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NGALIA PROJECT ANOMALY 15 EAST SIGNIFICANT DRILL RESULTS HIGHLIGHTS

- **2.1m @ 4,960ppm eU_3O_8 from 73.0m in BRC1302**
- **4.4m @ 1,055ppm eU_3O_8 from 8.9m in BRC1308**
- **3.1m @ 1,607ppm eU_3O_8 from 65.4m in BRC1330**
- **3.9m @ 5,214ppm eU_3O_8 from 16.7m in BRC1334**
- **5.7m @ 562ppm eU_3O_8 from 4.1m in BRC1336**
- **6.6m @ 507ppm eU_3O_8 from 4.9m in BRC1338**
- **6.2m @ 1,788ppm eU_3O_8 from 8.1m in BRC1340**

Energy Metals Limited (ASX: EME) is pleased to announce the results of an infill RC drilling program recently completed at its Anomaly 15 East target, located immediately to the east of the Bigrlyi Joint Venture tenements in the Northern Territory.

Previous drilling results have shown that the sandstone unit hosting uranium mineralisation within the Bigrlyi Joint Venture (Energy Metals 53.3%) extends to the east into tenement EL24453, which is 100% owned by Energy Metals.

Processed downhole gamma probe results for 41 RC holes drilled at Anomaly 15 East in the current program were recently received. The drilling program targeted three previously identified mineralised zones – the Western Zone, Gorge Zone and Junction Zone – along the prospective horizon with a series of holes spaced at a nominal 25m interval.

Fifteen of the 41 holes have returned significant intersections (>100ppm eU_3O_8 over widths >1m) with a number of high-grade intersections occurring over several metres width at shallow depths in the Western Zone (Table 1). The survey information of drill holes is provided in Table 2.

The prospective horizon, the extension of the mineralised Unit C sandstone at Bigrlyi, was intersected on most drill lines with anomalous intersections observed in the same stratigraphic position as mineralisation at Bigrlyi.

Figure 1 is a plan of the A15E target area showing the location of the recent drilling and the mineralised intercepts.

In the Western Zone more significant intersections include: 6.2m at 1,788ppm eU_3O_8 from 8.1m in **BRC1340**, including 4.25m at 2,507ppm eU_3O_8 from 8.4m; 3.85m at 5,214ppm eU_3O_8 from 16.7m in **BRC1334**, including 3.2m at 6,232ppm eU_3O_8 from 16.9m; and 2.1m at 4,960ppm eU_3O_8 from 73.0m in **BRC1302**, including 1.25m at 8,200ppm eU_3O_8 from 73.2m.

Figure 2 is a long section through the Western Zone showing recent drill traces and the distribution of mineralised pods for a 300ppm eU_3O_8 cut-off. In the pod centred on 716800mE, high-grade mineralisation occurs close to surface.

In the Gorge Zone the most significant intersection is 1.7m at 1,100ppm eU_3O_8 from 17m in **BRC1318**, including 1.1m at 1,561ppm eU_3O_8 from 17.2m.

Samples from the anomalous intervals have been dispatched for chemical analysis to confirm that probe results are representative of the contained uranium and to determine the vanadium content of the holes. Vanadium is directly associated with zones of uranium mineralisation at Bigrlyi.

All intersections are down-hole widths with the true thickness estimated to be around 80% of the down-hole thickness, based on the dip of the stratigraphy in outcrop to the north and south of the drilling and from geological interpretation.

Follow-up drilling is planned in the Gorge Zone and in the eastern part of the Western Zone to test for possible extensions of the known mineralisation; results are expected in the coming weeks.

In this program, mineralisation in the Western Zone of Anomaly 15 East has been delineated with a drill density sufficient for resource estimation purposes and on completion of final drilling, an assessment to proceed to JORC-compliant resource estimation will be made. Energy Metals believes the relatively shallow, high grade nature of mineralisation at Anomaly 15 East will make a potentially valuable addition to uranium resources at the Bigrlyi project as a whole.

For and on behalf of the Board

Weidong Xiang
Managing Director
16th October 2013

Figure 1. Drill hole plan Anomaly 15 East showing hole collars with significantly mineralised holes in red (grade*thickness >1000 ppm.m).

