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QUARTERLY REPORT TO SHAREHOLDERS

for the three months ended
31 December 2014

ASX Code - EME

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This report and further
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Energy Metals' website at:

www.energymetals.net



HIGHLIGHTS

Manyingee Project (WA)

Encouraging results from drilling at Manyingee East Prospect, upstream of Paladin's Manyingee deposit.

Ngalia Regional Project (NT)

Helicopter-supported geophysical survey over prospective target areas of the Ngalia Basin, successfully completed early December.

Stratigraphic studies, core re-logging and biogeochemical survey programs undertaken in advance of exploration targeting next quarter.

FINANCIAL

Energy Metals had approximately \$23.05M in cash and 209.7M shares on issue at 31 December 2014.

Weidong Xiang
Managing Director
30 January 2015

INTRODUCTION

Energy Metals is a dedicated uranium company with eight exploration projects located in the Northern Territory (NT) and Western Australia covering over 4,000 km². Most of the projects contain uranium mineralisation discovered by major companies in the 1970's, including the advanced Bigrlyi Project (NT).

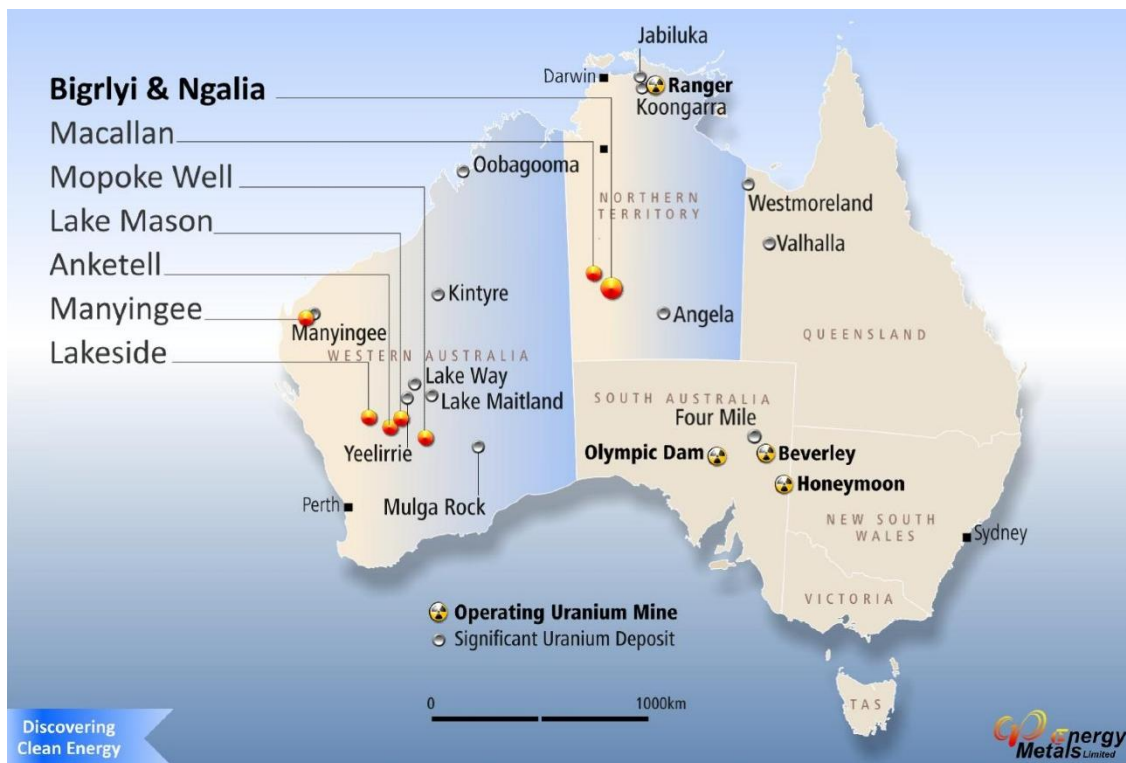


Figure 1 – Location of Energy Metals Projects

Energy Metals is well placed to take advantage of the favourable outlook for Uranium as nuclear power continues to play an increasing role in reducing global carbon emissions.

