ASX ANNOUNCEMENT

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ENCOURAGING INTERCEPTS FROM FOLLOW-UP DRILLING AT CAMEL FLAT (NT)

- **CFD1002 4.0m @ 2,091ppm U_3O_8 from 137m**
- **CFRC1004 2.0m @ 1,232ppm U_3O_8 from 94m**
- **CFRC1006 3.5m @ 1,514ppm eU_3O_8 from 61.5m**
- **CFRC1007 8.5m @ 808ppm eU_3O_8 from 108m**

Mid July 2010 Energy Metals (ASX: EME) announced a high grade uranium intercept (9.8m @ 10,567 ppm eU_3O_8) from the first diamond hole (CFD1001) drilled at the Company's 100% owned Camel Flat prospect, located 33km SE of the 29.4 Mlb Bigrlyi uranium deposit (EME 53.3%). This intercept was subsequently confirmed by chemical assaying.

In October 2010 Energy Metals completed an orientated scissor diamond hole (CFD1002) which returned an intercept of 2.55m @ 3,022 ppm eU_3O_8 from downhole gamma probing. Logging of CFD1001 and CFD1002 confirmed that the uranium mineralisation is associated with redox boundaries within the Mt Eclipse Sandstone, similar to Bigrlyi, and suggested the mineralized zone intersected by these holes is steeply dipping to the north.

Energy Metals recently drilled 17 RC holes (including 3 holes which were abandoned) to follow up these encouraging intercepts. Downhole gamma probe results have been received from the 14 completed holes, with anomalous uranium values intersected in most holes including:

2.5m @ 1,080ppm eU_3O_8 from 93m in hole CFRC1004
3.5m @ 1,514ppm eU_3O_8 from 61.5m (CFRC1006)
8.5m @ 808ppm eU_3O_8 from 108m (CFRC1007)
1.0m @ 1,811ppm eU_3O_8 from 63.5m (CFRC1010)

Refer to Table 1 for a full summary of recent probe results and to Figure 2 for the location of the holes.

Energy Metals is also pleased to advise that chemical assays received have been received from CFD1002 and the first five RC drill holes from the program. CFD1002 returned an intercept of 4m @ 2,091ppm U_3O_8 & 203ppm V_2O_5 from 137m, confirming previously reported downhole gamma probe results, and CFRC1004 returned 2m @ 1,232ppm U_3O_8 from 94m, also confirming earlier probe values. Refer to Table 2 for a full summary of chemical assay results received to date. Chemical assays results for the remaining probe intercepts are expected in the coming weeks.

