorous manner, such data is not considered to be meaningful. • The drilling companies practice was to use appropriate drilling techniques to (a) enable a stable hole of consistent diameter to be drilled for downhole logging purposes, and (b) to provide an accurately located metre-sample for lithological logging; this involved the use of suitable drill bits for the ground conditions, use of muds of appropriate viscosity and density, regular monitoring of mud pH to ensure no leaching of uranium minerals, measurement of downhole diameter using a calliper probe, and knowledge of up-hole mud velocity and sample lag times. The sample collection box was cleaned out for each interval sampled. • By its nature the mud rotary drilling method produces a biased sample in terms of grain size distribution so no cuttings were sampled for geochemical assay purposes.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All mud rotary drill chip samples were geologically logged on site for information pertinent to this deposit type (i.e. roll-front uranium). Primarily lithology, grain-size, oxidation (redox) state, alteration, cementation and stratigraphy were logged. Downhole electric logs were used for stratigraphic correlation and to aid in construction of the geological model. • Geological logging was both qualitative and quantitative. The chip samples were lightly washed and logged from watch glasses to assist with mineral identification and to enable an estimate of modal mineral proportions. Chip trays were photographed both dry and wet.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No mud rotary chip samples were collected for geochemical assay. • Radiometric logging was used as the primary sampling method and can be regarded as representative of the in-situ material.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The gamma tools used for downhole gamma ray measurements were calibrated in Adelaide at the SA Department of Environment, Water and Natural Resources in calibration pits constructed under the supervision of the CSIRO; the tools are recalibrated annually. Calibration records are updated and maintained by EME's geophysical consultant 3D Exploration Pty Ltd. • Energy Metals staff and gamma logging contractors run regular sensitivity checks during field operations to ensure the accuracy and reproducibility of probe data using a standard radioactive source. • The raw gamma ray data was converted from counts per second to equivalent U_3O_8 values (eU_3O_8 in ppm) using the probe calibration factors determined in Adelaide together with attenuation and correction factors determined from hole diameter, water/fluid level and casing (if any) characteristics. The eU_3O_8 data is filtered (deconvolved) to more closely reproduce true grades and thicknesses, essential where narrow mineralised zones may cause smearing of the gamma signal. The eU_3O_8 determinations using appropriate calibration factors and deconvolution parameters were undertaken by David Wilson BSc MSc MAusIMM from 3D Exploration Pty Ltd based in Perth, Western Australia. • To date, no detailed investigation of potential uranium-series disequilibrium has been undertaken at the Manyingee East prospect. At Paladin Energy's adjacent Manyingee deposit a radioactive equilibrium factor (REF = U_3O_8/eU_3O_8) of 1.04 was determined for 'wing' mineralisation and a REF of 1.08 was determined for 'nose'

Criteria	JORC Code explanation	Commentary
		mineralisation. Thus uranium grade for wing mineralisation at Manyingee is on average 4% higher than indicated by gamma probe measured eU_3O_8 values. However, in the absence of any disequilibrium constraints at Manyingee East, it was considered that no disequilibrium correction factor should be applied (i.e. REF = 1); this approach is considered to be a conservative one and justified given currently available knowledge.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant uranium intersections were verified by specialist geologist Mr Lindsay Dudfield of Western Geological Services. Mr Dudfield is a Non-Executive director of Energy Metals Ltd. • No holes have been twinned at the Manyingee East prospect thus far, however, repeat gamma logs were conducted to confirm consistency. • Primary data (drill hole design sheets, physical properties and significant gamma logging intervals) from the field were recorded in hardcopy. Hard copies were entered into an electronic Micromine .dat file format before being validated and imported into a GeoBank database by Energy Metals' database administrator. A validated file is exported and available on the Perth office server. The database server is backed up regularly. Hardcopies are archived at Perth office. • No adjustment to the deconvolved gamma log eU_3O_8 values provided by 3D Exploration Pty Ltd have been made. No disequilibrium correction factor has been applied.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collar pickups were conducted by Energy Metals technicians using an Altus APS-3 RTK base receiver & rover (RTK DGPS). The precision quoted by Altus is 0.6cm in the horizontal plane and 1cm in the vertical plane. A local base station was established at a Survey Control Point via the AUSPOS system. Elevations are derived AHD heights computed using the AUSGeoid09. The centre of the drill collar cap was measured. • All data and coordinates for the project are located on the MGA94 grid, Zone 50 using the GDA94 datum. Co-ordinates are recorded in Eastings and Northings format. • Topographic control of EME drilling collars by RTK DGPS are quoted as being accurate to 0.01m ± 1ppm by Altus. As all holes were vertical and of relative shallow depth; no inclination measurements or down-hole surveys were undertaken.
Data	• *Data spacing for reporting of Exploration Results.*	• Energy Metals' drill holes at the Manyingee East prospect are located

