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QUARTERLY REPORT TO SHAREHOLDERS

for the three months ended
30 September 2015

ASX Code - EME

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Energy Metals' website at:

www.energymetals.net



HIGHLIGHTS

Ngalia Regional Project (NT)

Maiden inferred JORC resource for the Walbiri
deposit announced 27th October 2015:

7,037 tonnes U₃O₈ at 641ppm (200ppm cut-off)

Bigirlyi Joint Venture (NT)

Site rehabilitation works at Anomaly-15 completed.

Manyingee (WA)

Passive seismic survey to detect the base of the
Manyingee palaeochannel successfully completed;
data processing currently in progress.

FINANCIAL

Energy Metals had approximately \$21.9M in cash
and 209.7M shares on issue at 30 September 2015.

Weidong Xiang
Managing Director
28 October 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 (Figure 1). Most of the projects contain uranium mineralisation discovered by major companies in the 1970's, including the advanced Bigryli Project (NT).

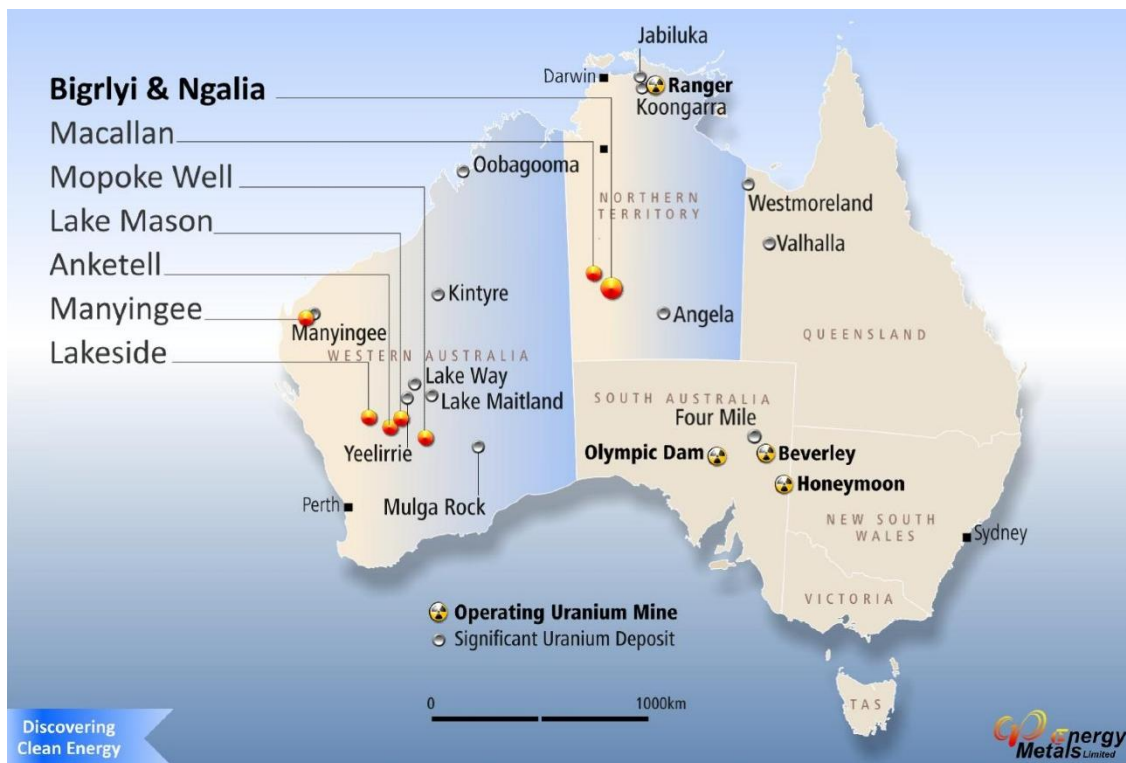


Figure 1 – Location of Energy Metals Projects

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 30 September 2015, CGN had 14 operating nuclear power units with a generation capacity of 14,920MWe and more than 14,450MWe of capacity under construction in 12 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

