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QUARTERLY REPORT TO SHAREHOLDERS

for the three months ended
31 March 2015

ASX Code - EME

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www.energymetals.net

HIGHLIGHTS

Ngalia Regional Project (NT)
Results and final data products of helicopter-supported geophysical survey over prospective target areas of the Ngalia Basin, received in March and currently being interpreted.

Results from stratigraphic studies, core re-logging programs and ore texture studies received in advance of exploration targeting.

Biogeochemical Orientation Survey (NT)
Buried uranium mineralisation successfully detected by leaf sampling of deeply rooted tree species.

FINANCIAL

Energy Metals had approximately $22.64M in cash and 209.7M shares on issue at 31 March 2015.

Weidong Xiang
Managing Director
30 April 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).

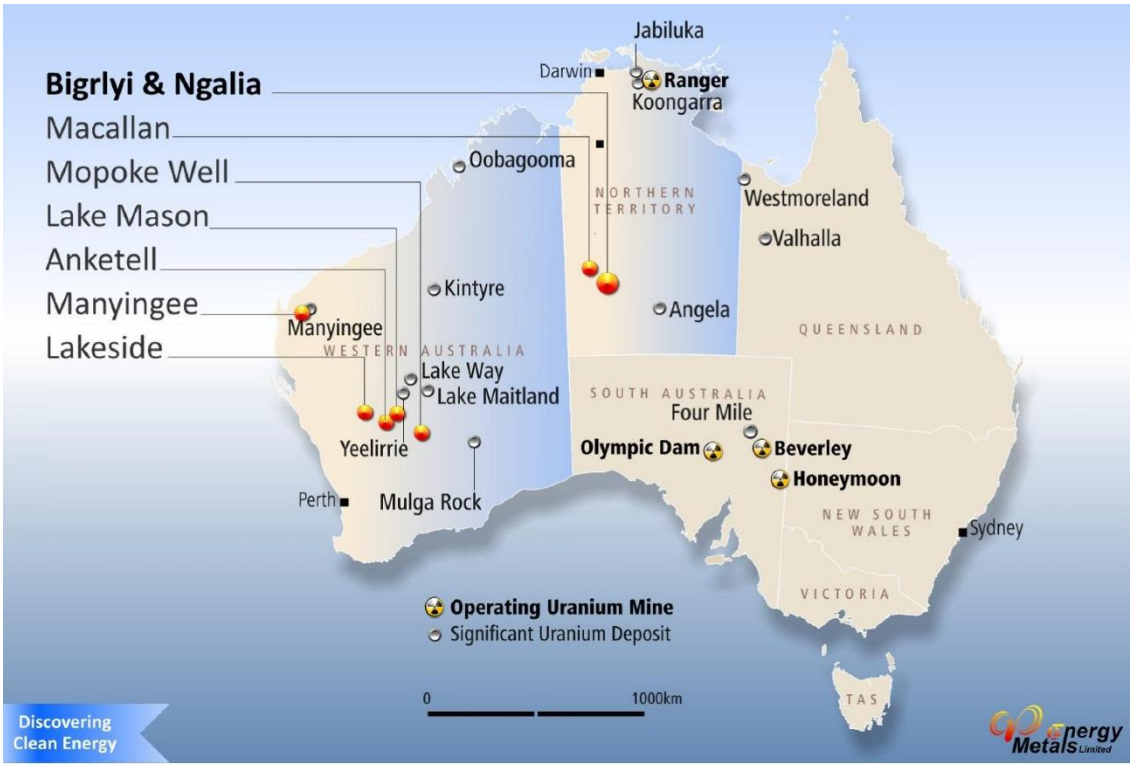

Figure 1 – Location of Energy Metals Projects

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. At 31 December 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 Joint Venture (EME 53.3%)

The Bigrlyi Joint Venture comprises 10 granted exploration licences in retention (ELR's), two granted ELs, 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

Walbiri Joint Venture (EME 41.9%)

ELR45, granted in August 2014, covers part of the historical Walbiri Deposit. The project is a joint venture with Paladin Energy Ltd (58.1%) with Energy Metals as the operator. Works during the quarter included continuation of core re-logging and historical data compilation and verification in conjunction with regional Ngalia Basin studies to better understand this deposit (see below). This work is on-going, subject to joint venture funding.