Criteria	JORC Code explanation	Commentary
spacing and distribution	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	in a grid formation with a nominal spacing of 140 m between holes (Northings) and 260 m spacing between lines (Eastings). • Energy Metals and its resource consultants CSA consider the drill spacing sufficient for the purposes of geological interpretation, establishing the continuity of mineralisation, grade & stratigraphy and for initial mineral resource estimation. • Lithological sampling at 2 metre intervals was undertaken up to metre 30 (i.e. average depth of cover) then at 1 metre intervals until EOH. Gamma logs were measured at 5 cm spacing and were composited at 0.5 m and 1.0 m intervals for display purposes.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Uranium mineralisation is epigenetic in nature and hosted by sedimentary rocks located within a buried palaeochannel network; no structural controls have been identified to date. Mineralisation is controlled by physical and chemical characteristics of the host rock such as permeability and redox state. • Mineralisation is essentially horizontally-oriented with drilling conducted perpendicular to stratigraphy. Therefore the reported intercepts are considered to be representative of true width and no bias of sampling related to orientation of these zones has been identified.
Sample security	• *The measures taken to ensure sample security.*	• The samples retained for this project include drill chip tray samples previously logged at site and several samples for mineralogical assessment. The chain of custody of samples including dispatch and tracking is managed by a designated Radiation Safety Officer. Geological samples are stored in a designated fenced area at site and are transported according to the company's Radiation Management Plan. Drill chip trays are archived at the company's storage facility.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Geophysical logging results have been assessed by David Wilson, the competent person. Radiometric logging data from the 2012 program was reprocessed using new calibration factors due to an update of the grades at the Adelaide calibration pits, however, there was no significant change to the original results.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The work to which this information relates was conducted on exploration tenement E08/1480 which is 100% owned and operated by Energy Metals. • The exploration licence is located within the boundaries of both Yanrey (3114/447) and Minderoo (3114/661) Perpetual Pastoral Leases, which is covered by the THALANJYI Native Title Claim (WC99/45). • The exploration licence is held in good standing with no known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Work undertaken by CRA Exploration Pty Ltd in the 1970s identified several palaeochannels in the Yanrey area prospective for uranium mineralisation. CRA drilled over 200 holes in the Yanrey project area which identified the adjacent Manyingee uranium deposit currently held by Paladin Energy Ltd. At the Manyingee project in the 1980s & 1990s, TOTAL Mining and later Afmeco conducted extensive drilling works, hydrogeological investigations, and feasibility studies including a field leach trial at the deposit. A small number of historical holes were drilled on EME's current licence area E08/1480.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Manyingee East project is a uranium, sandstone-hosted, roll-front style of deposit controlled by both permeability and redox variations within Cretaceous age palaeochannel sedimentary rocks. The project area is located adjacent to, and immediately up-palaeoflow direction of Paladin Energy's Manyingee deposit within the main palaeo-channel which trends east-west at this point. The palaeochannel is incised into granite and metamorphic basement of Proterozoic age and represents an ancient meandering river system of approx. 1 to 2km width which is buried by up to 30m of younger cover.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth*	• All Energy Metals exploration results at the Manyingee East project have previously been reported (refer to ASX announcements of 27 October 2014 and 31 January 2013). • To assist in constraining the extent and continuity of mineralisation at Manyingee East, historical drilling results for holes located on present-day E08/1480 and from adjacent ground were compiled from open-file company reports. This compilation included data from six historical drill holes provided on request from Paladin Energy Ltd's