Importantly Energy Metals is one of only five companies that currently hold all the required permits and authorities to export Uranium Oxide Concentrates (UOC) from Australia. The Company recently completed its first shipment of UOC and is currently negotiating purchase agreements with Australian uranium producers to enable further shipments from Australia for resale, primarily to major Chinese utility China General Nuclear Power Group (CGN, formerly China Guangdong Nuclear Power Holding Company), ultimately Energy Metals' largest shareholder.

China Uranium Development Company Limited, Energy Metals' largest shareholder (with 66.45% of issued capital), is a wholly owned subsidiary of CGN. As of mid 2014, CGN had 11 operating nuclear power units with a generation capacity of 11,620MWe and more than 15,500MWe of capacity under construction in 13 other nuclear power units across various locations around China. Additionally CGN is one of only two companies authorised by the Chinese government to import and export uranium.

This unique relationship with CGN gives Energy Metals direct market exposure as well as access to significant capital and places the Company in a very strong position going forward.

NORTHERN TERRITORY

Bigrlyi (EME 53.3%)

The Bigrlyi Project comprises 10 granted exploration licenses in retention, two granted exploration licences, and several applications within the Ngalia Basin, located approximately 350km northwest of Alice Springs. The project, which is a joint venture with Paladin Energy subsidiary Northern Territory Uranium Pty Ltd and Southern Cross Exploration, has been subject to significant exploration activity since discovery in 1973, including over 1,040 drill holes, metallurgical testwork and mining studies.

The Bigrlyi Project is characterised by relatively high uranium grades and excellent metallurgical recoveries. Historical base case acid leach tests recorded extraction rates of 98% uranium. For further information on metallurgical testwork, resource estimates and economic studies please refer to ASX announcements or the Company's website www.energymetals.net

Activities (December 2014 Quarter)

Due to current market conditions, the Company's Bigrlyi camp remained closed during most of the quarter with a two-week visit during November to undertake work on the Ngalia Regional project.