Malawiri Joint Venture (EME 52.1%)

ELR41, granted in August 2014, covers the historical Malawiri Deposit to the west of Paladin's Minerva Deposit. The project is a joint venture with Paladin Energy Ltd (47.9%) with Energy Metals as the operator. A small program of core re-logging and historical data compilation and verification is on-going. During the quarter, results of a biogeochemical orientation survey aimed at detecting buried mineralisation were received and the results are discussed below.

Activities (September 2014 Quarter)

Due to current market conditions, the Company's Bigrlyi camp remained closed during most of the quarter with a visit during March which included camp maintenance and an inspection of drill site rehabilitation works.

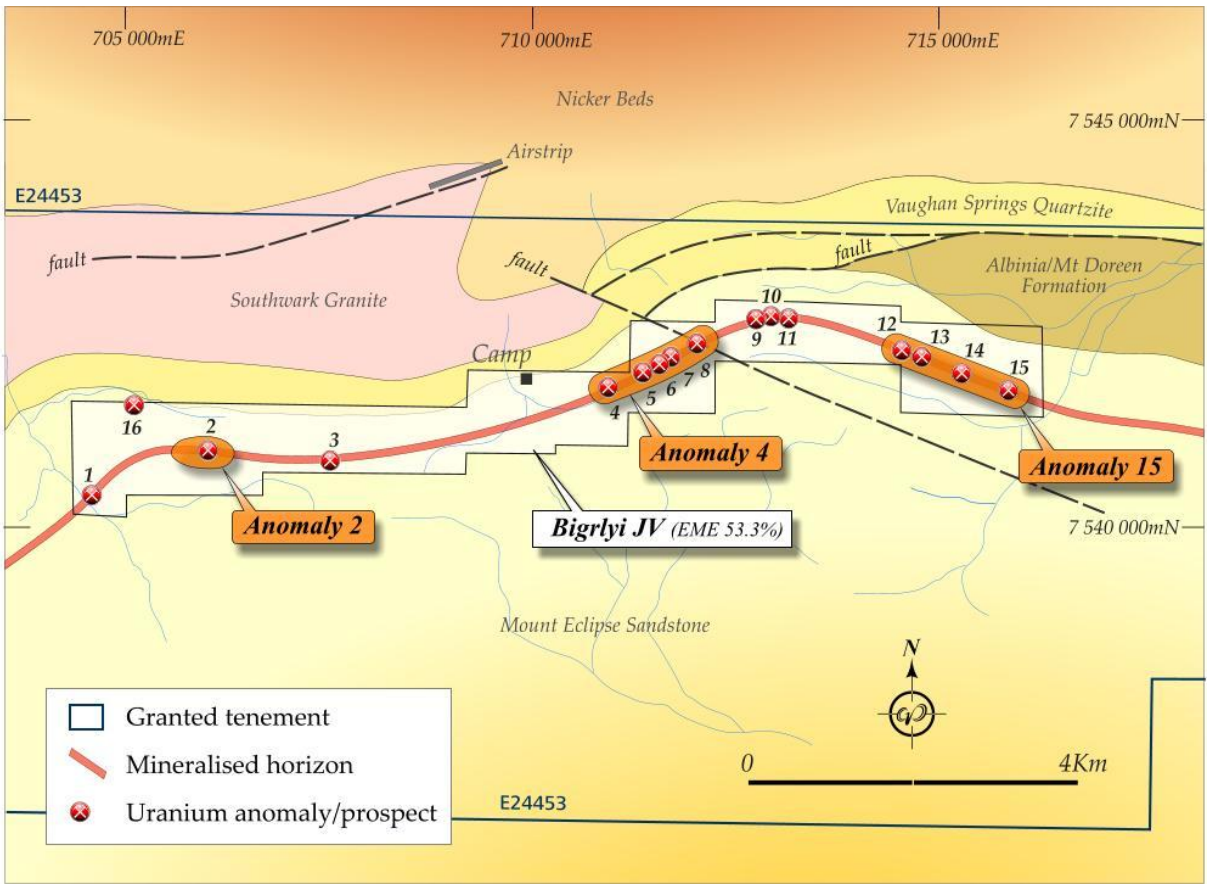

Figure 2 – Bigrlyi Joint Venture Simplified Geology

Ngalia Regional Project (EME 100%)

The Ngalia Regional project comprises fourteen 100% owned exploration licences (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 part of the historic Walbiri deposit and the Cappers deposit (Inferred Mineral Resource of 2,720 tonnes U_3O_8 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.