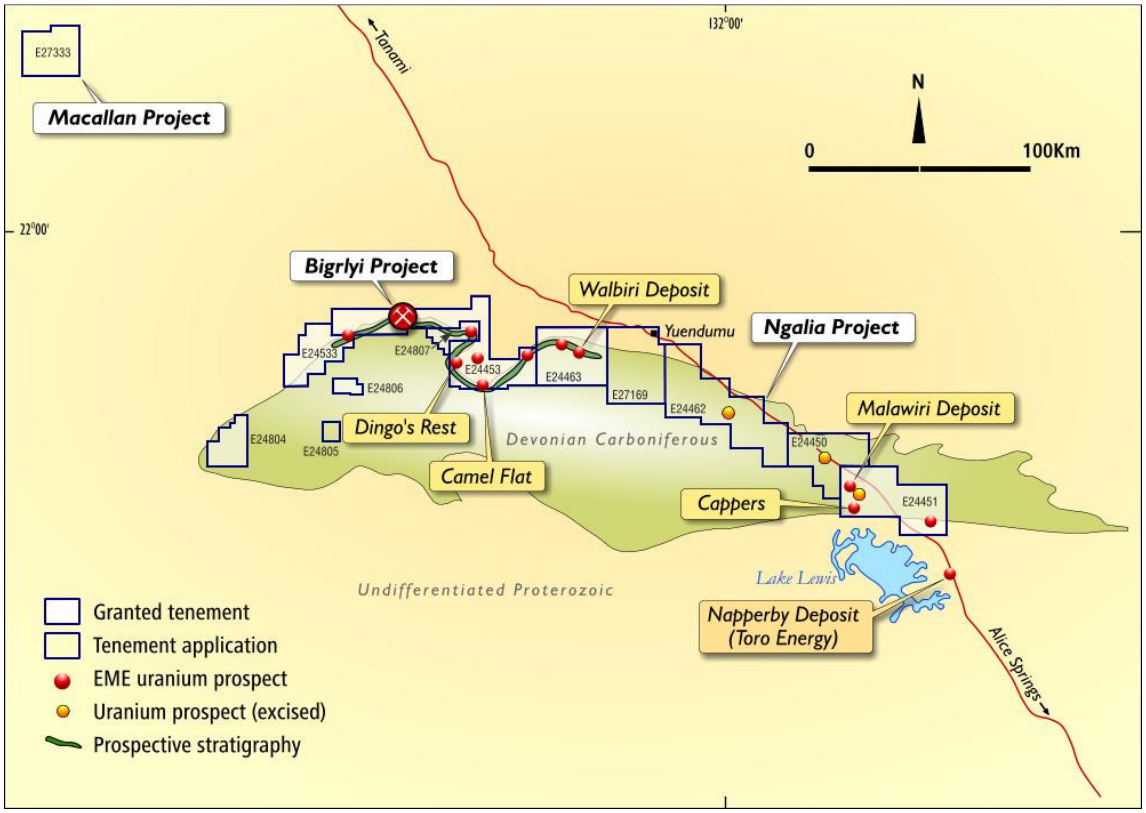

Figure 1 – Location Plan

Camel Flat is one of a number of historic uranium occurrences within Energy Metals' 100% owned Ngalia Regional Project (total area 2,840 km² - refer Figure 1). Wide spaced shallow drilling at Camel Flat during the 1970's intersected uranium mineralisation in several holes, including 2.8m @ 2,841ppm eU_3O_8 and 0.8m @ 1,186ppm eU_3O_8. A small (5 hole) RC drilling program completed by the Company in 2008 supported these earlier results, recording a best intercept of 2.5m @ 2,564ppm eU_3O_8 from hole CF0803.

All of these holes were drilled either vertical or near vertical. Given the steep dips of the geological units identified from CFD1002 it is now apparent that previous drilling at Camel Flat and nearby areas has been largely ineffective in testing the prospective geological units.

Energy Metals is highly encouraged by recent intercepts from Camel Flat, which compare very favourably with early drilling results from Bigrlyi. Furthermore the potential for finding more uranium along strike from Camel Flat is considered to be excellent and follow-up drilling designed to outline shallow mineralisation potentially exploitable by open pit mining is currently being planned.

