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NGALIA PROJECT
BIGWEST TARGET
INITIAL DRILLING RESULTS CONFIRM EXTENSION OF BIGRLYI-STYLE MINERALISATION TO THE WEST

HIGHLIGHTS

- **6m @ 428ppm U_3O_8 from 122m in BWRC1319 including 1m @ 1,945ppm U_3O_8 from 126m**
- **2m @ 1,451 ppm U_3O_8 from 199m in BWRC1326 including 1m @ 2,770ppm U_3O_8 from 200m**
- **3m @ 431ppm U_3O_8 from 113m in BWRC1331 including 1m @ 749ppm U_3O_8 from 113m**

Energy Metals Limited (ASX: EME) is pleased to announce the results of an initial RC drilling program recently completed at its Bigwest target, located on the northern margin of the Ngalia Basin approximately 8km west of the Bigrlyi Joint Venture tenements (EME 53.3%) in the Northern Territory (Figure 1).

EME has pioneered the use of the gradient array induced polarisation geophysical method (GA-IP) to identify sandstone packages capable of hosting uranium mineralisation under thin sand cover. GA-IP has allowed EME to target the interface between reduced and oxidised sandstone packages, known as "redox boundaries". At Bigwest, initial drilling at approximately 300m spacing has resulted in the discovery of significantly mineralised intercepts along the southern redox boundary (equivalent to the Unit B – Unit C contact at Bigrlyi).

This is the first discovery of significant uranium mineralisation west of the Bigrlyi deposit on tenement EL24453 (EME 100%) and extends the known strike length of Bigrlyi-style mineralisation more than 9km to the west (Figure 1).

Processed downhole gamma probe results have been received from 32 RC holes drilled at Bigwest in the current program. Thirteen of the holes returned anomalous intersections (>100ppm eU_3O_8 over widths >0.5m) with a number of high-grade intersections occurring over several metres (Table 1). Samples from the anomalous intersections were selected for geochemical assay (U_3O_8 and V_2O_5); these results have now been received and significant intercepts are reported in Table 2. Although there are differences in sampling interval and in sampling volume between the eU_3O_8 gamma data and the U_3O_8 chemical assay data, the level of agreement between the two sets of data is considered to be excellent.

The western extension of the mineralised Unit C sandstone at Bigrlyi was intersected on all drill lines with most anomalous intersections observed in the same stratigraphic positions as mineralisation at Bigrlyi. While significant mineralisation has been intersected on the equivalent of the Unit B – Unit C contact (along the southern redox boundary), only weak mineralisation has so far been located on the northern Unit C – Unit D contact equivalent, possibly due to deep weathering and mobilisation of uranium.

Significant intersections occurring over a strike length of 1.4km on the southern redox boundary include: **6m @ 428ppm U_3O_8** from 122m in BWRC1319, including **1m @ 1,945ppm U_3O_8** from 126m; **2m @ 1,451ppm U_3O_8** from 199m in BWRC1326, including **1m @ 2,770ppm U_3O_8** from 200m, and **3m @ 431ppm U_3O_8** from 113m in BWRC1331, including **1m @ 749ppm U_3O_8** from 113m. Most intercepts include anomalous V_2O_5 (Table 2).

Figure 1 is a plan of the Ngalia Basin area showing the location of the Bigwest target in relation to the Bigrlyi Project. GA-IP surveying has identified another target area, known as Autobahn, located further to the west, and initial plans for drill testing this area are underway.

Figure 2 is a plan of the Bigwest target showing collar locations and significant interceptions categorised by multiplying grade and thickness.

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.

Further drilling is planned to test for extensions to mineralisation both along strike and at shallower depths, and to infill between current drill lines to better define the nature of mineralised zones; results are expected in the coming weeks.

Energy Metals believes the discovery of Bigrlyi-style mineralisation at Bigwest considerably enhances the prospectivity of more than 10km of stratigraphy west of the main Bigrlyi deposit. This area has the potential to contribute further resources to the Bigrlyi project as a whole.

For and on behalf of the Board

Weidong Xiang
Managing Director
29th October 2013

Figure 1. Location plan for the Ngalia Regional Project showing location of the Bigwest and Autobahn target areas.