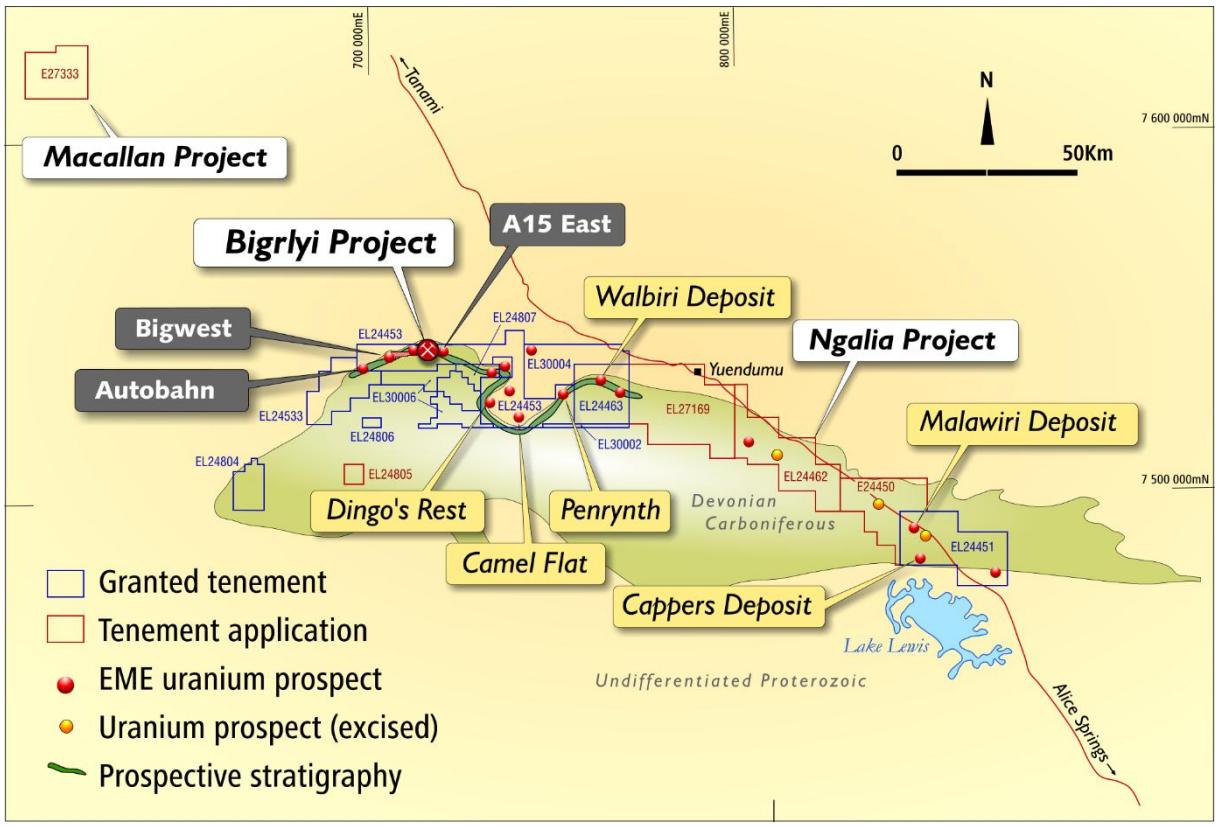

Figure 3 - Ngalia Regional Project showing uranium deposits, occurrences and exploration target areas

A number of high priority targets have been identified in the 100% Energy Metals tenements (see Figure 3) including;