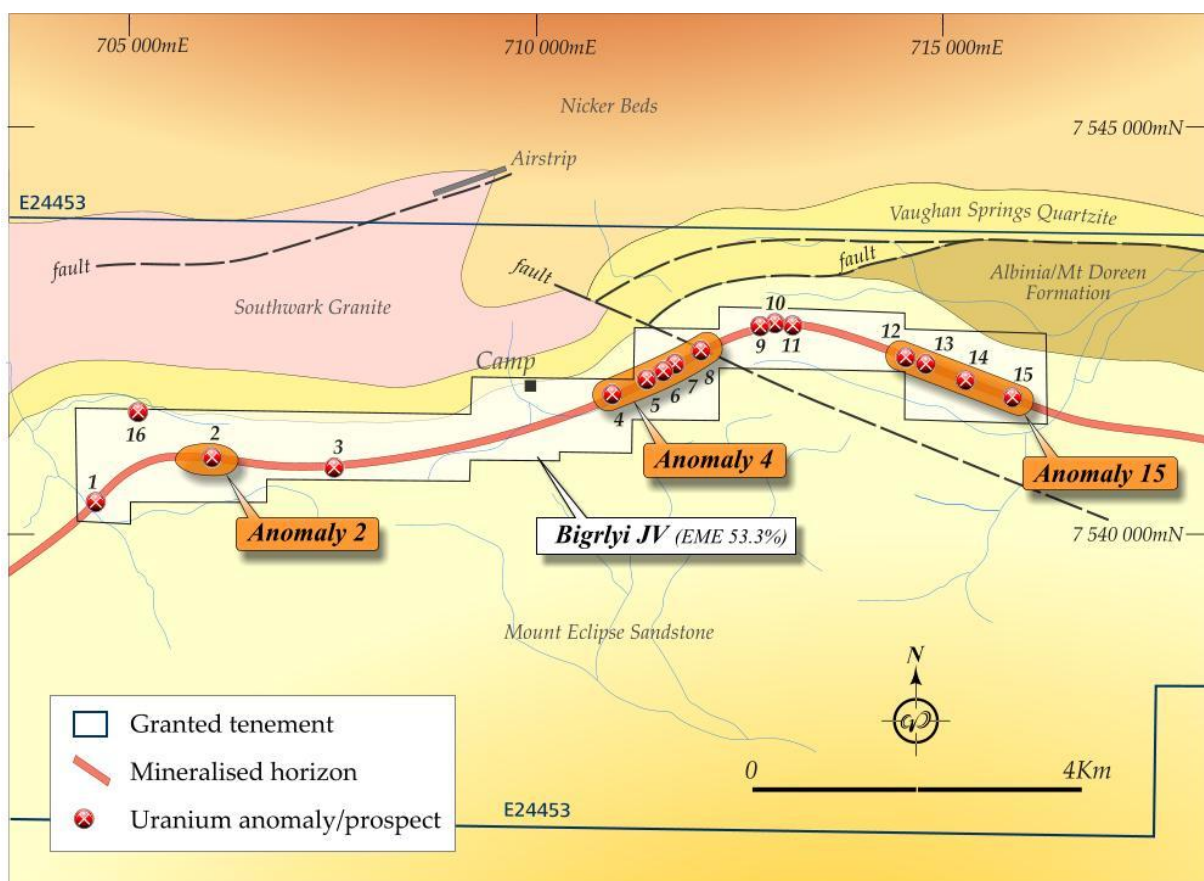


Figure 2 – Bigrlyi Joint Venture Simplified Geology

Ngalia Regional Project (EME 100%)

The Ngalia Regional project comprises fourteen 100% owned exploration licenses (total area 3,435 km²) located in the Ngalia Basin, between 180km and 350km northwest of Alice Springs in the Northern Territory (Figure 3). Eleven of these tenements are contiguous and enclose the Bigrlyi project as well as containing a number of uranium occurrences including the historic Walbiri and Malawiri deposits and the Cappers deposit (Inferred Mineral Resource of 2,720 tonnes U₃O₈ at a grade of 167ppm at 100ppm cut-off). The remaining three tenements are located southwest of the Bigrlyi deposits and cover discrete uranium anomalies with no evidence of previous exploration.

Ten of the fourteen Ngalia Regional Exploration Licences have been granted, the four remaining applications (EL's 24450, 24462, 24805 and 27169) are located on Aboriginal Freehold land and the consent of the Traditional Owners is required before the tenements can be granted. Energy Metals is negotiating with the Traditional Owners through the Central Land Council (CLC) and is confident that the Company will eventually gain access to these areas.