Criteria	JORC Code explanation	Commentary
	o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Manyingee database.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Energy Metals exploration results, i.e. mineralised intercepts, were reported as equivalent U_3O_8 values (eU_3O_8) in ppm. To assess significant intersections, a cut-off grade of 100 ppm eU_3O_8 was applied together with a minimum thickness of 0.25m, a maximum internal dilution of 1m and a grade x thickness (GT) value >100.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The stratigraphy and mineralisation is predominantly flat lying. All holes have been drilled vertically at -90 degrees, perpendicular to bedding planes and true widths of intersections are estimated to be 100% of the reported down-hole widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to figures in the body of the text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable, exploration results previously reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other meaningful or material data not already in the public domain is available. • Geophysical results from a passive seismic survey (2015) and a deep ground penetrating radar survey (2016) have assisted in detailing palaeochannel architecture and in defining future drill targets (refer to ASX quarterly reports of 27 October 2016 and 28 January 2016).
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions,*	• Subject to market conditions, EME plans to undertake further exploration and infill drilling to expand the known resource as well as metallurgical and hydrological investigations.

Criteria	JORC Code explanation	Commentary
	including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Historical and EME data is available from a read-only Microsoft Access database. The database has been converted and validated in Micromine.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• No site visits were undertaken by the competent person (resource estimation) or CSA staff. • CSA has relied on Energy Metals and previous reports for all data regarding the deposit/prospect, and given the current stage of the project CSA considers this appropriate.
Geological interpretatio n	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geological interpretation is based on detailed observational logging of rock characteristics in the field, especially lithology, redox state, and gamma/SPPR responses with constraints on palaeo-channel architecture provided by geophysical studies. Holes were logged using consistent lithological codes developed by Energy Metals. CSA reviewed these codes and the geological data and found them to be consistent and reasonable. • Mineralisation is constrained by the boundaries between reduced and oxidised sediments at three main stratigraphic levels ('horizons') and within two geographical domains referred to as the 'north wing' and 'south wing' on the inferred margins of the buried palaeochannel. Solid wireframe geological models were constructed for both the mineralised envelopes and reduced sediments. • CSA believes the geological interpretation is reasonable for the deposit type and level of complexity of the geology, and possible variations to the geological interpretation would not materially affect the estimate. • Mineralised intervals were defined using the 5 cm gamma logging data based on the following criteria: minimum thickness 0.3m, maximum internal waste 0.3m, minimum grade x thickness value (GT) 30 m*ppm, and cut-off grade 100 ppm eU_3O_8. • Due to the simplicity of the deposit type, density of drilling and ease in recognition of mineralisation, CSA are confident that the geological