- Bigwest, the western extension of the Bigrlyi trend (mostly under sand cover)
- Anomaly-15 East & Far East, the eastern extensions of the Bigrlyi trend adjacent to the Anomaly-15 deposit
- Autobahn, at the far western end of the Bigrlyi trend (mostly under sand cover)
- Camel Flat and associated eastern and western stratigraphic extensions
- The historic Walbiri prospect and stratigraphic repeats
- Dingo's Rest (North and South)
- The Penrynth and Coonega prospects between Walbiri and Camel Flat
- Along strike extensions of the Minerva and Malawiri prospects
- The Crystal Creek prospect within ELA 30004
- Various small prospects along the prospective stratigraphic trend

Energy Metals is undertaking a systematic evaluation of these prospects, in many cases for the first time since the early 1980's. In February 2014, EME announced maiden resource estimates for the Bigwest, Anomaly-15 East and Camel Flat satellite deposits (Figure 3).

Activities (March 2015 Quarter)

Geophysical Survey. A high-resolution, 50m line-spaced magnetic and radiometric survey was flown over four target areas (Dingo's Rest, Coonega, Walbiri South and Malawiri) in the Ngalia Basin late last quarter. Final data products were delivered by EME's geophysical consultants in March and are currently being reviewed by the geological team. The survey results show that buried Mt Eclipse sandstone stratigraphy and structure are revealed by subtle differences in magnetic response which can be traced along strike and under cover. Such data are valuable in targeting areas of the Ngalia Basin where intense folding of Mt Eclipse Sandstone beds may have resulted in structural repetition of mineralisation (see imagery examples shown in Figure 4).

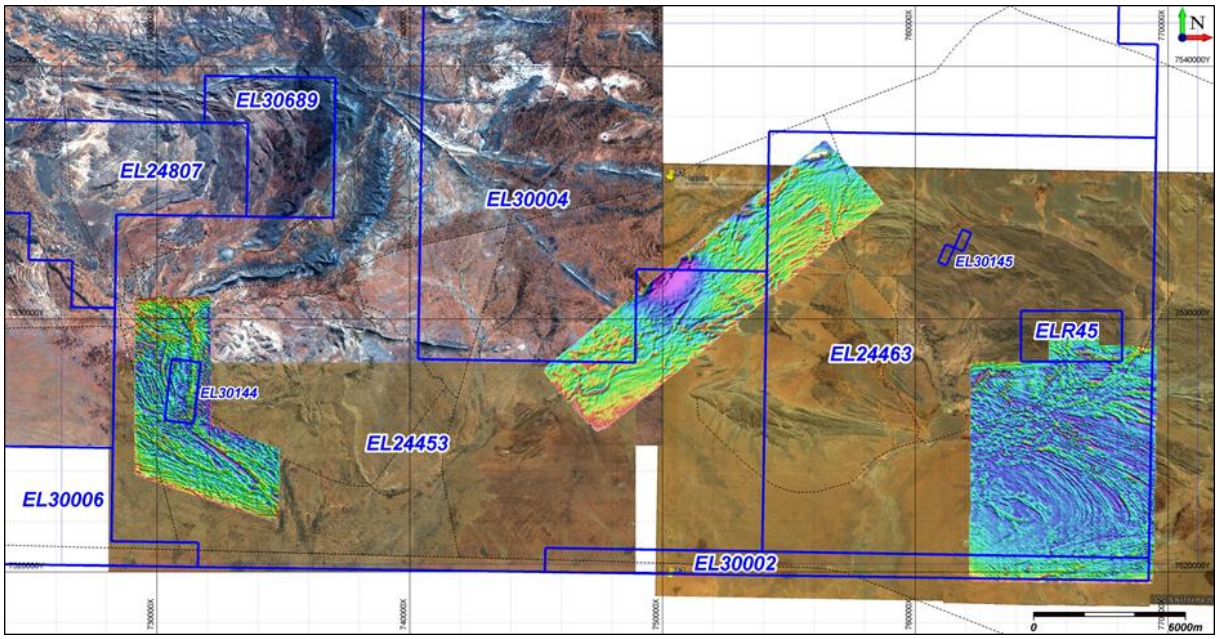

Figure 4 - Ngalia Regional Project – helicopter magnetic survey imagery over the Dingos Rest, Coonega and Walbiri South prospects(from left to right)

Biogeochemical Survey. As part of Energy Metals program aimed at detecting uranium mineralisation under cover, two biogeochemical orientation surveys were undertaken in conjunction with consultant Dr Ian Fordyce at the Camel Flat (EL24453) and Malawiri (ELR41) prospects. Both uranium occurences are buried under younger cover.