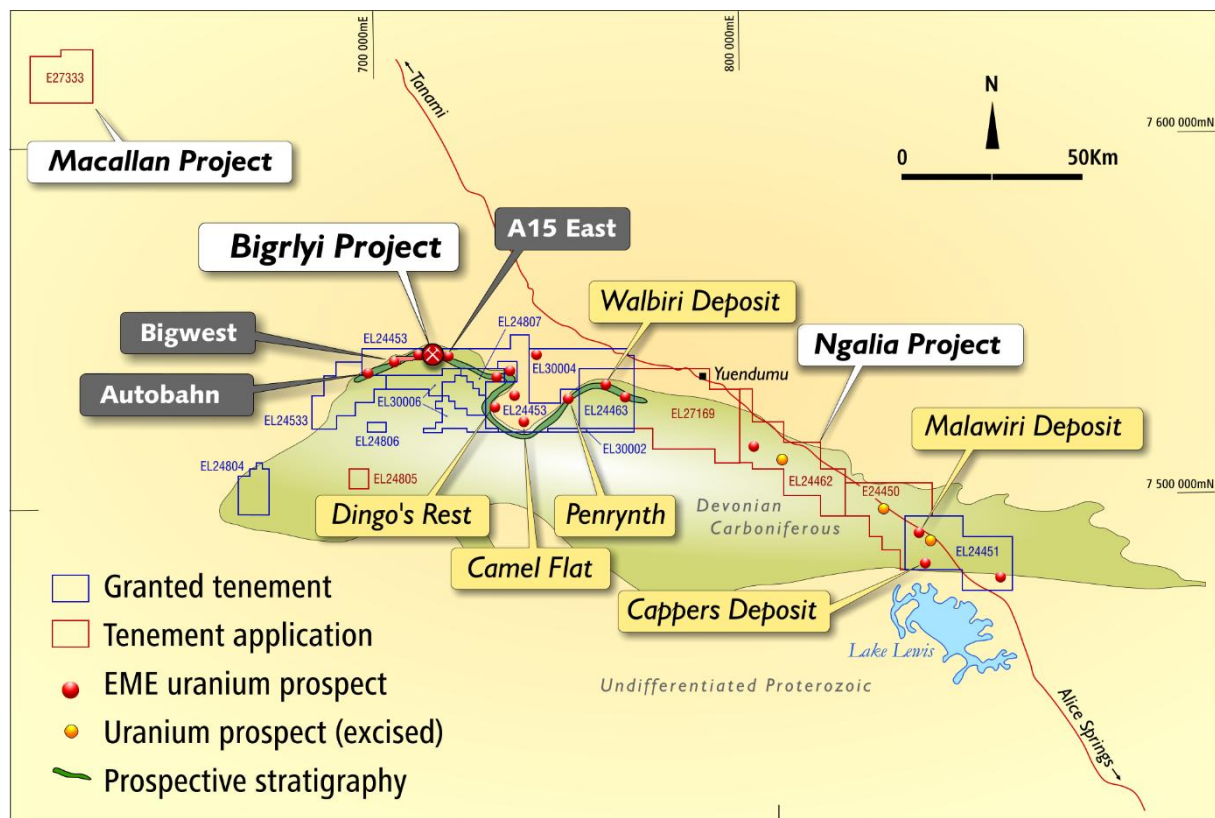


Figure 3 - Ngalia Regional Project showing uranium deposits, occurrences and exploration target areas.

A number of high priority regional targets, shown in Figure 3 above, have been identified on 100% Energy Metals tenements. Systematic evaluation of these prospects is on-going. In February 2014, EME announced maiden resource estimates for the Bigwest, Anomaly-15 East and Camel Flat satellite deposits (Figure 3).

Activities (December 2014 Quarter)

In conjunction with a visit to Bigrlyi camp in November, work progressed in four main areas:

- acquisition of magnetic and radiometric geophysical surveys over four target areas,
- re-logging of archived historical drill core from regional prospects including an investigation of uranium ore mineralisation styles,
- stratigraphic comparisons between Ngalia regional uranium deposits,
- biogeochemical orientation surveys to detect buried ore bodies.

Geophysical Survey. A high-resolution, helicopter-supported magnetic and radiometric survey was successfully flown by Aerosystems Australia in conjunction with Daishsat Surveys over four prospective areas of the northern Ngalia Basin in November-December. The survey areas were: Dingo's Rest, Coonega, Walbiri South and Malawiri (see Figures 4-5). Final data products are expected to be delivered early next quarter; it is anticipated that the program will generate new exploration targets in both exposed and undercover prospective sandstone units.



Figure 4 – Helicopter-supported magnetic survey in progress, northern Ngalia Basin, November, 2014.