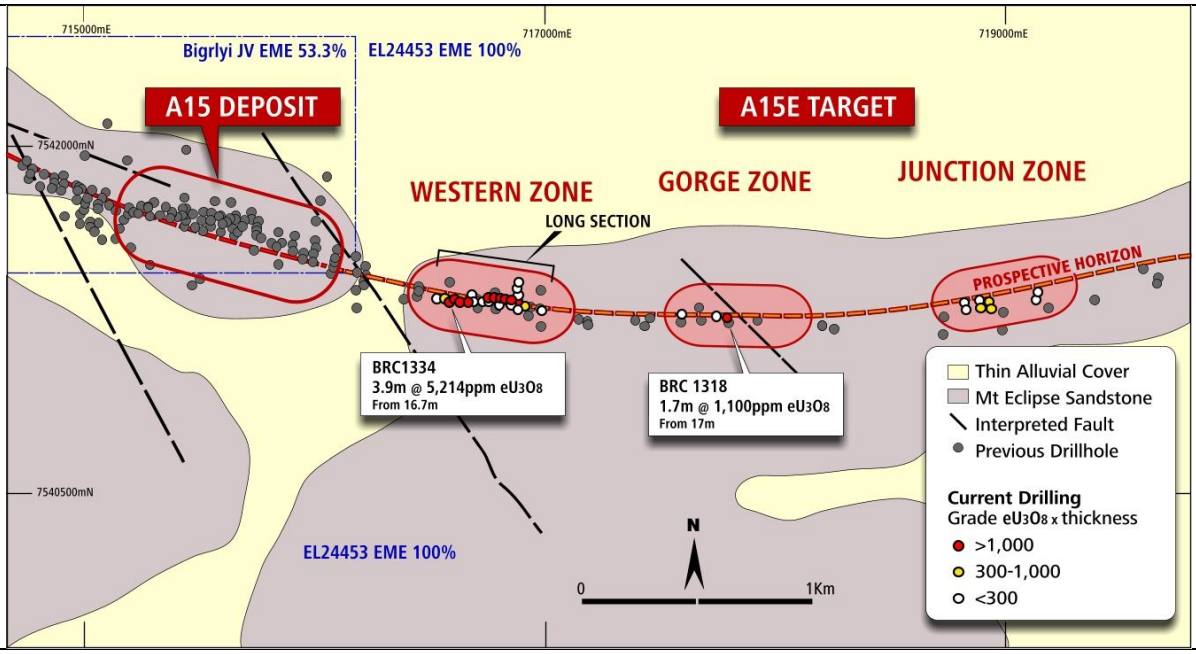

Figure 2. Long section through the Western Zone showing distribution of mineralised pods with depth. Drill traces of 2013 holes and selected significant intercepts are shown.