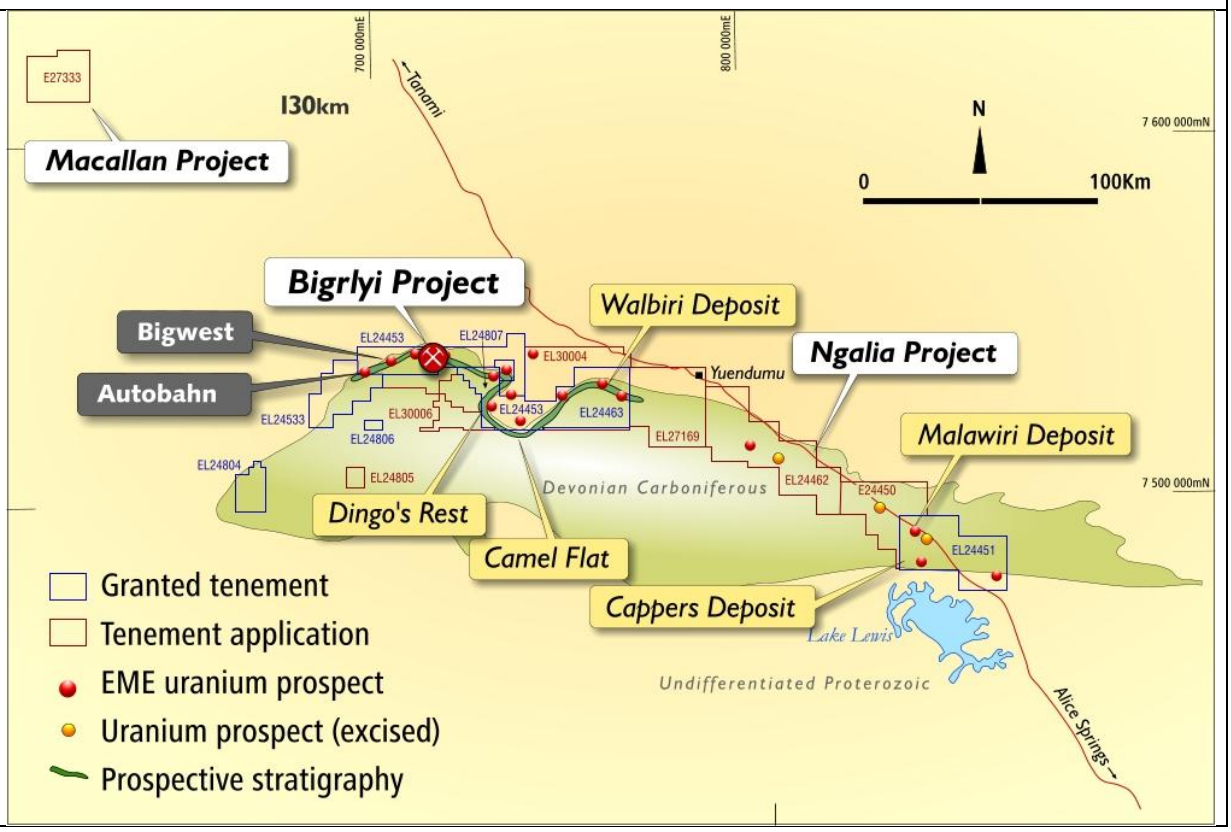

Figure 2. Hole collar locations at Bigwest with significantly mineralised holes shown in red (grade multiplied by thickness >400 ppm.m).