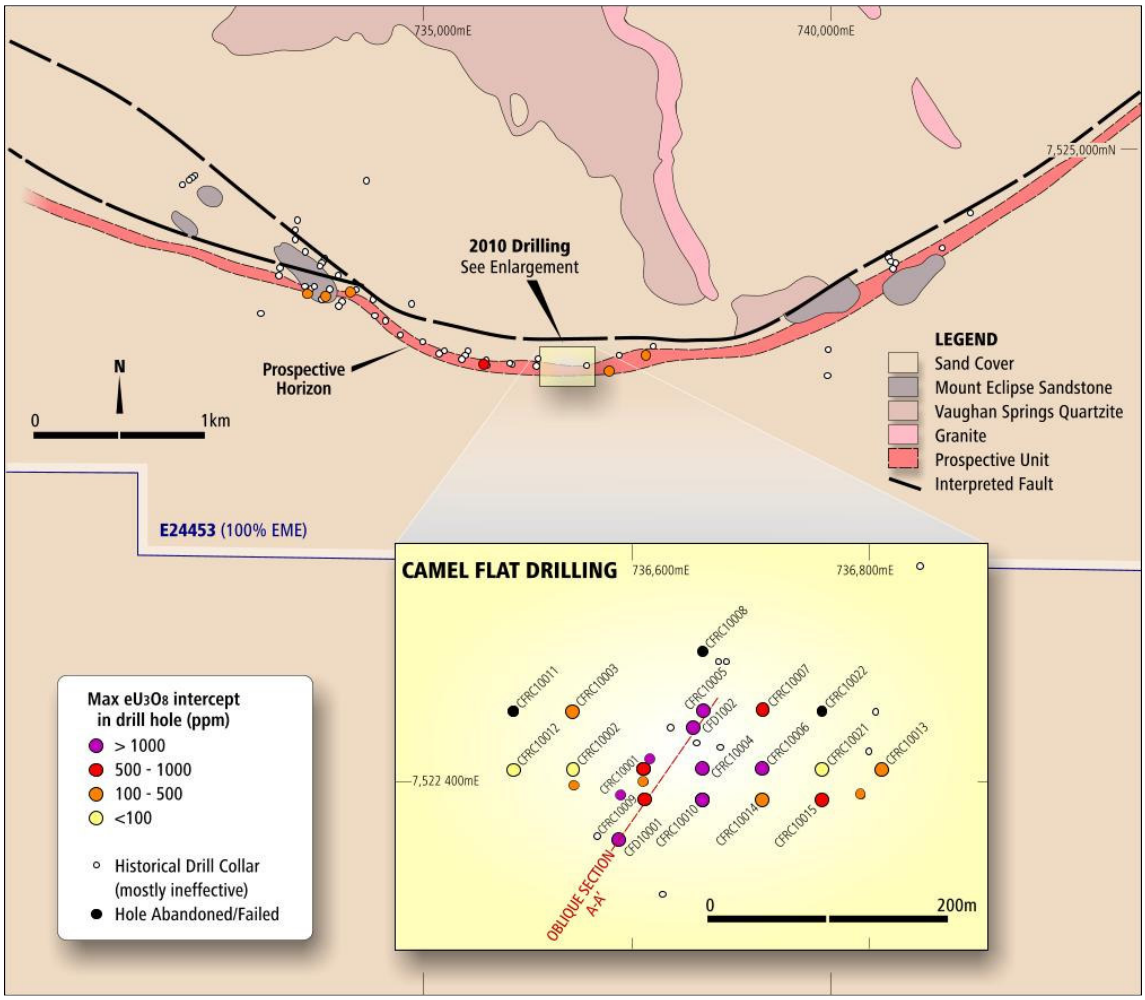

Figure 2 - Simplified plan of the Camel Flat prospect showing prospective horizon interpreted from regional magnetic data and historical drilling, with 2010 Energy Metals drilling in enlargement