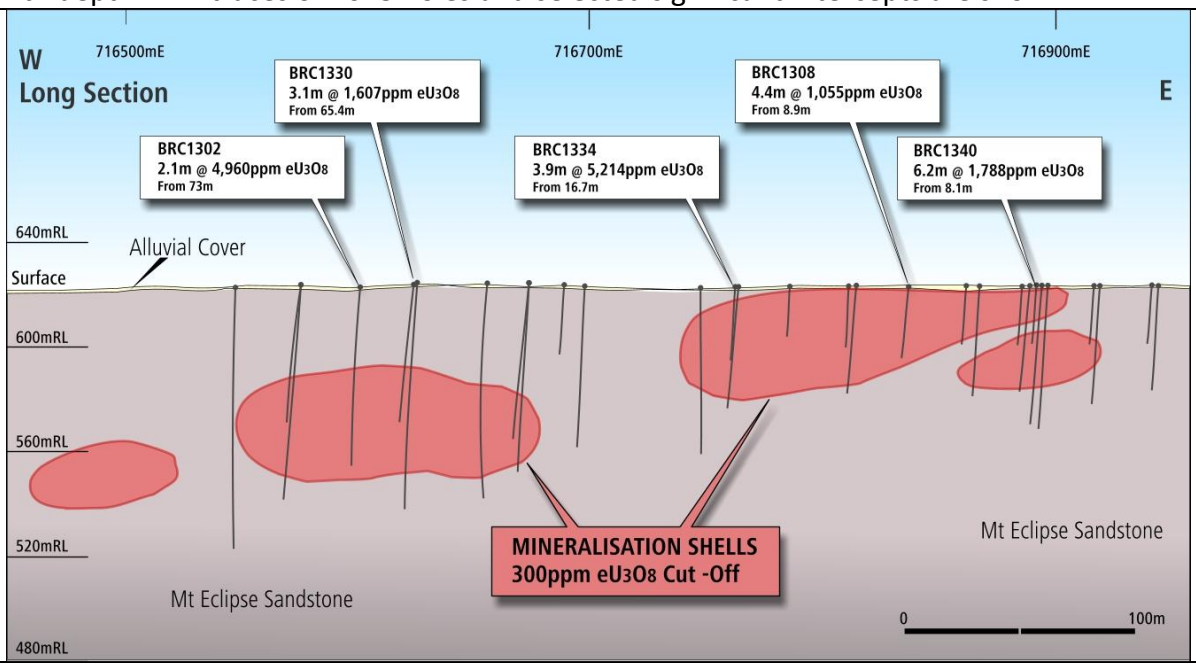

Table 1: Anomaly 15 East - Significant eU_3O_8 results from 2013 RC drilling

Hole Number	From (m)	To (m)	Width (m)	eU_3O_8 (ppm)
BRC1302	72.96	75.06	2.10	**4,960**
inc	*73.16*	*74.41*	*1.25*	***8,200***
BRC1303	79.41	82.66	3.25	**756**
inc	*80.81*	*82.01*	*1.20*	***1,613***
BRC1308	8.93	13.33	4.40	**1,055**
inc	*9.08*	*13.18*	*4.10*	***1,115***
and	17.28	18.28	1.00	**3,521**
BRC1318	17.02	18.72	1.70	**1,100**
inc	*17.17*	*18.27*	*1.10*	***1,561***
BRC1322	76.38	78.03	1.65	186
and	81.83	83.93	2.10	185
BRC1323	55.65	57.05	1.40	648
BRC1324	114.92	116.92	2.00	191
BRC1328	63.92	65.02	1.10	364
BRC1330	65.37	68.47	3.10	**1,607**
BRC1333	75.95	77.90	1.95	**569**
BRC1334	16.72	20.57	3.85	**5,214**
inc	*16.92*	*20.12*	*3.20*	***6,232***
BRC1336	4.09	9.79	5.70	**562**
inc	*8.04*	*9.49*	*1.45*	***1,330***
and	14.44	15.49	1.05	**1,074**
BRC1338	4.88	11.48	6.60	**507**
and	15.18	16.33	1.15	534
BRC1340	8.08	14.23	6.15	**1,788**
inc	*8.43*	*12.68*	*4.25*	***2,507***
BRC1342	37.22	38.42	1.20	607

Note: intersections are determined using a 100ppm eU_3O_8 cut-off with a minimum thickness of 1m and a maximum internal dilution of 3m and no external dilution; the *inc* intersections are determined using a 500ppm eU_3O_8 cut-off with a minimum thickness of 1m and a maximum internal dilution of 3m and no external dilution. The intersections are composites of 5cm deconvolved eU3O8 determined using a calibrated Gamma probe. The **Bold** intersections are where the grade (in ppm eU_3O_8) * thickness (m) is >1000. The true thickens of the intersections are estimated to be approximately 80% of the down hole width.

Table 2: Collar coordinates for 2013 RC drilling in Anomaly 15 East

Hole Number	Easting MGA_Z52	Northing MGA_Z52	Depth (m)	Magnetic Azimuth	Dip
BRC1302	716590	7541322	90	355	-63
BRC1303	716646	7541318	102	355	-68
BRC1304	716690	7541320	78	355	-68
BRC1305	716685	7541345	36	355	-60
BRC1306	716536	7541329	120	355	-72
BRC1307	716740	7541312	80	355	-70
BRC1308	716835	7541326	36	355	-60
BRC1309	716890	7541333	54	355	-60