The aim of the program was to test whether buried uranium mineralisation is detectible 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.

Geochemical assay results were received from the laboratory in January. It was found that trace element uptake in tree leaves was strongly species selective; however, if only infra-species variation is considered, buried mineralisation at both Camel Flat and Malawiri was found to be detectible using uranium itself and other elements enriched in Bigrlyi-style deposits, including vanadium and molybdenum. Examples are shown in Figures 5 and 6 for blue mallee leaves sampled over the deeply buried Malawiri deposit. Note that both uranium and molybdenum abundance in blue mallee leaves correlate with the known mineralisation although uranium is slightly offset.

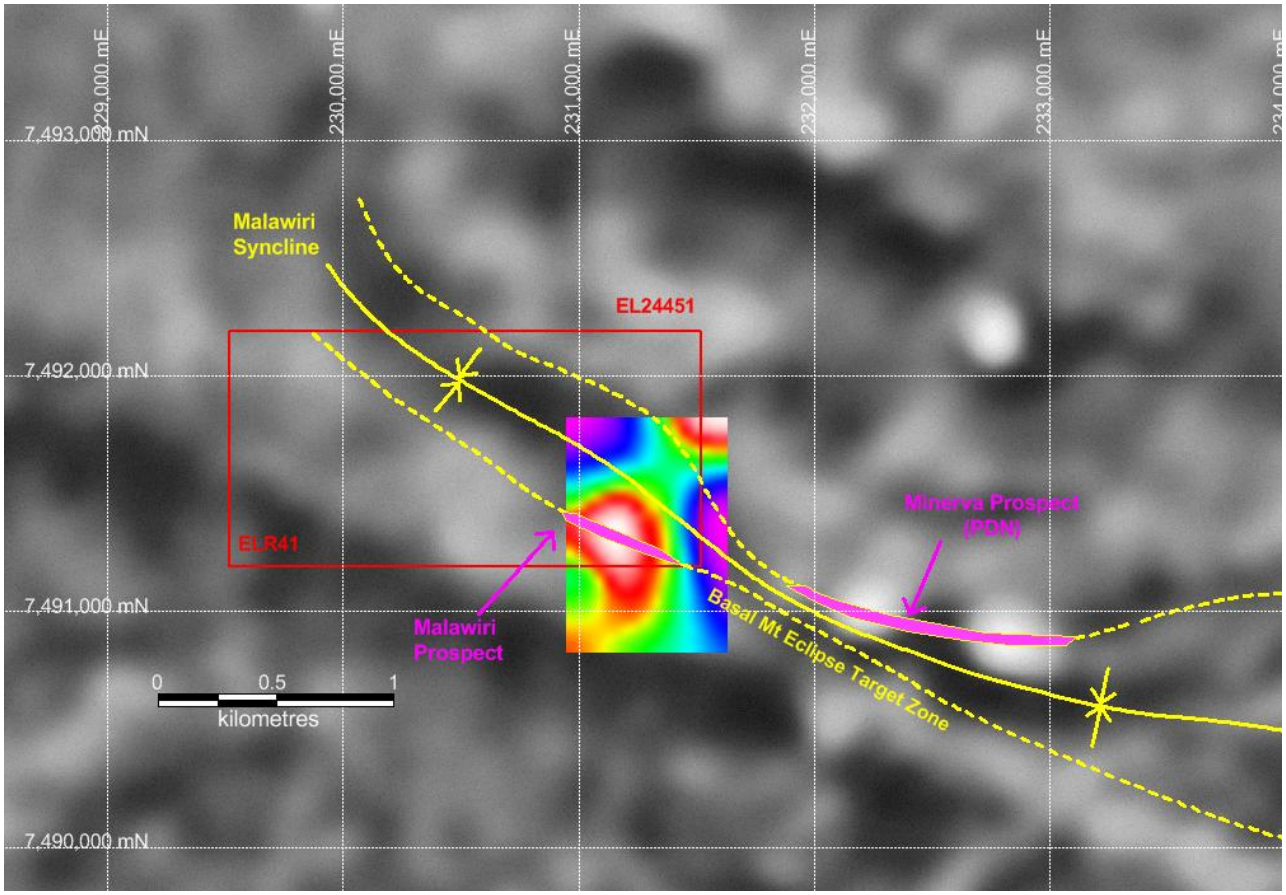

Figure 5 - Gridded image of molybdenum abundance in blue mallee leaves relative to the interpreted basal Mt Eclipse target zones (north and south yellow dashed lines) repeated either side of the axis of the inferred Malawiri Syncline (ELR41). Mineralisation (in pink) is shown projected to surface for the Malawiri Prospect and for Paladin's Minerva Prospect. Note the correlation between molybdenum in mallee leaves and the mineralised zone; a newly identified target zone occurs to the northeast of Malawiri corresponding to the northern folded margin of the anticline. Backdrop is a greyscale magnetic image from the 2014 heli-magnetic survey.