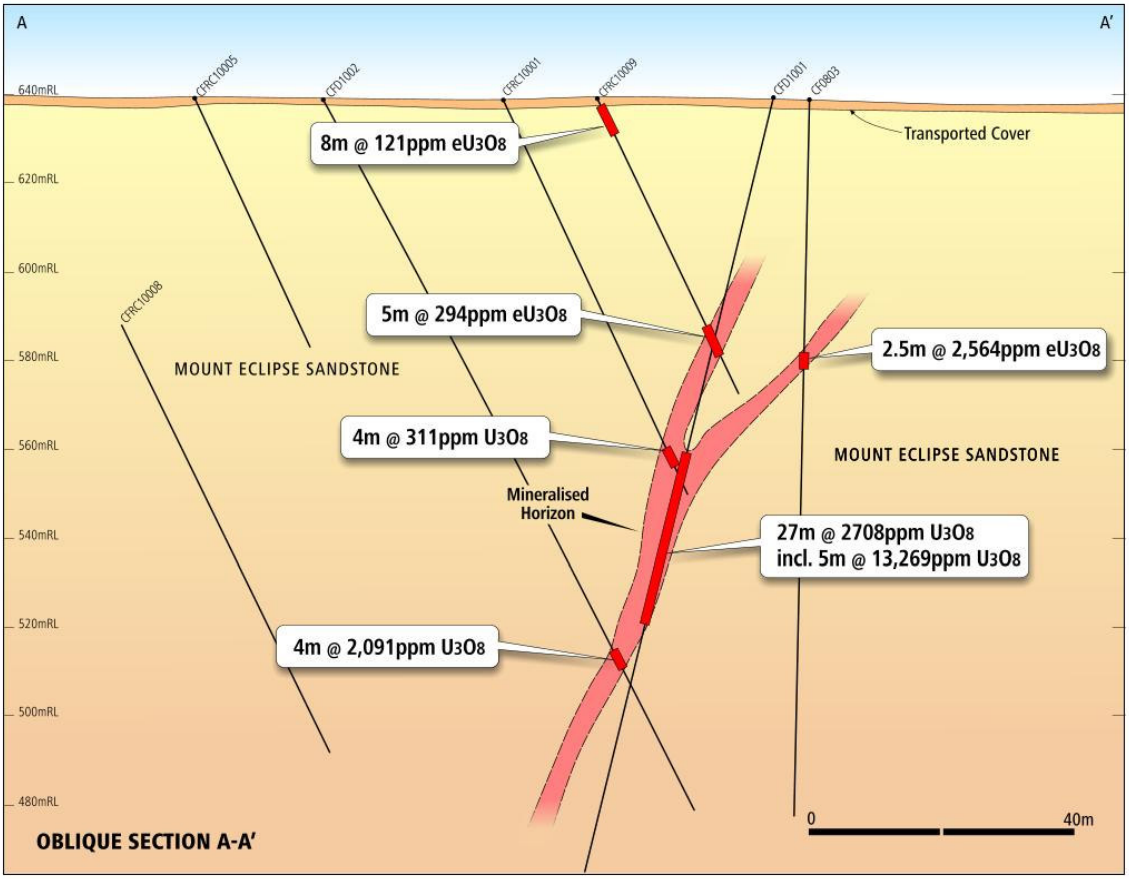

Figure 3 - Oblique cross section A – A′ shown in Figure 2 with interpreted orientation of mineralised horizon

Table 1: Gamma Probe Intercepts (eU_3O_8) from 2010 RC Drilling at Camel Flat

Hole	Easting	Northing	Azi (mag)	Dip	From (m)	Intercept (m)	eU_3O_8 (ppm)
CFRC1001	736,610	7,522,410	176	-60	29.0	2.0	138
				and	43.0	1.0	124
				and	84.5	4.5	750
CFRC1002	736,550	7,522,410	176	-60	NSR		
CFRC1003	736,550	7,522,460	176	-60	1.0	1.5	169
				and	62.0	8.5	104
CFRC1004	736,660	7,522,410	176	-60	84.5	1.0	268
				and	**93.0**	**2.5**	**1,080**
CFRC1005	736,660	7,522,460	176	-60	1.0	1.5	151
					148.5	**2.0**	**1,237**
CFRC1006	736,710	7,522,410	176	-60	**61.5**	**3.5**	**1,514**
CFRC1007	736,710	7,522,460	176	-60	108.0	8.5	808
CFRC1008	736,660	7,522,510	176	-60	Failed		
CFRC1009	736,610	7,522,385	176	-60	1.0	8.0	121
				and	65.0	5.0	294
CFRC1010	736,660	7,522,385	176	-60	1.0	2.5	138
				and	23.5	2.5	101
				and	30.0	4.0	136
				and	**63.5**	**1.0**	**1,811**
CFRC1011	736,500	7,522,460	176	-60	Failed		
CFRC1012	736,500	7,522,410	176	-60	NSR		
CFRC1013	736,810	7,522,410	176	-60	11.5	2.5	102
CFRC1014	736,710	7,522,385	176	-60	1.0	5.0	160
				and	44.0	1.5	322
CFRC1015	736,760	7,522,385	176	-60	1.0	2.5	140
				and	28.0	3.0	865
CFRC1016	736,760	7,522,410	176	-60	NSR		
CFRC1017	736,760	7,522,460	176	-60	Failed		