Bigirlyi Joint Venture (EME 53.3%)

The Bigirlyi Joint Venture comprises 10 granted exploration licences in retention (ELR's), three granted ELs, and several applications within the Ngalia Basin, located approximately 350km northwest of Alice Springs. EME operates the Joint Venture in partnership with Paladin Energy subsidiary Northern Territory Uranium Pty Ltd and Southern Cross Exploration. The Bigirlyi Joint Venture tenements have been subject to significant exploration activity since discovery in 1973, including over 1,040 drill holes, metallurgical testwork and mining studies, with most work undertaken at the Bigirlyi Project (Figure 2).

The Bigirlyi 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.

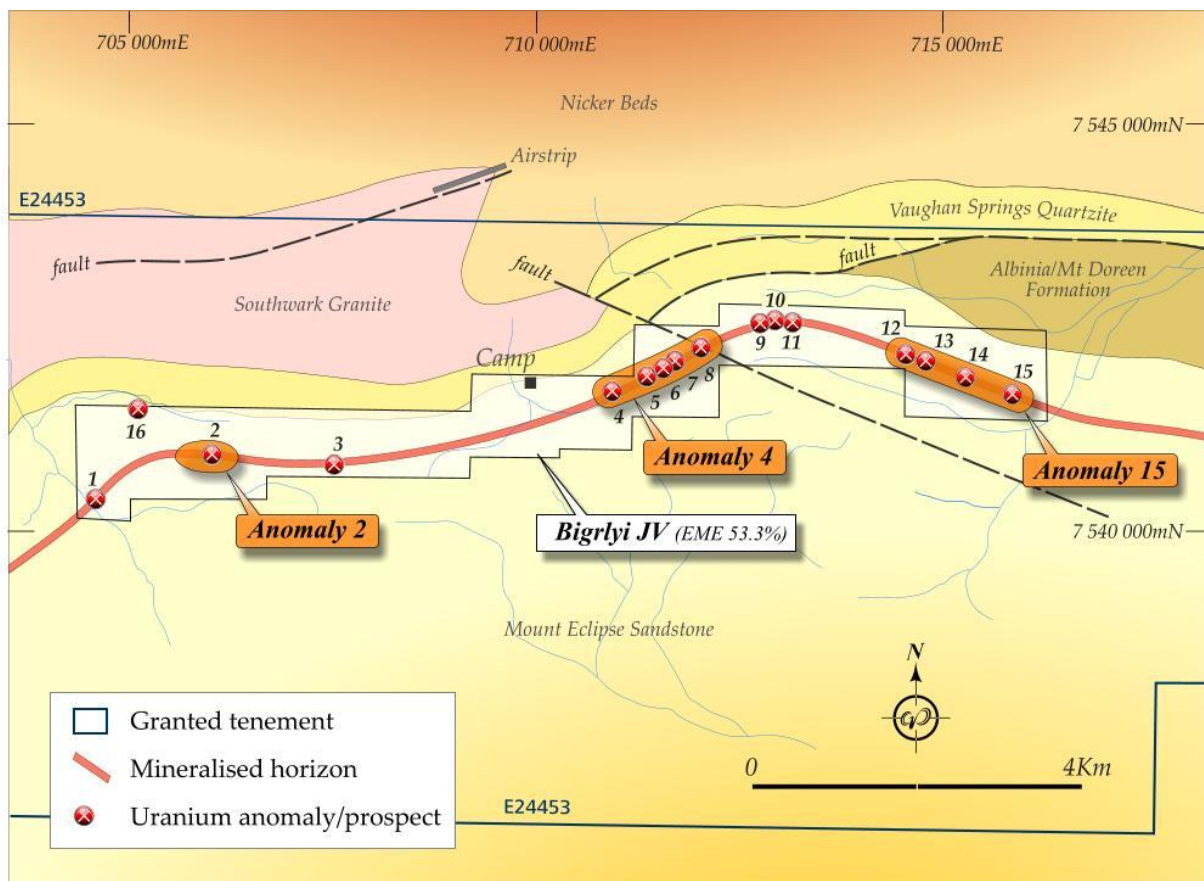


Figure 2 – Bigirlyi Project Simplified Geology

The historical Karins deposit, located approximately 260km northwest of Alice Springs (Figure 3), is located on tenement applications MLN1952 and MCS318-328; these tenements are part of the Bigirlyi Joint Venture. Karins is a tabular uranium-vanadium style of deposit similar to Bigirlyi although with an oxidised zone (carnotite zone) of variable thickness. Following the discovery of carnotite in drill cuttings from a seismic shot hole in 1973, Central Pacific Minerals tested the Karins area with 110 exploration drill holes in the period 1974 to 1981. EME acquired CPM's interest in the project in 2005, including all the historical exploration records.

In June EME's resource consultants undertook a maiden JORC-compliant resource estimate for the Karins Deposit and this was released to the ASX on 1 July 2015.

Part of the historical Sundberg deposit (Figure 3) is located on Bigrlyi Joint Venture tenement EL30145 and late in the quarter EME elected to proceed with a JORC resource estimate for this deposit in conjunction with an estimate for the adjacent Walbiri deposit (see below).