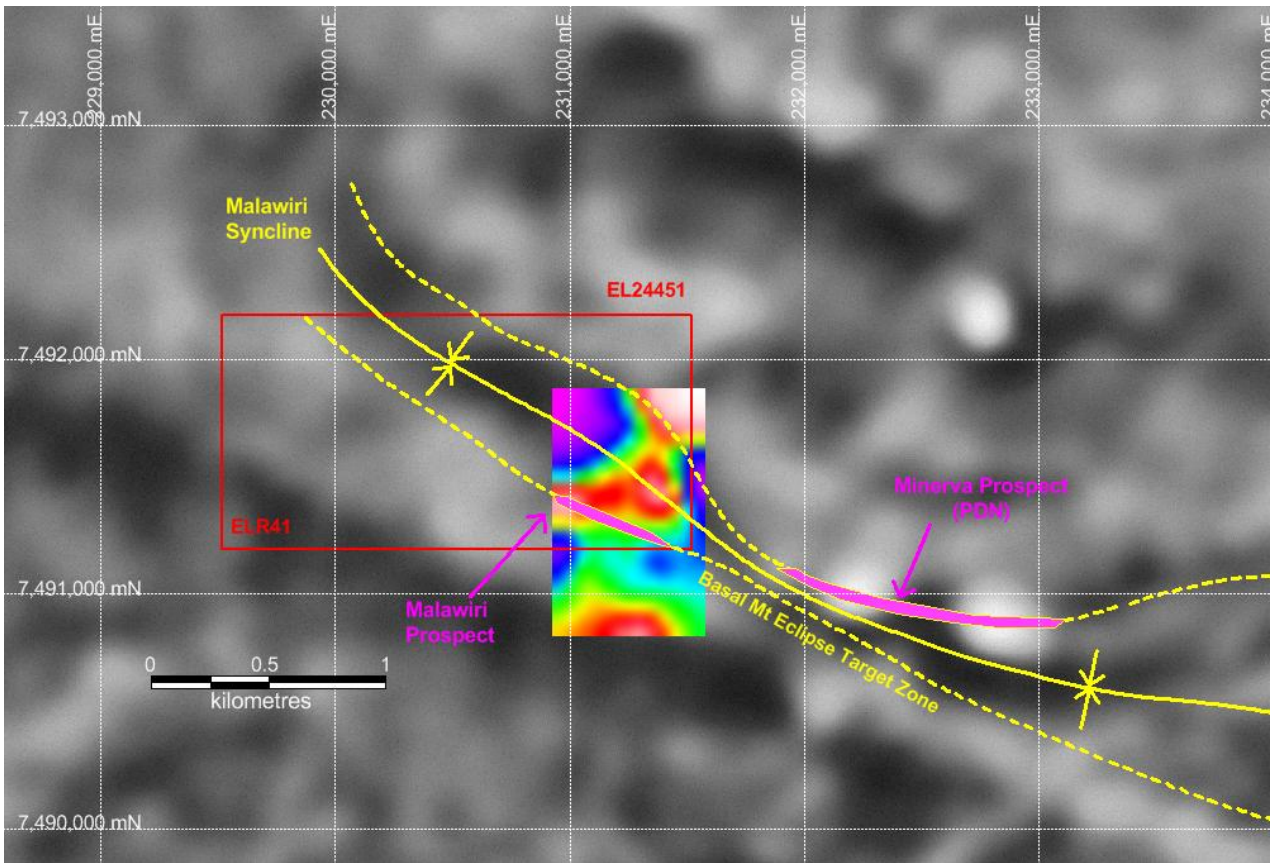

Figure 6 - Gridded image of uranium abundance in blue mallee leaves relative to the interpreted basal Mt Eclipse target zones (north and south yellow dashed lines) repeated either side of the axis of the inferred Malawiri Syncline (ELR41). Mineralisation (in pink) is shown projected to surface for the Malawiri Prospect and for Paladin's Minerva Prospect. Note the correlation between uranium in mallee leaves and the mineralised zone which is slightly offset; as with molybdenum, the newly identified target zone northeast of Malawiri is also revealed by uranium abundance. Backdrop is a greyscale magnetic image from the 2014 heli-magnetic survey.

A previously unrecognised and undrilled buried target existing to the northeast of Malawiri (Figures 5, 6) is identified by the biogeochemical orientation survey. The target zone coincides with the interpreted northern margin of a synclinal structure that may represent an extension of the Minerva deposit and a structural repeat of Malawiri. Energy Metals believes that the encouraging results obtained