Note: Intersections calculated using de-convolved gamma probe intersections composited over 50cm at a 100ppm eU_3O_8 cut-off, a minimum thickness of 1m and a maximum of 3m of internal dilution, no external dilution was allowed.
NSR= no significant results. Failed = failed to drill to target depth

Table 2: Chemical Assay Results from 2010 Drilling at Camel Flat

Hole	Easting	Northing	Azi (mag)	Dip	From (m)	Intercept (m)	U_3O_8 (ppm)	V_2O_5 (ppm)
CFD1001*	736,589	7,522,351	030	-75	**93.0**	**27.0**	**2,708**	**755**
				incl.	**93.0**	**5.0**	**13,269**	**2,944**
CFD1002	736,652	7,722,431	212	-60	**137.0**	**4.0**	**2,091**	**203**
CFRC1001	736,610	7,522,410	176	-60	85.0	4.0	311	241
CFRC1002	736,550	7,522,410	176	-60	NSR			
CFRC1003	736,550	7,522,460	176	-60	NSR			
CFRC1004	736,660	7,522,410	176	-60	84.0	1.0	379	161
				and	**94.0**	**2.0**	**1,232**	**232**
CFRC1005	736,660	7,522,460	176	-60	149.0	2.0	988	1,009

Note: Intersections calculated at 100ppm U_3O_8 cut-off, using assays received from ALS Laboratories and determined by XRF. Vanadium was determined by XRF and is considered only semi quantitative. A minimum thickness of 1m and a maximum internal dilution of 3m were used, no external dilution was allowed. Assays from RC holes (Prefixed CFRC10*) are from 1m RC samples collected via a cone splitter; assays from Diamond holes (Prefixed CFD10*) are from ½ core cut on site and sampled at 0.5m intervals.
NSR= no significant results *reported 14 October 2010

Information in this report relating to exploration results, data and cut off grades is based on information compiled by Mr Paul Dunbar and Mr Lindsay Dudfield. Both Mr Dunbar and Mr Dudfield are members of the AusIMM and the AIG. Mr Dunbar is a full time employee of Energy Metals and 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 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 (2004)". Mr Dunbar and Mr Dudfield both consent to the inclusion of the information in the report in the form and context in which it appears.

***** Uranium mineralisation grades through this report are annotated with a sub-prefix 'e' because they have been reported as uranium equivalent grades derived from down-hole gamma ray logging results and should be regarded as approximations only.

Gamma logging or "total count gamma logging" (the method used by Energy Metals) is a common method used to estimate uranium grade where the radiation contribution from thorium and potassium is very small. Sandstone and calcrete hosted deposits are usually of this type. Gamma logging does not account for energy derived from thorium and potassium (as does spectral gamma logging) and thus the result is expressed as an equivalent value or eU_30_8.

The gamma radiation from potassium, uranium and thorium is dominated by gamma rays at specific energy levels. These energy levels are sufficiently well separated such that they can be measured independently of each other. They are typically measured as narrow energy bands that contain the specific energy levels. Bands are used because the measuring systems do not have the resolution to target a specific energy wavelength.

There is some scattering of higher energy gamma radiation, e.g. thorium, into lower energy radiation, e.g. uranium and potassium. This scattered radiation can be calculated from suitable calibration procedures and removed from the lower energy level measurements. This method is commonly termed spectral gamma logging.

Energy Metals uses gamma probes which are initially calibrated at the PIRSA (Primary Industry & Resources South Australia) test pits and then subjected to annual recalibration to ensure the integrity of the probe instrument. Furthermore, Energy Metals runs regular checks to validate the accuracy of probe data using calibrated test holes located on site.