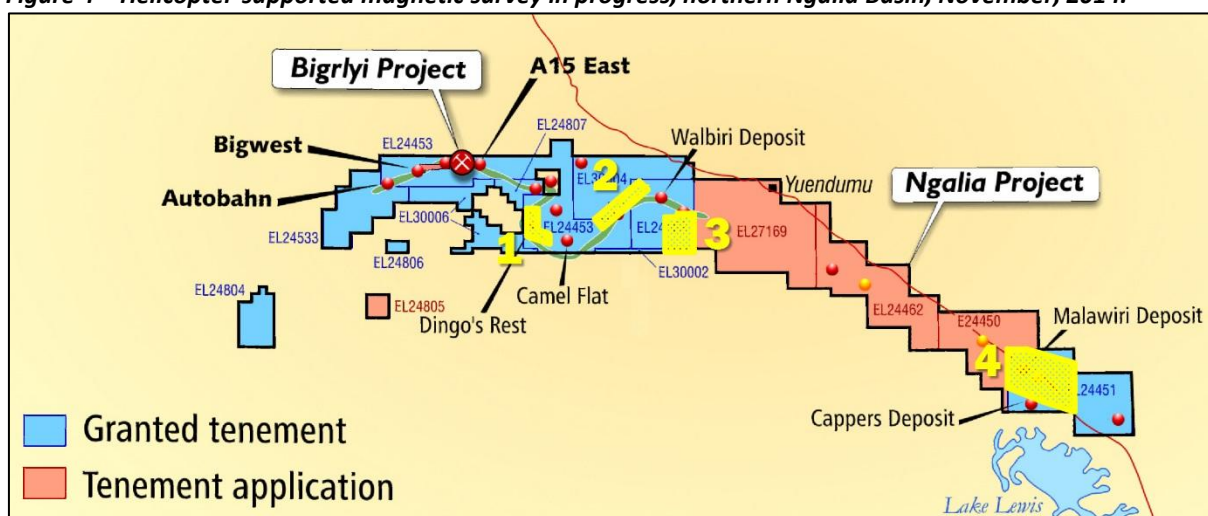


Figure 5 - Helicopter-supported magnetic survey areas in relation to tenements. 1 – Dingo's Rest, 2 – Coonega, 3 – Walbiri South and 4 – Malawiri.

Biogeochemical Survey. As part of Energy Metals program aimed at detecting uranium mineralisation undercover, two biogeochemical orientation surveys in conjunction with consultant Dr Ian Fordyce, were undertaken at the Camel Flat and Malawiri deposits. Both these deposits are buried under younger cover.

The aim of the program was to test whether buried uranium mineralisation can be detected at surface by sampling the leaves of deeply rooted trees; such programs have often been successful in previous surveys in central Australian desert regions. Depths to mineralisation vary from about 4 metres (east) to 50 metres (west) at Camel Flat and about 80-90 metres at Malawiri. At Camel Flat, three species of deep-rooted tree were selected for leaf sampling: *Atalaya hemiglauca* (whitewood), *Eucalyptus camaldulensis* (river gum) and *Corymbia opaca* (desert bloodwood). Whitewood is the dominant tree species at Camel Flat and was the primary sample vehicle there. At Malawiri, two species of deep-rooted tree were selected for leaf sampling: *Eucalyptus gamophylla* (blue mallee; see Figure 6) and *Corymbia opaca* (desert bloodwood); neither was dominant.

Following receipt of WA Dept of Agriculture permits the samples were dispatched for analysis at Labwest, Perth, in mid-December, with results expected next quarter.



Figure 6 – Mallee leaf sampling at Malawiri.

Stratigraphy and Mineralisation Styles. The stratigraphic study is being undertaken in conjunction with Dr Susanne Schmid, CSIRO Mineral Exploration, Kensington. Preliminary results indicate that the Ngalia regional uranium prospects are associated with medium to coarse grained, immature sandstones deposited in fluvial channel/alluvial fan systems. Mineralisation seems to be mainly associated with detrital clay clasts, with distribution related to the abundance of clasts and later fluid flow or fracturing and remobilisation. Mineralisation styles vary and can be summarized as: matrix disseminated without hematite, matrix disseminated with hematite, associations with 1cm diameter spheres associated with pyrite

and radiation damaged feldspar and quartz (Figure 7), and patchy occurrences associated with clay-rich clasts and vanadium-bearing clays.



Figure 7 – Uranium-bearing pyrite-rich sphere in sandstone containing smoky quartz, rimmed by orange, radiation-damaged potassium feldspar, Walbiri Deposit hole WPD7 (193.1m).

