ANNUAL REPORT ERLs 46-55

BIGRLYI PROJECT

PERIOD ENDING 17 NOVEMBER, 2008

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SUMMARY

The Bigrlyi project comprises ten granted Exploration Retention Licences (ERL’s 46 to 55 inclusive) located 390 kilometres (by road) northwest of Alice Springs. The project is a Joint Venture between Energy Metals Limited with 53.3% (operator), Valhalla Uranium (a subsidiary of Paladin Resources Ltd) with 41.7% and Southern Cross Exploration NL with 5%.

Uranium mineralisation was discovered at Bigrlyi by a joint venture managed by Central Pacific Minerals (CPM) in 1973. In the period 1974 to 1982 the project was subject to several major drilling campaigns, with some 413 holes (total 37,500m) completed. Subsequent to 1982 CPM completed metallurgical testing and resource calculations, with a global resource of 809,000 tonnes at 3.43 kg/t U₃O₈ for 2,770 tonnes of contained U₃O₈ delineated at Bigrlyi (note that these resources are not JORC 2004 compliant). Field activities conducted in the period 1983 to 2004 were limited to maintenance of the core shed.

In May 2005 Energy Metals acquired a 53.3% interest in, and assumed management of, the Bigrlyi project through the purchase of the interests of CPM and Yuendumu Mining Company NL. In September 2005 Energy Metals listed on ASX after raising $3m, primarily to fund exploration at Bigrlyi.

In October 2005 the Bigrlyi Joint Venture approved an interim Exploration Program and Budget for 2005 designed to reactivate exploration at Bigrlyi after a 23 year hiatus. Activities completed to 17 November 2005 included environmental assessment of the project, rehabilitation of the core shed (including removal of degraded percussion samples and pulps) and installation of appropriate radiation monitoring procedures. Re-assaying of uranium (and vanadium) anomalous drill core also commenced towards the end of the period.

Activities undertaken in the period 18 November 2005 to 17 November 2006 included re-establishment of the exploration camp, validation of historic drilling and assay data, conversion of historic data to digital format, survey of historic drill holes and lease boundaries, re-assaying of historic drill core, calculation of initial (JORC 2004 compliant) resources for the project, completion of an aboriginal heritage survey over the project area and completion of shallow drilling programs (58 holes for 1,173m).

Exploration undertaken in the following period 18 November 2006 to 17 November 2007 included:

- Significant infrastructure additions to the Bigrlyi exploration camp
- Completion of 4,506m of RC and 4,053m of diamond drilling in 37 holes in 2006
- Completion of 42,827m of RC and 11,172m of diamond drilling in 279 holes in 2007
- Collar survey of new holes
- Assaying of core and RC chips for U and V
- Completion of down hole gamma probing
- Calculation of JORC compliant resource estimate in March 2007
- Completion of an initial economic study based on the March 2007 resource estimate

This major drill program (RC and diamond) was designed to increase the resource base at Bigrlyi and commenced in April 2007. The program continued until the end of the field season (mid-December 2007).

Exploration undertaken in the current reporting period 18 November 2007 to 17 November 2008 included:

- Infrastructure additions to the Bigrlyi exploration camp
- Completion of 42,827m of RC and 11,172m of diamond drilling in 279 holes in 2007
• Completion of 15,413m of RC drilling and 972m of diamond drilling in 96 holes in 2008
• Collar survey of new holes
• Assaying of core and RC chips for U and V
• Completion of down hole gamma probing
• Calculation of updated JORC compliant resource estimate in March 2008
• Metallurgical testwork, focussed on leach parameters and acid consumption
• Completion of an updated scoping study based on the March 2008 resource estimate
• Helicopter EM survey

The drilling program (RC and diamond), designed to infill and extend the current resource base and for metallurgical testwork, at Bigrlyi commenced in September 2008 and continued until the end of the field season (mid-December 2008).

Expenditure for the current reporting period was approximately $4,076,770.

INTRODUCTION

The Bigrlyi project is located 390 kilometres (by road) northwest of Alice Springs (Fig 1). The uranium (and vanadium) mineralisation at Bigrlyi was discovered in 1973 and since then most exploration effort has been uranium-oriented, although the vanadium potential of the project was re-appraised in the early 1990’s. The geology and mineralisation at the project is described by Fidler et al. (1990).

ERL’s 46-55 were granted on 18 November 1988 and were renewed in 2003 by the Northern Territory Department of Regional Development, Primary Industry, Fisheries and Resources (DRDPIFR) for a period of five years (Fig 2). The tenements were granted a further renewal of 5 years in 2008.

Figure 1: Location of the Bigrlyi Project (NT).
PREVIOUS WORK (1974 - 2006)

Resource Calculations and Metallurgical Test Work

The Bigrlyi project was the subject of a sectional resource estimate by CPM in 1983 and a total uranium resource for Bigrlyi of 0.8 Mt averaging 3.43 kg/t $U_3O_8$ for 2,770 tonnes of contained $U_3O_8$ was delineated (Table 1). This included 127,000t averaging 4.19 kg/t $U_3O_8$ at Anomaly 15 and 420,000t averaging 3.53 kg/t $U_3O_8$ at Anomaly 15 extended (now collectively referred to as Anomaly 15).