Criteria	JORC Code explanation	Commentary
		interpretation of the mineral deposit is sufficient and an accurate representation of the distribution of mineralisation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The mineral resource is largely confined to three stratigraphically distinct mineralised horizons located at depths of approximately 50m, 63m and 77m. The deepest mineralisation horizon is best developed within the north wing. Mineralisation ranges from between 0.3m and 9m thick and occurs over maximum lateral extents of 900m and 600m strike length within the north and south wings, respectively.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Geological modelling and resource estimation were completed using Micromine 2013 (14.0.6 Build 933). Wireframe models of the palaeochannel dimensions were used to constrain the block model. No top cut was applied. Half metre composites of eU_3O_8 data (181 composite intervals in total) were used for grade estimation in the block model. No correction for disequilibrium was applied (i.e., REF =1), see Sections 1 and 2 above. • U_3O_8 cut grades were interpolated into the block model using the Inverse Distance Weighted Squared (IDW2) method by a series of iterations. Appropriate search and estimation parameters were employed. The interpolation was carried out separately for each wireframe in order to exclude the influence of samples from adjacent wireframes. • The completed model for the deposit was checked visually and also by comparison with composites section to section.. • No previous Mineral Resource estimation has been undertaken. • There are no by-products to recover. • There are no known mineralised intersections involving significant levels of deleterious elements, • The dimensions of the parent block were set to 20 x 20 x 0.25m with sub-celling into 5 sub-cells; the typical dimension of the geological exploration grid is 100-140m x 200-280 m; and the thickness of mineralised bodies is from 0.3 to 4.0 m.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A cut-off grade x thickness product (GT) of 250 m*ppm eU_3O_8 was used based on experience with this style of mineralisation and the likely mining method (see discussion below).

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The mining method best suited to this deposit is likely to be in-situ recovery or ISR. Historical field leach trials conducted by TOTAL Mining at the downstream Manyingee deposit confirmed that mineralisation within the Manyingee palaeochannel is leachable and that recoveries typical of other ISR projects can be expected. • A comprehensive review of the application of ISR methods, including a discussion of the particular resource and geological parameters that favour ISR over other mining options, is available in Seredkin et al. (2016), Ore Geology Reviews v.79, pp. 500-514. The project geology meets many of the criteria judged as favourable for ISR. • In resource estimation for deposits likely to be exploited using ISR, it is best practice in CSA's experience to model mineralisation and select cut-off values using the grade x thickness product (GT) of mineralised bodies, rather than the simple grade distribution. • Mineralisation with greater thickness and lower grade is considered more favourable for ISR compared with thinner mineralisation at higher grades.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Energy Metals has not undertaken any special investigations of metallurgical parameters at this stage. Historical metallurgical test work was carried out by TOTAL Mining on the adjacent Manyingee deposit. • Special investigations to be considered in the future are expected to include hydrological testing, in-situ and laboratory leach test work, bulk density determinations, mineralogical analysis, disequilibrium studies, and permeability, porosity & granulometric analysis.
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No special investigations of environmental impacts have been conducted by Energy Metals at this stage, however, it should be noted that in an ISR operation metal extraction can be undertaken with minimum disturbance to the natural environment. In contrast to underground or open pit mining, ISR involves: o no large open pits; o no waste dumps and tailings storage; o no dewatering of aquifers; o smaller volumes of mining and hydrometallurgical effluents o no exhaust pollution
Bulk density	• *Whether assumed or determined. If assumed, the basis for the*	• No direct bulk density determinations have been undertaken at the

Criteria	JORC Code explanation	Commentary
	assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Manyingee East project to date. For resource estimation purposes a bulk density value of 1.7 t/m^3 was used. This value is based on density determinations obtained by Paladin Energy Ltd for the adjacent Manyingee project, which is considered a conservative global value consistent with other deposits of similar style.
Classificatio n	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• CSA has considered several factors to classify Mineral Resources, such as search ellipse dimensions, geological data and exploration grid size. • Indicated Mineral Resources cannot be estimated without bulk density determinations. • The resource has been classified as an Inferred Mineral Resource by the Competent Person • Minor mineralised bodies intersected by several drill holes and predicted mineralisation located in favourable geological structures have been classified as Exploration Targets (unclassified resources)
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The geological and block models as well as the Mineral Resource estimation has been reviewed by Serik Urbisinov, the Principal Geologist at CSA Global.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Mineral Resources have been classified and reported in accordance with JORC (2012). The resource classification is based on confidence in sample methods used, geological interpretation, drill spacing and geostatistical measures for Inferred Mineral Resources.