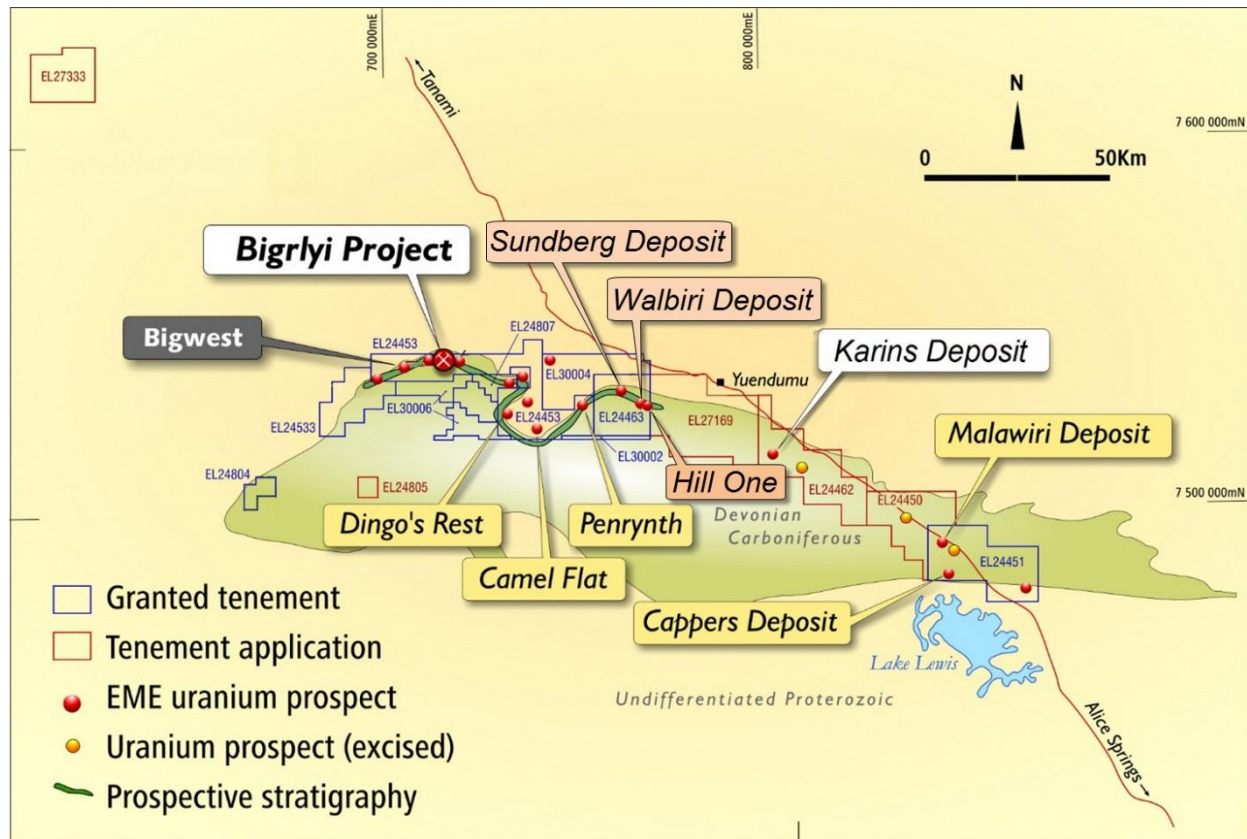


Figure 3 - Uranium deposits, occurrences and exploration target areas in the Ngalia Basin

Walbiri Joint Venture (EME 41.9%)

ELR45, granted in August 2014, covers part of the historical Walbiri deposit and part of the Hill One satellite deposit (Figure 3). The project is a joint venture with Paladin Energy Ltd (58.1%), with EME as the operator. Work during the quarter included digitisation and reprocessing of historical gamma logs, continuation of core re-logging and historical data compilation and verification in conjunction with regional Ngalia Basin studies. Late in the quarter, EME's resource consultants CSA Global assessed the data as being appropriate for JORC-compliant resource estimation purposes and EME elected to proceed with the resource estimation. An inferred resource of 7,037 tonnes U_3O_8 at 641ppm (200ppm cut-off) was obtained for the Walbiri deposit, confirming Walbiri as the third largest uranium deposit in Central Australia after Angela and Bigrlyi (refer to ASX announcement of 27th October 2015 and Table 1 below for further details).

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 program of digitisation and reprocessing of historical gamma logs, core re-logging, and historical data compilation and verification was completed during the previous quarter.

Activities (September 2015 Quarter)

Activities undertaken at Bigrlyi during the quarter included camp maintenance and completion of rehabilitation earth works on a number of hillside drill pads at Anomaly-15 which had been affected by erosional problems during previous wet seasons. The work was monitored by external environmental consultants and was completed to the satisfaction of the NT Department of Mines and Energy (see Figure 4).