Table 1: Summary of Historic Uranium Resources

<table>
<thead>
<tr>
<th>Resource Classification</th>
<th>Tonnes (000's)</th>
<th>Grade (kg/t $U_3O_8$)</th>
<th>$U_3O_8$ (Tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>587</td>
<td>3.72</td>
<td>2 180</td>
</tr>
<tr>
<td>Indicated</td>
<td>193</td>
<td>2.52</td>
<td>485</td>
</tr>
<tr>
<td>Inferred</td>
<td>29</td>
<td>3.61</td>
<td>105</td>
</tr>
<tr>
<td>TOTAL</td>
<td>809</td>
<td>3.43</td>
<td>2 770</td>
</tr>
</tbody>
</table>

Rounding may cause computational discrepancies

A geostatistical study of the Anomaly 15 mineralisation (including the former Anomaly 15 Extended...
prospect) was completed during 1997/1998 (Pope, 1997, 1998). Geological block models were constructed for Anomaly 15, constrained to significantly mineralised horizons and ordinary kriging used for block grade interpolation.

The in situ uranium resource at Anomaly 15 was estimated at 623,400 tonnes at an average grade of 3.21 kilograms $U_3O_8$ per tonne based on a block grade cutoff of 2000ppm $U_3O_8$ (2.0 kg/t). The total resource was classified according to the JORC Code (at that time, AusIMM, 1996) into measured and indicated categories.

In late 2005 and for the first 4 months of 2006, historical data and results from the re-assaying program were validated and incorporated into a new digital database, with resource consultants Hellman and Schofield (“H&S”) providing independent advice on modeling methods, geostatistics and wireframe modeling of the mineralization domains.

Wireframe models were constructed using 100ppm U3O8 and 500ppm V2O5 contours. Resources calculated by H&S using ordinary kriging are summarised below at various cut-off grades:

<table>
<thead>
<tr>
<th>Cut Off (%)</th>
<th>Tonnes</th>
<th>$U_3O_8$ (%)</th>
<th>$V_2O_5$ (%)</th>
<th>$U_3O_8$ (Kt)</th>
<th>$V_2O_5$ (Kt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.20</td>
<td>655,000</td>
<td>0.33</td>
<td>0.28</td>
<td>2.15</td>
<td>1.80</td>
</tr>
<tr>
<td>0.15</td>
<td>1,067,000</td>
<td>0.27</td>
<td>0.25</td>
<td>2.86</td>
<td>2.71</td>
</tr>
<tr>
<td>0.10</td>
<td>1,835,000</td>
<td>0.21</td>
<td>0.22</td>
<td>3.80</td>
<td>3.99</td>
</tr>
<tr>
<td>0.05</td>
<td>3,763,000</td>
<td>0.14</td>
<td>0.17</td>
<td>5.6</td>
<td>6.3</td>
</tr>
</tbody>
</table>

The resources were estimated using ordinary kriging by Hellman & Schofield Pty Ltd (“H&S”) and are shown at various cut-off grades. Energy Metals, however, considers that the 0.05% lower cut-off grade best approximates the economic cut-off grade considering the style (sandstone hosted roll-front), comparison with other operations and location of the resources. Most of the resources lie within 200m of the surface and are considered potentially accessible via open-pit mining.

The resource estimates are based on the interpretation of 459 historic drill holes consisting of 222 percussion and 237 pre-collared diamond holes. Drill holes are nominally spaced at between 20-50m along strike in the main resource areas of Anomalies 15, 2, 4 and 7 increasing to nominal 200m spacing in peripheral areas. Assays were derived from predominantly chemical methods (XRF) in significant ore zones, and calibrated radiometric methods in surrounding and less significant zones.

Wireframe models were digitized on north-south cross sections using an approximate 100ppm ($U_3O_8$) and an approximate 500 ($V_2O_5$) boundary to model multiple mineralised lenses outcropping at surface. The lenses generally occur on or near the boundary of Mt Eclipse Sandstone Units B and C and Units C and D within the entire prospect area. Up to 4 separate lenses have been modeled at individual deposit areas (Anomaly 4 and 7) - these lenses are generally narrow (true width 2-5m) and strike east west. Dips of the mineralised lenses are sub vertical to overturned and predominantly dip south at 70-88 degrees. The modeled block dimensions are 15m along strike, 15m down dip and 2m width. These have been chosen to best reflect the geometry of the mineralisation.
As already noted, the vanadium potential of the Bigrlyi project has been largely over-shadowed by that of uranium. However, routine analysis for vanadium was carried out in the early part of exploration program and initial extraction tests that were done in 1976 and 1978 included vanadium. The 1978 program also included preliminary physical concentration testwork.