from this biogeochemical orientation survey mean that the technique will be of considerable value in targeting buried mineralisation for drill testing in future programs.

Stratigraphy and Mineralisation Styles. In order to gain a greater understanding of the styles of mineralisation in Energy Metals' various Ngalia Basin prospects, a program of re-logging of drill core from historical prospects held by the Company was undertaken in conjunction with Dr S. Schmid (CSIRO), focussing on the different sedimentary cycles and facies that control mineralisation. A selection of samples from mineralised holes was taken for thin section analysis to observe ore textures, controls, mineral associations and the distribution of uranium-bearing minerals. An example of ore textures observed at the Walbiri deposit is shown below in Figure 7.

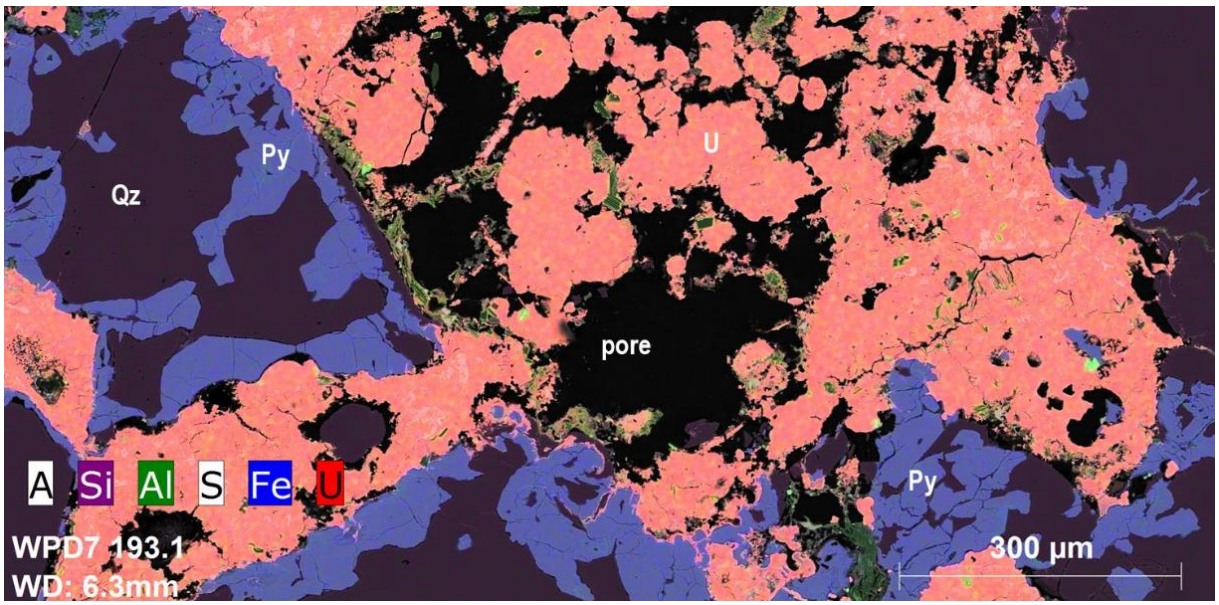

Figure 7 - Scanning electron microscope element map from a Walbiri ore sample showing pyrite (Py, blue) replacing quartz grains (dark purple). Uranium minerals (pink) replace framboidal pyrite. Sample WPD7 193.1.