Figure 4 - Rehabilitated drill pad A7 at Bigrlyi Anomaly-15, August 2015.

Ngalia Regional Project (EME 100%)

The Ngalia Regional project comprises thirteen 100% owned exploration licences (total area approximately 3,400 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 U₃O₈ at a grade of 167ppm at 100ppm cut-off). The remaining two tenements are located southwest of the Bigrlyi deposits and cover discrete uranium anomalies with no evidence of previous exploration.

Nine of the thirteen Ngalia Regional exploration licences have been granted; the four remaining applications (EL's 24450, 24462, 24805 and 27169) are located on Aboriginal

Freehold (ALRA) 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 (see below).

A number of high priority targets have been identified in the 100% EME tenements 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 (western part of) and the Sundberg and Hill One satellite deposits
- 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 EL30004
- 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 (see Figure 3).

Activities (September 2015 Quarter)

Work during the quarter was mainly focussed on the historical Walbiri deposit (just over half of which lies on 100% EME ground) and the adjacent Sundberg and Hill One satellite deposits (part of which lie on 100% EME ground). The work included digitisation and reprocessing of historical gamma logs, continuation of core re-logging, and historical data compilation and verification in conjunction with regional Ngalia Basin studies. Late in the quarter, EME's resource consultants CSA Global assessed the data as being appropriate for JORC-compliant resource estimation purposes and EME elected to proceed with the resource estimation (see above under Walbiri Joint Venture section and Table 1 below).