Despite no vanadium resources having been calculated at Bigrlyi a review of the vanadium potential of the uranium resource was made in 1990 (Fidler, 1990). It was concluded that under the then prevailing economic conditions, vanadium was approaching being mineable in its own right (excluding non-economic complications). Extraction tests were completed in 1991, 1992 and 1993 (Fidler, 1992a & 1992b) together with leach-residue studies (Pope, 1994) and identification of vanadium and uranium distribution in mineral using electron microprobe (Pope 1995).

In the primary zone uranium was found to occur exclusively as uraninite, whereas the vanadium occurred as montroseite or a similar oxide occurring both as aggregates and cement, and a vanadium-bearing aluminium silicate that was tentatively identified as vanadium-bearing nontronite clay iron-rich, commonly green clay of the smectite group). A vanadium-bearing illite was also identified. New samples are now routinely assayed for vanadium.

**Regional Geophysics Datasets**

Airborne magnetic and radiometric data covering the Bigrlyi project were gridded on a 100m grid for total magnetic intensity (TMI) and total radiometric count (TC). The grids were imported into ERMapper and displayed as pseudocolour images.

**Database Compilation**

Compilation of a drillhole and assay dataset for the Bigrlyi project was initiated in 1997 as part of the geostatistical study of the Anomaly 15 deposit. This dataset has been progressively expanded with drillhole collar and assay data for Anomaly 4/5 compiled during 2002; data from Anomaly 6, 7 & 8 added during 2003 and data from the intervening drilling between Anomaly 8 (in the west) and Anomaly 14 (in the east) entered in 2004.

Drillhole collar locations were recorded in prospect grid coordinates and prospect relative level (a detailed survey will be required to tie the prospect grid to the GDA datum). Drillhole collar attitude, depression and azimuth (grid) were recorded together with the drillhole total depth information. Most drillholes had been surveyed downhole during drilling and the drillhole attitudes were recorded by depth in a survey file.

To date a total of 301 drillholes, 584 survey records, 725 assays and more than 180 radiometric grades have been compiled. All the data files were imported into a spreadsheet format for future use. This work was compiled by Resolute Limited.

Energy Metals received the first tranche of exploration data from previous managers CPM (mainly comprising geological plans and the drillhole database referred to above) in May 2005. These data were reviewed, 1:2,000 scale geological plans were scanned and digitised and GDA coordinates for a number of holes were located in the field using a conventional GPS (accuracy 5-10 metres), enabling historical data (local grid base) to be merged with previously acquired regional datasets.

Approximately 80 archive boxes of historical reports from Bigrlyi were retrieved from storage and catalogued, with all relevant drill hole data (459 holes) and geochemical assay data (7,398 records) validated and captured digitally. All radiometric logging data were entered and composited from 0.1m to 0.5m intervals; assay data were standardised and ranked to output preferred U_3O_8 assay; text geology was entered for all holes and detailed geology plans scanned.
Radiation Monitoring and Audit

Radiation expert Mark Sonter was engaged to undertake an audit of the Bigrlyi project (in particular the core shed and surrounding area) and to provide specialist advice on radiation management. Early November 2005 Mr Sonter conducted a site visit and installed monitoring equipment and inducted field personnel as well as preparing a Radiation Management Plan (RMP) outlining procedures to minimise radiation risk at Bigrlyi.

Surveying

Licenced surveyors BBS Surveys completed pick-ups of the ERL boundaries, drill holes and local grid to allow accurate transformations of historic data including drill holes and geological mapping.

Re-Assaying of Historic Drillcore

Core from drilling undertaken in the 1970 – 1980’s continued to be rehabilitated during the period prior to check assaying. By way of background most anomalous intervals from holes drilled in the period 1974 to 1975 were both geochemically assayed and surveyed in-hole using a radiometric probe to estimate uranium values (referred to eU3O8 values). However post 1975 only high grade intercepts were routinely assayed with most uranium values estimated from downhole radiometric logging. This technique was unable to estimate the levels of vanadium present.

Moderately mineralised drill core (approximately 1,600 samples from 56 holes) not previously subject to geochemical assay was cut and submitted for analysis for both uranium and vanadium. Although the intervals are not completely identical the uranium assays recorded from this work compared very favourably with uranium levels previously estimated from radiometric logging (eU3O8 values) eg:

BPD-318 2.0m @ 2.99% U3O8 from 125.5m (vs. 2.0m @ 2.14% historically)
BPD-320 8.5m @ 2.17% U3O8 from 132m (vs.11.8m @ 0.99% historically)
BPD-321 2.0m @ 4.00% U3O8 from 135m (vs. 2.9m @ 1.06% historically)
BPD-350 5.0m @ 1.00% U3O8 from 178.5m (vs. 4.3m @ 0.99% historically)
BPD-395 2.5m @ 1.80% U3O8 from 142.7m (vs. 3.3m @ 1.22% historically)

In addition the re-assaying program recorded significant vanadium values accompanying, and surrounding, the uranium mineralisation eg:

BPD-321 40.0m @ 1.18% V2O5 from 112m
BPD-410 9.5m @ 0.92% V2O5 from 61.5m
BPD-411 25.0m @ 0.92% V2O5 from 150m

Preliminary metallurgical test work undertaken in the 1990’s indicated that approximately 98-99% of the uranium and 70% of the vanadium can be recovered by acid leach. The extent of this zone of vanadium mineralisation needs to be further quantified; however it is likely that economically significant vanadium credits will be developed outside of the current resource envelope.
Table 3 – Significant Intercepts From Re-assaying Program

<table>
<thead>
<tr>
<th>DEPOSIT</th>
<th>HOLE</th>
<th>INTERVAL</th>
<th>INTERCEPT</th>
<th>U₃O₈ (%)</th>
<th>U₃O₈ (lbs/t)</th>
<th>V₂O₅ (%)</th>
<th>HISTORIC eU₃O₈ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPD-317</td>
<td>102 - 103.5m</td>
<td>1.5m @</td>
<td>0.13</td>
<td>2.4</td>
<td>0.19</td>
<td>1m @ 0.24 from 102.3m</td>
<td></td>
</tr>
<tr>
<td>BPD-318</td>
<td>119.5 –121m</td>
<td>1.5m @</td>
<td>0.08</td>
<td>24.2</td>
<td>1.00</td>
<td>2.6m @ 0.96 from 118.2m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>125 - 129.5m</td>
<td>4.5m @</td>
<td>1.54</td>
<td>34.5</td>
<td>0.27</td>
<td>4.5m @ 1.16 from 124.3m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>incl. 125.5 - 127.5m</td>
<td>2.0m @</td>
<td>2.99</td>
<td>67.0</td>
<td>0.45</td>
<td>2m @ 2.14 from 124.8m</td>
<td></td>
</tr>
<tr>
<td>BPD-320</td>
<td>132 - 140.5m</td>
<td>8.5m @</td>
<td>2.17</td>
<td>49.4</td>
<td>0.49</td>
<td>11.8m @ 0.99 from 128.4m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>incl. 135 - 137m</td>
<td>2.0m @</td>
<td>4.18</td>
<td>95.2</td>
<td>0.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BPD-321</td>
<td>112 - 152m</td>
<td>40.0m @</td>
<td>0.31</td>
<td>6.8</td>
<td>1.18</td>
<td>40m @ 0.26 from 112m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>incl. 135 - 137m</td>
<td>2.0m @</td>
<td>4.00</td>
<td>88.2</td>
<td>1.12</td>
<td>2.9m @ 1.06 from 134m</td>
<td></td>
</tr>
<tr>
<td>BPD-340</td>
<td>58 – 77.5m</td>
<td>19.5m @</td>
<td>0.14</td>
<td>2.5</td>
<td>0.85</td>
<td>18.9m @ 0.16 from 57.7m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>incl. 58.5 – 69.5m</td>
<td>11.0m @</td>
<td>0.22</td>
<td>4.0</td>
<td>0.46</td>
<td>11.5m @ 0.24 from 57.7m</td>
<td></td>
</tr>
<tr>
<td>BPD-344</td>
<td>129 –130m</td>
<td>1.0m @</td>
<td>1.24</td>
<td>23.1</td>
<td>0.89</td>
<td>1.2m @ 0.86 from 129m</td>
<td></td>
</tr>
<tr>
<td>BPD-345</td>
<td>157 – 157.5m</td>
<td>0.5m @</td>
<td>1.18</td>
<td>22.0</td>
<td>0.46</td>
<td>1.4m @ 0.86 from 156.3m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>171.5 –176.5m</td>
<td>5.0m @</td>
<td>0.49</td>
<td>9.1</td>
<td>1.23</td>
<td>5.1m @ 0.56 from 171m</td>
<td></td>
</tr>
<tr>
<td>BPD-349</td>
<td>147 – 151.5m</td>
<td>4.5m @</td>
<td>0.44</td>
<td>8.2</td>
<td>0.44</td>
<td>4.9m @ 0.38 from 146.8m</td>