WESTERN AUSTRALIA

Manyingee (EME 100%)

The Manyingee exploration licence (E08/1480) is located 85 km south of the port of Onslow. The tenement (total area 86 km²) surrounds the mining leases containing Paladin Energy's Manyingee resource, a stacked series of palaeochannel-hosted roll front uranium deposits.

The results of a small rotary mud drill program (18 holes for 1,790m) were announced in late October 2014. The program was designed to test the uranium potential up-channel of Paladin's Manyingee deposit within EME's 100% owned Manyingee East Prospect (Figure 8). Fifteen of the holes returned significantly mineralised intercepts (grade x thickness values >100ppm-metre), including 1.3m @ 996 ppm eU₃O₈ from 63.48m in hole MRM009; and 1.4m @ 1,117 ppm eU₃O₈ from 76.62m in hole MRM017 (see Figure 8; refer to ASX release of 27th October 2014 for further details).

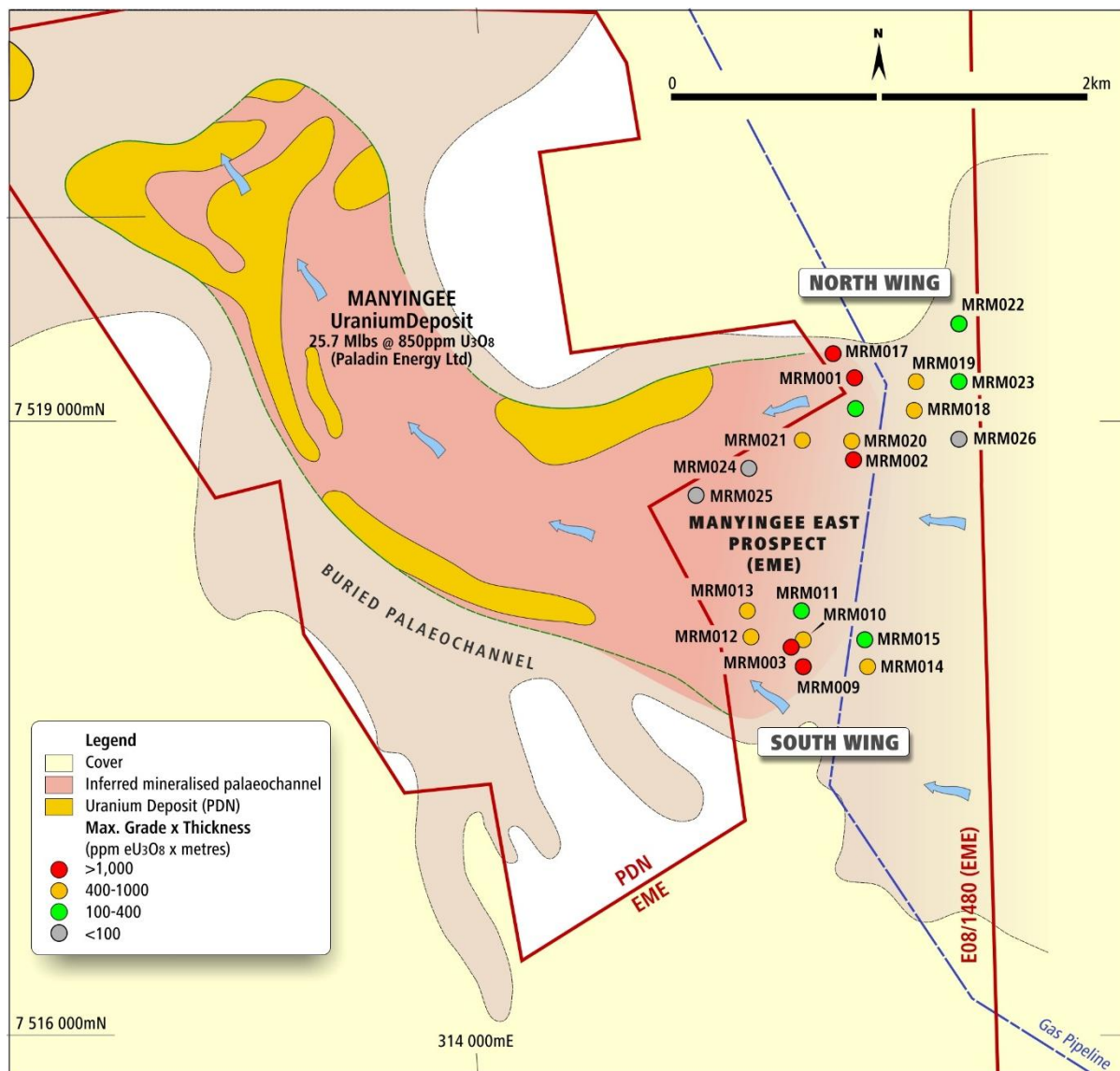


Figure 8 – Plan showing drilling results to date at EME's Manyingee East Prospect up-channel of Paladin Energy's (PDN) Manyingee Deposit.

Energy Metals believes the encouraging results obtained to date offer considerable scope for expansion of known mineralisation in the upper Manyingee palaeochannel. Further infill and exploration drilling is planned for the upcoming season with the aim of delineating mineral resources.

Mopoke Well (EME 100%)

The Mopoke Well project comprises exploration licence E29/568 and retention licence application R29/1 located 55km west of Leonora. The tenement area contains two historic uranium prospects (Peninsula and Stakeyard Well) hosted by calcretised sediments associated with the Lake Raeside drainage system. As a result of EME's exploration work over a number of years, an inferred category JORC (2004) resource estimate totalling 9.75Mt at 165ppm eU₃O₈ for 1,613 tonnes (3.56Mlb) U₃O₈ at a cut-off grade of 100ppm U₃O₈ was obtained for the Peninsula deposit (see ASX release of March 12th 2013).

Rehabilitation works were conducted on-site during the quarter.