On 27th October 2015, EME announced inferred JORC resources of 260 tonnes U₃O₈ at 259ppm and 159 tonnes U₃O₈ at 321ppm for the Sundberg and Hill One deposits, respectively (200ppm cut-off); both deposits are largely located on EL24463 (Table 1 shows a summary of results).

Table 1: Estimate of JORC Mineral Resources for Walbiri and Satellite Deposits*

Category	Deposit	Volume '000 m ³	Tonnes '000 t	Grade		Mineral Resources	
				U ₃ O ₈ ppm	U %	U ₃ O ₈ Mlb	U ₃ O ₈ tonnes
Inferred	Hill One	192	494	321	0.027	0.350	159
Inferred	Walbiri	4,274	10,983	641	0.054	15.514	7,037
Inferred	Sundberg	391	1,005	259	0.022	0.574	260
Inferred	Total	4,857	12,482	597	0.051	16.438	7,456

* Energy Metals' interest in the total resource is 74.4%



Figure 5 – EME staff attend a meeting with the CLC and Traditional Owners at Yuendumu, September 2015.

In September, EME staff attended a meeting with Aboriginal traditional owners at Yuendumu (Figure 5). The meeting was part of access negotiations with the Central Land Council (CLC) over ALRA tenement ELA27169 which is located south of Yuendumu (Figure 3). EME received a positive response and is hopeful of gaining access to at least part of the area in 2016.

Macallan (EME 100%)

The Macallan project comprises a single exploration licence application (ELA27333), located 460 km NW of Alice Springs and 140 km from Biglryi. 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 EME. The negotiation period on the tenement has been extended until October 2016.

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 mining leases containing Paladin Energy's Manyingee resource, a stacked series of palaeochannel-hosted roll front uranium deposits.

Encouraging results were obtained from a small rotary mud drill program (18 holes for 1,790m) completed in late 2014 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).

During the quarter, a small geophysical survey program using the new passive seismic technique was trialled on two 2.5 km traverses across the buried Manyingee palaeochannel (Figure 6). Two Tromino 3G survey units were employed to record ambient seismic noise. Interpretation of the seismic profiles yields information on stratigraphic interfaces (especially the depth to the channel base on crystalline basement) once calibrated against the stratigraphy from known drill holes. The purpose of the program was to detect the southern boundary of the Manyingee palaeochannel on E08/1480 which is poorly defined by current EM conductivity survey results compared to the northern boundary (Figure 6). The southern boundary may extend further to the south and the channel may be deeper than previously thought, so expanding the prospective area for mineralisation. Data processing is currently in progress with results due next quarter.