<td></td>
</tr>
<tr>
<td>BPD-350</td>
<td>178.5 - 183.5m</td>
<td>5.0m @</td>
<td>1.00</td>
<td>22.9</td>
<td>0.35</td>
<td>4.3m @ 0.89 from 179.9m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>incl. 178.5 - 181.5m</td>
<td>3.0m @</td>
<td>1.69</td>
<td>38.5</td>
<td>0.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BPD-351</td>
<td>159 – 161m</td>
<td>2.0m @</td>
<td>1.01</td>
<td>18.8</td>
<td>2.41</td>
<td>3.8m @ 0.61 from 157m</td>
<td></td>
</tr>
<tr>
<td>BPD-369</td>
<td>160.5 –163m</td>
<td>1.5m @</td>
<td>0.43</td>
<td>8.1</td>
<td>0.04</td>
<td>2.3m @ 0.50 from 159m</td>
<td></td>
</tr>
<tr>
<td>BPD-381</td>
<td>56 – 66.5m</td>
<td>10.5m @</td>
<td>0.45</td>
<td>8.4</td>
<td>1.46</td>
<td>10m @ 0.51 from 57m</td>
<td></td>
</tr>
<tr>
<td>BPD-394</td>
<td>279 – 283.5m</td>
<td>4.5m @</td>
<td>0.43</td>
<td>8.0</td>
<td>0.55</td>
<td>4.1m @ 0.39 from 279.1m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>incl. 280.5 – 283m</td>
<td>2.5m @</td>
<td>0.73</td>
<td>13.6</td>
<td>0.83</td>
<td>2.4m @ 0.48 from 279.4m</td>
<td></td>
</tr>
<tr>
<td>BPD-395</td>
<td>136 - 140.5m</td>
<td>4.5m @</td>
<td>0.53</td>
<td>12.1</td>
<td>1.04</td>
<td>5.5m @ 0.56 from 134.8m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>143.5 - 146m</td>
<td>2.5m @</td>
<td>1.80</td>
<td>41.0</td>
<td>1.28</td>
<td>3.3m @ 1.22 from 142.7m</td>
<td></td>
</tr>
<tr>
<td>BPD-403</td>
<td>75 - 80m</td>
<td>5.0m @</td>
<td>0.15</td>
<td>3.4</td>
<td>0.17</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>incl. 78.5 - 80m</td>
<td>1.5m @</td>
<td>0.48</td>
<td>10.7</td>
<td>0.10</td>
<td>2m @ 0.91 from 78m</td>
<td></td>
</tr>
<tr>
<td>BPD-408</td>
<td>49 - 53.5m</td>
<td>4.5m @</td>
<td>0.20</td>
<td>4.5</td>
<td>0.29</td>
<td>4m @ 0.20 from 49m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>incl. 50 - 53.5m</td>
<td>3.5m @</td>
<td>0.25</td>
<td>5.5</td>
<td>0.33</td>
<td>3m @ 0.27 from 50m</td>
<td></td>
</tr>
<tr>
<td>BPD-410</td>
<td>61.5 - 71m</td>
<td>9.5m @</td>
<td>0.01</td>
<td>0.6</td>
<td>0.92</td>
<td>5m @ 0.02 from 66m</td>
<td></td>
</tr>
<tr>
<td>BPD-411</td>
<td>150 - 175m</td>
<td>25.0m @</td>
<td>0.18</td>
<td>4.0</td>
<td>0.93</td>
<td>22m @ 0.18 from 150m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>incl. 159.5 - 171m</td>
<td>11.5m @</td>
<td>0.23</td>
<td>5.2</td>
<td>1.72</td>
<td>11.5m @ 0.22 from 159.5m</td>
<td></td>
</tr>
<tr>
<td>BPD-412</td>
<td>39 - 40m</td>
<td>1.0m @</td>
<td>1.02</td>
<td>22.8</td>
<td>0.16</td>
<td>1m @ 0.60 from 39m</td>
<td></td>
</tr>
<tr>
<td>BPD-413</td>
<td>92.5 - 93.5m</td>
<td>1.0m @</td>
<td>1.00</td>
<td>22.4</td>
<td>0.27</td>
<td>1m @ 0.90 from 92.5m</td>
<td></td>
</tr>
<tr>
<td>BPD-418</td>
<td>164 - 170.5m</td>
<td>6.5m @</td>
<td>0.04</td>
<td>1.0</td>
<td>0.95</td>
<td>6.5m @ 0.04 from 164m</td>
<td></td>
</tr>
</tbody>
</table>
Site Works