An application to convert resource areas of the existing Mopoke exploration licence into a retention licence was progressing during the quarter. In December 2014, EME undertook a partial surrender of non-resource areas of E29/568, i.e. those areas outside the retention licence application.

Lakeside (EME 100%)

The Lakeside project is located in the Murchison district 20km west of Cue and comprises exploration licence E21/120. This project was acquired to follow up previously discovered surficial uranium mineralisation associated with calcrete and saline drainages. Aircore drilling campaigns by Energy Metals were undertaken in 2007, 2008, 2010 and 2012.

In June 2014 EME announced a Mineral Resource estimate of 2.74Mt at an average grade of 350 ppm U_3O_8 for 960 tonnes or 2.12Mlb U_3O_8 (200ppm U_3O_8 cut-off grade); see ASX release of 3rd June 2014. The Mineral Resource is based on JORC (2012) definitions and the reported resource is classified as Inferred.

No on-ground exploration activities were conducted during the quarter.

An application to convert resource areas of the existing Lakeside exploration licence into a retention licence was progressing during the quarter. In December 2014, EME undertook a partial surrender of non-resource areas of E21/120, i.e. those areas outside the retention licence application.

Anketell (EME 100%)

The Anketell project comprises two granted exploration licences (E's 58/289 & 58/292) together with an overlying Retention Licence application (R58/2). The tenements contain shallow calcrete hosted mineralisation discovered by Western Mining (WMC) in 1972. The mineralisation is similar in style to the Yeelirrie deposit, also discovered by WMC in the same year and located 150km to the northeast. Following completion of aircore drilling programs, the Company announced in July 2009 an initial JORC (2004) Inferred Mineral Resource of 2,720 tonnes (6Mlb) U_3O_8 at a grade of 167ppm (100ppm cut-off).

No on-ground exploration activities were conducted during the quarter.

An application to convert resource areas of the existing Anketell exploration licence into a retention licence was progressing during the quarter.