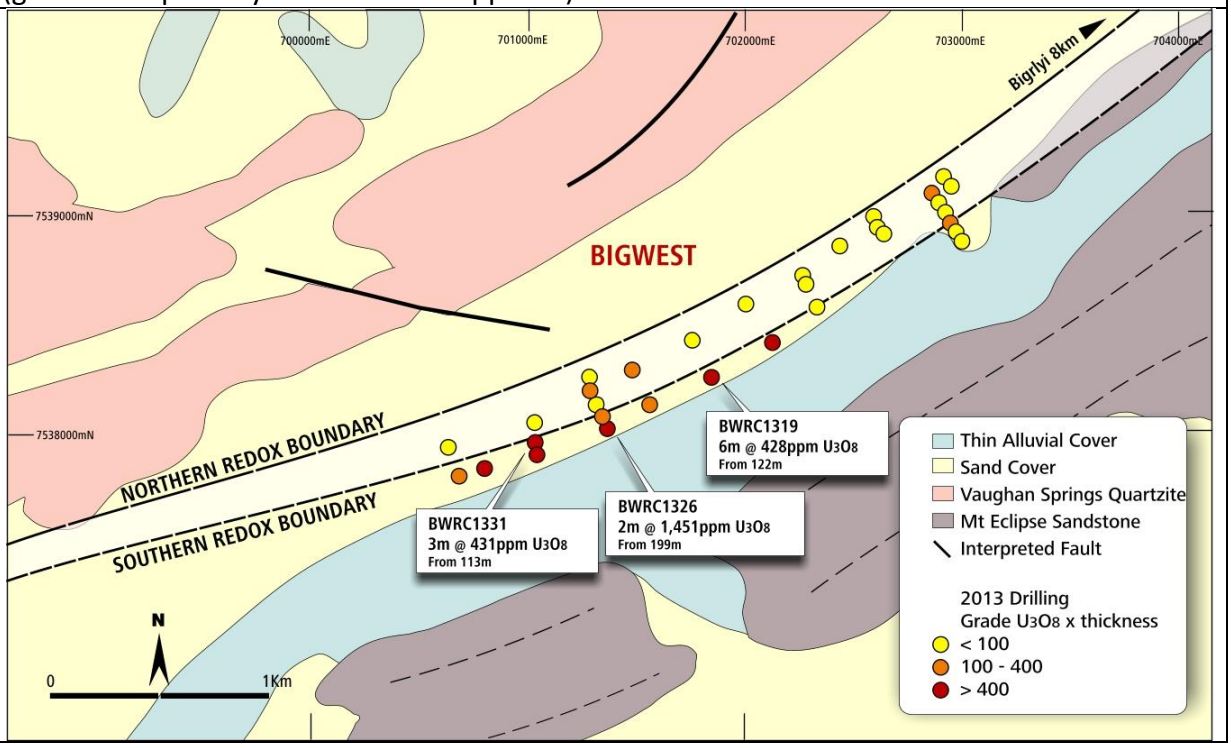

Table 1: Bigwest Target - Significant eU_3O_8 results from 2013 RC drilling

Hole Number	From (m)	To (m)	Width (m)	eU_3O_8 (ppm)
BWRC1316	95.25	96.90	1.65	274
BWRC1319	122.07	127.52	5.45	338
inc.	***126.07***	***127.07***	***1.00***	***1,323***
BWRC1320	146.70	147.95	1.25	199
BWRC1323	119.88	121.08	1.20	148
BWRC1325	56.30	57.45	1.15	122
BWRC1326	199.86	201.41	1.55	2,209
BWRC1328	180.49	183.29	2.80	334
BWRC1331	113.21	116.31	3.10	335
BWRC1332	144.07	146.27	2.20	268

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 eU_3O_8 determined using a calibrated Gamma probe. The true width, based on geological mapping, is estimated to be 75% – 80% of the downhole width.

Table 2. Bigwest Target - Significant U_3O_8 & V_2O_5 chemical assay results from 2013 RC drilling

Hole Number	From (m)	To (m)	Width (m)	U_3O_8 (ppm)	V_2O_5 (ppm)
BWRC1307	114	115	1	206	443
BWRC1311	141	142	1	152	160
BWRC1316	95	97	2	269	305
BWRC1319	122	128	6	428	883
inc.	***126***	***127***	***1***	***1,945***	***2,910***
BWRC1320	146	148	2	131	408
BWRC1321	76	77	1	198	96
BWRC1323	121	122	1	215	109
BWRC1325	56	57	1	114	129
BWRC1326	199	201	2	1,451	1,635
inc.	***200***	***201***	***1***	***2,770***	***3,222***
BWRC1328	182	184	2	283	2,519
BWRC1330	170	171	1	198	3,670
BWRC1331	113	116	3	341	3,860
inc.	***113***	***114***	***1***	***749***	***2,820***
BWRC1332	144	146	2	236	1,940

Note: intersections are determined from metre samples of RC drill spoils using a 100ppm U_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 U_3O_8 cut-off with a minimum thickness of 1m and a maximum internal dilution of 3m and no external dilution. The true width, based on geological mapping, estimated to be 75% – 80% of the downhole width. Because of the larger sampling width and differences in sampling volumes, chemical assay results will not exactly match the processed gamma log eU_3O_8 values even when there is little or no disequilibrium, however, as shown here, the match is close with the only significant differences being improved grade and width in hole BWRC1319 and the confirmation of significant intersections in holes BWRC1307, 1311, 1321 and 1330.

Table 3: Collar coordinates for 2013 RC drilling at Bigwest

Hole Number	Easting	Northing	Depth	Azimuth	Dip
BWRC1302	702930	7539146	115	325	-60
BWRC1303	702885	7539065	115	325	-60
BWRC1304	702900	7539037	79	325	-60
BWRC1305	702607	7538967	79	325	-60
BWRC1306	702629	7538939	100	323	-60
BWRC1307	702932	7538982	133	325	-60
BWRC1308	702965	7538926	120	325	-55
BWRC1309	702980	7538900	60	325	-60
BWRC1310	702275	7538713	114	325	-60
BWRC1311	702858	7539115	168	323	-60
BWRC1312	702592	7538997	102	325	-60
BWRC1313	702425	7538878	100	325	-60
BWRC1314	702258	7538744	120	325	-60
BWRC1315	702000	7538610	90	325	-60
BWRC1316	702100	7538435	120	325	-60
BWRC1317	702344	7538602	126	325	-60
BWRC1318	701751	7538453	126	325	-60
BWRC1319	701849	7538283	156	325	-60
BWRC1320	701577	7538148	180	328	-60
BWRC1321	701478	7538313	126	328	-60
BWRC1322	701268	7538273	90	333	-60
BWRC1323	701292	7538215	170	333	-60
BWRC1324	701317	7538157	150	333	-60
BWRC1325	701340	7538100	150	333	-60
BWRC1326	701365	7538040	216	333	-60
BWRC1327	701035	7538072	184	333	-60
BWRC1328	701044	7537928	204	333	-60
BWRC1329	700634	7537974	126	333	-60
BWRC1330	700690	7537828	180	333	-55
BWRC1331	701027	7537975	144	333	-60
BWRC1332	700741	7537865	162	333	-60
BWRC1333	702682	7538843	96	325	-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 licenced surveyor using 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 eU_3O_8 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.