Rehabilitation of the core shed area commenced on receipt of the RMP and installation of radiation monitoring equipment. Work completed during the period included disposal of degraded percussion samples and pulps and remarking of some core trays and blocks. The area surrounding the core shed was cleared to allow installation of security fencing. The major access tracks at Bigrlyi were also graded late in the period.

In 2006, rehabilitation of the core shed area continued. A security fence was erected around the area and safety placards posted in prominent positions. A 25 person exploration camp comprising caravans and transportable units was established adjacent to the core shed, with both the core shed and camp plumbed to septic tanks.

Drilling

Some 58 aircore and RC holes were drilled at Bigrlyi in the period December 2005 to June 2006. These holes were drilled to test a variety of shallow targets located between Anomalies 3 and 15.

Thirteen angled hammer aircore holes (total 650 metres) were drilled at Bigrlyi mid December 2005. Eleven holes (BAC-01 to BAC-11) were drilled as 3 traverses to test a radon geochemical anomaly located east of the Anomaly 15 deposit, with 2 holes (BAC-12 & BAC-13) collared on the
northern edge of the deposit. Weakly anomalous uranium and vanadium values were recorded from two holes (refer below)

Table 4 – Significant Intercepts from 2006 Air-core Drilling

<table>
<thead>
<tr>
<th>HOLE</th>
<th>INTERVAL (m)</th>
<th>INTERCEPT</th>
<th>U₃O₈ ppm</th>
<th>V₂O₅ ppm</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAC-09</td>
<td>45-50 (EOH)</td>
<td>5m</td>
<td>157</td>
<td>643</td>
</tr>
<tr>
<td>BAC-13</td>
<td>0-5</td>
<td>5m</td>
<td>189</td>
<td>268</td>
</tr>
</tbody>
</table>

A further 45 RC holes (1,123m) were drilled in June 2006. This drilling was designed to test shallow targets (maximum hole depth of 43m) developed at Anomalies 3, 4, 7, 8 & 15, in areas where limited drilling has been carried out previously. Most holes were logged using a down hole radiometric probe with samples from anomalous intervals also submitted for geochemical assaying. Anomalous uranium values were recorded from 5 holes (see below):

Table 5 – Significant Intercepts from 2006 RC Drilling

<table>
<thead>
<tr>
<th>DEPOSIT</th>
<th>HOLE</th>
<th>INTERVAL</th>
<th>INTERCEPT</th>
<th>eU₃O₈ (ppm) probe</th>
<th>U₃O₈ (ppm) assay</th>
<th>V₂O₅ (ppm) assay</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>BRC025</td>
<td>10 - 11m</td>
<td>1m @</td>
<td>1719</td>
<td>3090</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td>BRC026</td>
<td>22 - 24m</td>
<td>2m @</td>
<td>No Probe</td>
<td>212</td>
<td>152</td>
</tr>
<tr>
<td></td>
<td>BRC028</td>
<td>38 - 41m</td>
<td>3m @</td>
<td>No Probe</td>
<td>600</td>
<td>250</td>
</tr>
<tr>
<td>4</td>
<td>BRC044</td>
<td>39 - 40m</td>
<td>1m @</td>
<td>No Probe</td>
<td>177</td>
<td>855</td>
</tr>
<tr>
<td>15</td>
<td>BRC045 incl.</td>
<td>3 - 9m</td>
<td>6m @</td>
<td>976</td>
<td>683</td>
<td>1116</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 - 5m</td>
<td>2m @</td>
<td>2080</td>
<td>1513</td>
<td>2660</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10 - 11m</td>
<td>1m @</td>
<td>517</td>
<td>200</td>
<td>718</td>
</tr>
</tbody>
</table>

Major differences between the uranium values estimated from down hole radiometric surveys (eU₃O₈) and geochemical assays from the same interval (U₃O₈) were common, suggesting there is significant radiometric disequilibrium in the near surface environment (0 to 30m vertical depth). Uranium is extremely mobile in weathered environments and the recognition of the potential for near-surface depletion (and supergene enrichment) at Bigrlyi has implications for exploration in the area.

Following completion of the resource calculations in July 2006 a drilling program (RC and diamond) was conducted. This program commenced late October 2006 and by 17 November 2006 44 holes had been completed, comprising 16 RC holes and 28 diamond holes (26 with RC pre-collars).
PREVIOUS WORK - 2007

A summary of the 2007 program is detailed below with full drill data included in the accompanying data DVD.

Site Works

Construction of the exploration camp continued during in this period and culminated in a base camp for 25-30 people. Transportable units were purchased by the company and positioned and wired up with underground power. The core shed and camp are plumbed into septic tanks. A drainage system designed to separate potentially uranium contaminated water has been made.

During this period a telecommunications tower was erected enabling normal phone and fax use from the base camp. The camp also has satellite broadband internet.

Surveying

Licenced surveyors BBS Surveys completed collar pick up of all 2007 drilling.

Resource Estimations and Economic Studies

No resource estimations were completed during this period. The 2006 resource model, as described in the “PREVIOUS WORK (1974 – 2006)” Section, was used to compile a preliminary scoping study on the economics of the deposits for uranium and vanadium mining and processing on site. Full data is included in the 2007 Annual Report.

Highlights of the Scoping Study include:

- Production of 8.43Mlb of U₃O₈ and 6.97Mlb of V₂O₅ over 8 year Mine Life from 2.73Mt ROM ore
- Conventional acid leach and solvent extraction
- 2007 drilling program expected to augment resource and enhance Project economics significantly
- Project economics still positive at lower uranium prices

Assumptions used for the Initial Scoping Study include uranyl peroxide (U₃O₈) price of US$100 per lb, a vanadium pentoxide (V₂O₅) price of US$4 per lb and an Australian dollar rate of US$0.83. Other key assumptions include a treatment rate of 0.5Mt per annum and U₃O₈ and V₂O₅ metallurgical recoveries of 95% and 70% respectively.

Eight optimal pit shells were identified for pit design and associated physicals estimation. Scheduled ROM tonnages are estimated assuming dilution and recovery of 5% and 95% respectively. Due to the relatively narrow width of resource lenses a high degree of mining selectivity is envisaged in order to minimise dilution. In summary the consolidated open pits deliver total ROM ore of 2.08Mt @ 1,598ppm U₃O₈ and 1,658ppm V₂O₅, containing 7.33Mlb of U₃O₈ and 7.60Mlb of V₂O₅.