Lake Mason (EME 100%)

This project comprises one granted exploration licence (E57/590) together with an overlying Retention Licence application (R57/2) centred 25km NNE of Sandstone and 80km SW of the Yeelirrie deposit. Previous exploration by BP Minerals in the 1970's discovered shallow carnotite mineralisation in calcrete and calcareous sediments associated with the Lake Mason drainage system. In 2010, EME announced a JORC (2004) resource estimate at Lake Mason of 9.1Mt @ 185ppm U_3O_8 (at 100ppm cut-off) for 1,689 tonnes (3.7Mlb) of uranium, with 62% of

the resource reporting to the Indicated Category (refer to the ASX announcement of 17 December 2010 for further details).

No on-ground exploration activities were conducted during the quarter.

An application to convert resource areas of the existing Lake Mason exploration licence into a retention licence was progressing during the quarter.

CORPORATE

Energy Metals remains in a strong financial position with approximately \$23.05 million in cash and bank deposits at the end of December, forming a solid resource for ongoing exploration and project development.

At 31 December 2014, Energy Metals had 209.7 million shares on issue.

Table 2: Tenement Information as required by listing rule 5.3.3

TENEMENT*	PROJECT	LOCATION	INTEREST	CHANGE IN QUARTER
Northern Territory				
EL24451	Ngalia Regional	Napperby	100%	-
EL24453	Ngalia Regional	Mt Doreen	100%	-
EL24463	Ngalia Regional	Mt Doreen	100%	-
EL24533	Ngalia Regional	Mt Doreen	100%	-
EL24804	Ngalia Regional	Nyirripi	100%	-
EL24806	Ngalia Regional	Mt Doreen	100%	-
EL24807	Ngalia Regional	Mt Doreen	100%	-
ELR46	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
ELR47	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
ELR48	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
ELR49	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
ELR50	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
ELR51	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
ELR52	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
ELR53	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
ELR54	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
ELR55	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
ELR41	Paladin Joint Venture	Napperby	52.10%	-
ELR45	Paladin Joint Venture	Mt Doreen	41.90%	-
EL30002	Ngalia Regional	Mt Doreen	100%	-
EL30004	Ngalia Regional	Mt Doreen	100%	-
EL30006	Ngalia Regional	Mt Doreen	100%	-
ELA27169	Ngalia Regional	Yuendumu	100%	-
EL30144	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
EL30145	Bigrlyi Joint Venture	Mt Doreen	53.30%	-
ELA24462	Ngalia Regional	Yuendumu	100%	-
ELA24450	Ngalia Regional	Yuendumu	100%	-
ELA24805	Ngalia Regional	Nyirripi	100%	-
ELA27333	Macallan	Tanami	100%	-
MCSA318-328	Bigrlyi Joint Venture	Yuendumu	53.30%	-
MLNA1952	Bigrlyi Joint Venture	Yuendumu	53.30%	-
MLNA1953	Bigrlyi Joint Venture	Mt Doreen	53.30%	Withdrawn**
ELA30689	Bigrlyi Joint Venture	Mt Doreen	53.30%	Replacement for MLNA1953
Western Australia				
E21/120	Lakeside	Cue	100%	Partial Surrender
E29/568	Mopoke Well	Leonora	100%	Partial Surrender

E57/590	Lake Mason	Sandstone	100%	-
E58/289	Anketell	Sandstone	100%	-
E58/292	Anketell	Sandstone	100%	-
E08/1480	Manyingee	Yanrey	100%	-
R21/1	Lakeside	Cue	100%	-
R29/1	Mopoke Well	Leonora	100%	-
R57/2	Lake Mason	Sandstone	100%	-
R58/2	Anketell	Sandstone	100%	-

* EL = Exploration Licence (NT); ELA = Exploration Licence Application (NT); ELR = Exploration Licence in Retention (NT); ELRA = Exploration Licence in Retention Application (NT); MCSA = Mineral Claim (Southern) Application (NT); MLNA = Mineral Lease (Northern) Application (NT); E = Exploration Licence (WA); R = Retention Licence (WA).

** Non-compliant historical title under the Mineral Titles Act 2010 (NT); withdrawn and replaced with a compliant title.

Competent Persons Statement

Information in this report relating to exploration results, data and cut-off grades 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 the gamma probe results and 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.