BRC1310	716890	7541300	72	355	-60
BRC1311	716890	7541354	102	355	-60
BRC1312	716890	7541398	93	355	-60
BRC1313	716990	7541277	72	355	-60
BRC1314	717597	7541260	42	355	-60
BRC1315	717750	7541253	48	355	-60
BRC1316	716882	7541374	84	355	-60
BRC1317	717800	7541241	84	355	-75
BRC1318	717798	7541253	48	355	-60
BRC1319	718827	7541311	78	355	-60
BRC1320	718836	7541280	114	355	-60
BRC1321	718896	7541324	60	355	-60
BRC1322	718894	7541290	114	355	-60
BRC1323	718934	7541312	84	355	-60
BRC1324	718942	7541286	138	355	-60
BRC1325	718988	7541252	192	356.5	-60
BRC1326	719143	7541352	60	355	-60
BRC1327	719137	7541327	100	355	-60
BRC1328	716565	7541332	84	355	-57
BRC1329	716565	7541329	102	355	-68
BRC1330	716615	7541328	84	355	-60
BRC1331	716615	7541320	108	355	-68
BRC1332	716665	7541325	78	355	-60
BRC1333	716665	7541320	90	355	-70
BRC1334	716760	7541336	36	355	-65
BRC1335	716758	7541318	60	355	-65
BRC1336	716810	7541332	30	355	-65
BRC1337	716810	7541314	54	355	-60
BRC1338	716860	7541323	30	355	-60
BRC1339	716863	7541305	54	355	-65
BRC1340	716890	7541316	30	355	-60
BRC1341	716890	7541284	72	355	-60
BRC1342	716915	7541296	60	355	-60

Note: All Collar coordinates are GDA 94 MGA (zone 52) and are collected with a hand held GPS with an accuracy of ± 5m. The collars will be surveyed by a licences surveyor using a RTK DGPS at the end of the 2013 field season. Down hole surveys were conducted every 30m using a single shot Reflex downhole camera inside a stainless steel drill rod enabling an accurate azimuth to be determined.

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 (2004)". 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 (2004)". Mr Wilson

consents to the inclusion of the information in the report in the form and context in which it appears.

Uranium mineralisation grades given throughout 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. Total count gamma logging includes the generally small number of gamma rays emitted by background levels of thorium and potassium. These background gamma rays add the equivalent of a few parts per million to the equivalent uranium values and are relatively constant in each geological unit.

Downhole gamma logging of drill holes provides a powerful tool for uranium companies to explore for and evaluate uranium deposits. Such a method measures the natural gamma rays emitted from material surrounding a drill hole. Gamma radiation is measured from a volume surrounding the drill hole that has a radius of approximately 35cm. The gamma probe is therefore capable of sampling a much larger volume than the geological samples recovered from any normal drill hole.

Gamma ray measurements are used to estimate uranium concentrations with the commonly accepted initial assumption being that the uranium is in (secular) equilibrium with its daughter products (or radionuclides) which are the principal gamma ray emitters. If uranium is not in equilibrium (viz. in disequilibrium), as a result of the redistribution (depletion or enhancement) of uranium and/or its daughter products, then the true uranium concentration in the holes logged using the gamma probe will be higher or lower than those reported in the announcement.

Energy Metals is undertaking measurements to determine if disequilibrium is present and its distribution via undertaking chemical analysis of all eU_3O_8 intersections. Previous chemical assays from Bigrlyi and surrounds have confirmed the gamma intersections and as such Energy Metals believes that the Uranium in the system is in equilibrium with its daughter products.

The logging programme was undertaken by Energy Metals utilising an Auslog Logging System. The gamma tools were calibrated in Adelaide at the Department of Water in calibration pits constructed under the supervision of CSIRO. Energy Metals carries out annual recalibration checks to validate the accuracy of gamma probe data. Furthermore, Energy Metals runs regular checks to validate the accuracy of probe data using calibrated test holes located on site.

The gamma ray data was converted from counts per second to eU3O8 values using calibration factors obtained from measurements made at the calibration pits. The eU3O8 data was also adjusted by an attenuation factor, determined onsite, due to drill rods. These factors also take into account differences in drill hole size and water content. The eU3O8 data has been filtered (deconvolved) to more closely reproduce the true grades and thicknesses where thin narrow zones are encountered.

The various calibration factors and deconvolution parameters were calculated by David Wilson BSc MSc MAusIMM from 3D Exploration Ltd based in Perth, Western Australia.