The Initial Scoping Study assessed resource exploitation below conceptual pit designs using conventional decline access and stoping methodologies. The principal stoping methods chosen for Bigrlyi is Bench and Uphole Retreat stoping. A minimum mining width of 4m has been nominated. Consolidated underground physicals for underground operations include: ROM ore hoist 648kt @ 1,078ppm U₃O₈ and 1,642ppm V₂O₅, and contained U₃O₈ and V₂O₅ of 1.54Mlb and 2.35Mlb.
Indicative mine scheduling based on likely mining fleet capacity and target mill throughput suggests a mine life of 8 years. Key features of this schedule include:

- Life-of-Mine ROM ore production of 2.73Mt @ 1,474ppm U$_3$O$_8$ and 1,654ppm V$_2$O$_5$, of which 76% is sourced from open pit operations;
- Achievement of treatment plant name plate throughput in the second year of mine operations; and,
- Commencement of underground development and completion of open pit activity in the third and fifth years of mine operations respectively.

A reduction in treatment throughput occurs in the sixth year of mine life with transition to plant feed sourced from underground operations only. The report envisages up to five open pits being mined concurrently. Achievement of material movement rates will require a flexible mining fleet and detailed attention to mine scheduling.

Historic metallurgical testwork has indicated the amenability of the Bigrlyi ore types to sulphuric acid leaching at fine grind sizes. The Initial Scoping Study assumes that acid leaching will be employed, followed by conventional solvent extraction and precipitation of yellow cake (U$_3$O$_8$) and vanadium pentoxide (V$_2$O$_5$) products. The limited metallurgical test work undertaken so far indicates high acid consumptions which have been incorporated into the scoping study costs.

Site capital costs (determined to a nominal accuracy of ±30%) are estimated by MPC to be in the order of $70 million. This includes the treatment plant, tailings handling and EPCM costs but excludes mine development capital and surface mining infrastructure.

**Mineralisation Studies**

Fop Vanderhor of Davis & Vanderhor Geological Consultants completed a brief study into the structural geology at Bigrlyi. The study looked at a small selection of core both recent and historic at the Bigrlyi core yard over a 10 day period. Data is included in the 2007 Annual Report.

**NI 43-101**

For the purpose of listing requirements of the Joint Venture partner Paladin Energy Limited a NI 43-101 first time resources document was produced by Hellman and Schofield Geological Consultants. Data is included in the 2007 Annual Report.

**Geotechnical Studies**

As part of the initial economic study some preliminary analysis, by Peter O’Bryan & Associates, was completed to provide geotechnical assumptions for pit optimisation and underground design work. Data is included in the 2007 Annual Report.

**Drilling**

Prior to the completion of the 2006 field season an RC and diamond drill program was undertaken to extend known resources. After long delays in securing suitable drill rigs an RC rig arrived on site in late October. Later in the year a two diamond rigs were mobilised to complete diamond tails and diamond holes from surface where access was restricted.

By the end of the 2006 the company had completed 52 holes for 11,508.5m comprising 5,839m RC and 5,669.5m of NQ2 diamond core. The program was abandoned in mid December due to the onset of the wet season. Numerous anomalous and significant intervals of mineralisation were
intersected. These intercepts extended known resources and gave the company a better understanding of the geology. Main drill targets investigated included the important Unit C/D contact and B/C contact. A significant increase in resources was estimated in early 2007 (see “Previous Work (1974 – 2006)” Section).

For the 2007 field season one RC and one diamond rig were mobilised to site in April. At the completion of the field season (early December 2007), some 279 holes for 53,999.2m were drilled on the Bigrlyi Project. This total comprised 42,827m of RC and 11,172.2m of diamond drilling. Approximately 75% of the holes drilled in the 2007 program intersected anomalous or significant mineralisation.

All 2007 data files including drill hole collar survey, downhole survey, down hole assays, down hole geology and down hole probe are included on the accompanying data dvd.

WORK PROGRAM 2008

Site Works

Progressive improvements were made to the Bigrlyi base camp in the 2008 year including development and increased storage capacity of the core shed, further accommodation installed emphasis on safety equipment (e.g. firefighting equipment) and increased focus on OH&S requirements.

Resource Modeling and Estimation

In early 2008 resource estimation was undertaken by independent geological consultants Hellman & Schofield, incorporating the results from the 274 holes drilled in the 2007 field season, to build on the previous Bigrlyi resource announced in March 2007.