Macallan (EME 100%)

The Macallan project comprises a single exploration licence application (ELA27333), located 460 km NW of Alice Springs and 140 km from Bigrlyi. The tenement covers a strong 3km-wide bullseye radiometric anomaly. A recent interpretation of palaeovalley systems within central Australia by Geoscience Australia indicates that the Macallan anomaly lies within the Wildcat Palaeovalley, an ancient valley system that drains into Lake Mackay to the southwest. Energy Metals considers that the Macallan anomaly most likely represents a surficial accumulation of uranium minerals associated with the Wildcat palaeodrainage system; though other explanations are possible.

ELA27333 lies on land under Aboriginal Freehold title and access is subject to negotiation with the Traditional Owners and the CLC. A draft Exploration Access agreement provided by the CLC is currently under consideration by Energy Metals.

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.

Encouraging results were obtained for a small rotary mud drill program (18 holes for 1,790m; completed last quarter) which affirmed the uranium potential of EME's Manyingee East Prospect, located up-channel of Paladin's Manyingee deposit (see ASX release of 27th October 2014). Further exploration planning is underway for the upcoming season.

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. Last year, an inferred category JORC (2004) resource estimate totalling 9.75Mt at 165ppm eU_3O_8 for 1,613 tonnes or 3.56Mlb U_3O_8 at a cut-off grade of 100ppm U_3O_8 was obtained for the Peninsula deposit (see ASX release of March 12th 2013).

A small program involving rehabilitation works and radiation baseline studies was conducted on-site during the quarter.

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

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 were undertaken by Energy Metals 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.

A site rehabilitation status check and radiation baseline studies were undertaken during the quarter.

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

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).

A site rehabilitation status check and radiation baseline studies were undertaken 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 (E 57/590) 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 December 2010 the Company announced a JORC (2004) resource 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).

A site rehabilitation status check and radiation baseline studies were undertaken 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 $22.64 million in cash and bank deposits at the end of the quarter, forming a solid resource for ongoing exploration and project development.

At 31 March 2015, 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	53.3%	-
ELR47	Bigrlyi Joint Venture	Mt Doreen	53.3%	-
ELR48	Bigrlyi Joint Venture	Mt Doreen	53.3%	-
ELR49	Bigrlyi Joint Venture	Mt Doreen	53.3%	-
ELR50	Bigrlyi Joint Venture	Mt Doreen	53.3%	-
ELR51	Bigrlyi Joint Venture	Mt Doreen	53.3%	-
ELR52	Bigrlyi Joint Venture	Mt Doreen	53.3%	-
ELR53	Bigrlyi Joint Venture	Mt Doreen	53.3%	-
ELR54	Bigrlyi Joint Venture	Mt Doreen	53.3%	-
ELR55	Bigrlyi Joint Venture	Mt Doreen	53.3%	-
ELR41	Malawiri Joint Venture	Napperby	52.1%	-
ELR45	Walbiri Joint Venture	Mt Doreen	41.9%	-
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	53.3%	-
EL30145	Bigrlyi Joint Venture	Mt Doreen	53.3%	-
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	53.3%	-
MLNA1952	Bigrlyi Joint Venture	Yuendumu	53.3%	-
ELA30689	Bigrlyi Joint Venture	Mt Doreen	53.3%	-
Western Australia				
E08/1480	Manyingee	Yanrey	100%	-
E21/120	Lakeside	Cue	100%	-
E29/568	Mopoke Well	Leonora	100%	-
E57/590	Lake Mason	Sandstone	100%	-
E58/289	Anketell	Sandstone	100%	-

E58/292	Anketell	Sandstone	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 application (WA).

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.