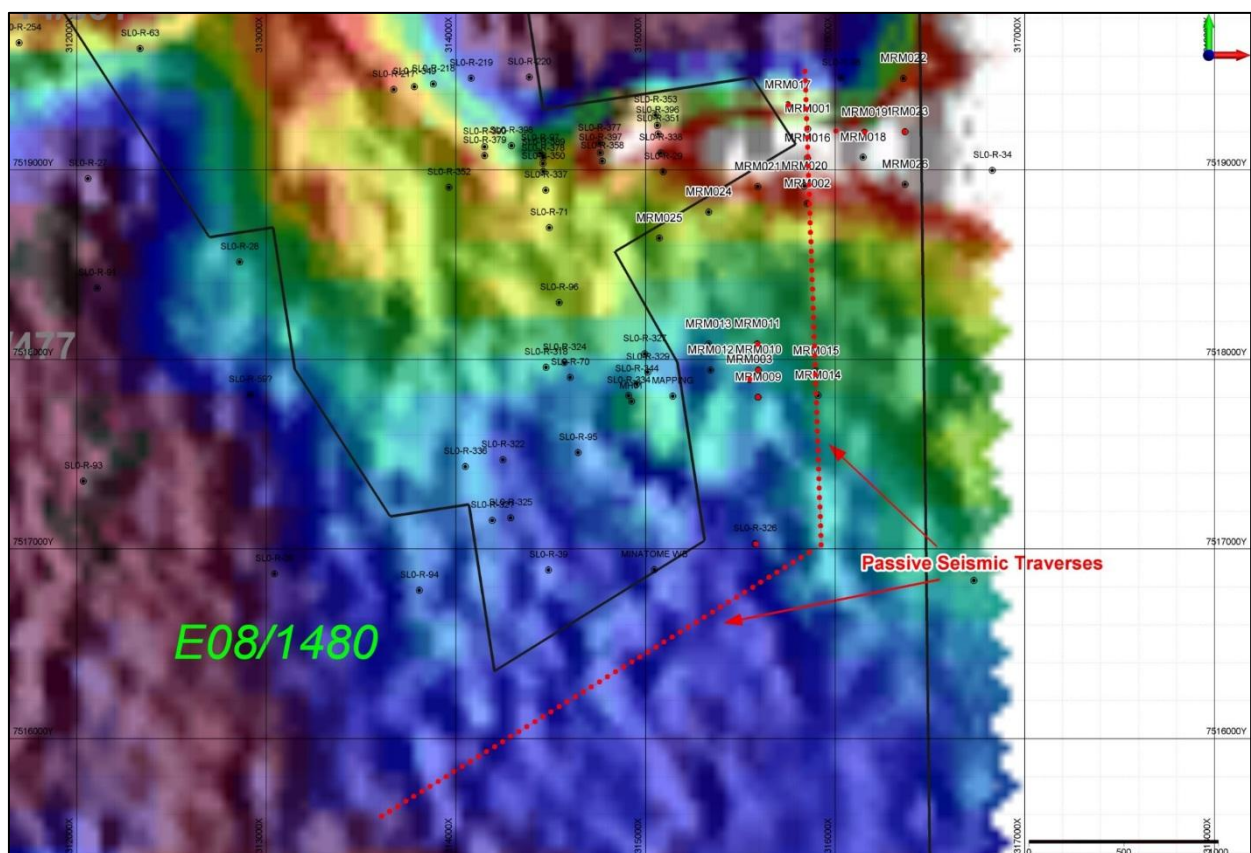


Figure 6 - Passive seismic traverses over an EM conductivity depth slice at 100m. Seismic stations (red dots) are spaced 50m apart for high resolution channel interpretation.

Mopoke Well (EME 100%)

The Mopoke Well project is located 55km west of Leonora on retention licence R29/1 and contains two historic uranium prospects (Peninsula and Stakeyard Well) hosted by calcretised sediments associated with the Lake Raeside drainage system. 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 in 2013 (see ASX release of 12th March 2013).

There were no on-ground exploration activities during the period.

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 EME 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.

An application to convert resource areas of the existing Lakeside exploration licence into a retention licence was progressing during the quarter. There were no on-ground exploration activities during the period.

Anketell (EME 100%)

The Anketell project is located 50km west of Sandstone on retention licence R58/2 and comprises surficial calcrete-style mineralisation discovered by Western Mining (WMC) in 1972. 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).

There were no on-ground exploration activities during the period.

Lake Mason (EME 100%)

The Lake Mason project is located 25km north of Sandstone on retention licence R57/2 and comprises shallow carnotite mineralisation hosted 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 17th December 2010 for further details).

There were no on-ground exploration activities during the period.

CORPORATE

Energy Metals remains in a strong financial position with approximately \$21.9 million in cash and bank deposits at the end of the quarter, forming a solid resource for ongoing exploration and project development.

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%	-
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%	-
EL30689	Bigrlyi Joint Venture	Mt Doreen	53.3%	granted

Western Australia				
E08/1480	Manyingee	Yanrey	100%	-
E21/120	Lakeside	Cue	100%	-
R(A)21/1	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); R(A) = 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.