Table 6 - Current Indicated and Inferred Resources (at 500ppm U₃O₈ cut off)

<table>
<thead>
<tr>
<th>Resource Category</th>
<th>Tonnes</th>
<th>U₃O₈ (ppm)</th>
<th>V₂O₅ (ppm)</th>
<th>U₃O₈ (Kt)</th>
<th>V₂O₅ (Kt)</th>
<th>U₃O₈ (Mlb)</th>
<th>V₂O₅ (Mlb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated</td>
<td>2,330,600</td>
<td>1,739</td>
<td>2,429</td>
<td>4,053</td>
<td>5,660</td>
<td>8.94</td>
<td>12.48</td>
</tr>
<tr>
<td>Inferred</td>
<td>5,230,990</td>
<td>1,250</td>
<td>2,705</td>
<td>6,537</td>
<td>14,149</td>
<td>14.41</td>
<td>31.19</td>
</tr>
</tbody>
</table>

Tonnes are metric (2204.62 pounds).

The resources were estimated using ordinary kriging by Hellman & Schofield Pty Ltd (“H&S”) and are shown at a 500ppm U₃O₈ lower cut-off grade.

At a cut-off grade of 500ppm U₃O₈ the Bigrlyi resource now totals **23.4 million pounds (lbs) of U₃O₈** and **43.7 million lbs of V₂O₅**, representing a **64% increase in uranium** and a **168% increase in vanadium** compared with the March 2007 resource of 4.53Mt at a grade of 1,437ppm for 14.3 million pounds U₃O₈.
The resource estimates were jointly compiled by Energy Metals and H&S. Energy Metals completed digital data compilation, validation, QA/QC and sample quality assessment and geological interpretations. H&S completed independent resource estimates, as well as providing advice on modeling methods, geostatistics and wireframe modeling of the mineralisation domains. At the 500ppm U₃O₈ cut-off grade H&S report 31% of the resource tonnage and 38% of the contained uranium metal (or 4.05 Kt U₃O₈) to the Indicated Resource category.

The resource estimates are based on the interpretation of 459 historic drill holes (222 percussion and 237 pre-collared diamond holes) and 320 holes (233 percussion and 87 pre-collared diamond holes) drilled by Energy Metals between October 2006 and November 2007. Drill holes are spaced at between 20-50m along strike in the main resource areas of Anomalies 15, 4, 7 and 2. This increases to nominal 100m at Anomaly 3 and 200-400m in peripheral areas. Assays were derived from predominantly chemical methods (XRF) in all holes drilled by Energy Metals, and reassayed historic diamond holes. Calibrated radiometric assay methods were used in historic percussion holes.

Wire frame models were digitized on north-south cross sections using an approximate 100ppm (U₃O₈) and an approximate 500ppm (V₂O₅) boundary to model multiple mineralised lenses outcropping at surface. The lenses generally occur within mineralised horizons within the Mt Eclipse Sandstone. The two major horizons are located at the contacts of the Units B and C and Units C and D. Additional horizons at Anomalies 4, 7 and 15 are seen within Units D and B. The mineralised lenses are generally narrow (true width 2-5m) and strike east-west. Dips of the mineralised lenses are sub vertical and predominantly dip south at 70-88 degrees. The modeled block dimensions are 15m along strike, 15m down dip and 2m width. These have been chosen to best reflect the geometry of the mineralisation.

The full report is available in the Appendices on the accompanying data DVD.

**Metallurgical Testwork**

The current resource at Bigrlyi (March 2008) totals **23.4 million pounds (lbs) of U₃O₈ and 43.7 million lbs of V₂O₅** (500ppm U₃O₈ cut-off grade) with good potential to further increase the resource, both at depth and along strike.

An Initial Scoping Study completed in November 2007 and based on the now superseded March 2007 resource (14.3M lbs U₃O₈ and 16.3M lbs V₂O₅) indicated the Bigrlyi Project has the potential to produce 8.4M lbs of U₃O₈ and 7.0M lbs of V₂O₅ over a mine life of 8 years.

Metal recoveries and acid consumption rates used in the Initial Scoping Study were based on historic metallurgical testwork which recorded recoveries of up to 95% uranium and 70% vanadium on finely ground ore with relatively high acid consumption (approximately 70% of total consumable costs). Most of this testwork was undertaken on samples from the Anomaly 15 deposit (comprises 31% of the current Bigrlyi resource); with no testwork undertaken on the Anomaly 4 deposit (comprises 59% of current resource).

A 200kg sample of crushed, mineralised material from Anomaly 4 was submitted to the Australian Nuclear Science and Technology Organisation (ANSTO) early 2008. Mineralogical analysis on this sample confirmed that major uranium bearing minerals are uraninite and coffinite, and the major vanadium bearing mineral is nolanite. ANSTO further prepared the sample to obtain 3 size fractions (grind sizes) for leach testing viz. fine (P₈₀ -76 m), medium (P₈₀ -173 m) and coarse (P₈₀ -285 m).
Dilute leach tests on pulverised samples determined the upper limits of extraction under typical plant leaching conditions as 99% for uranium and 78% for vanadium, whilst base case acid leach tests (pH 1.5, 50ºC, 50 wt% slurry, ORP=500mV, fine grind) recorded extraction rates of 98% uranium and 59% vanadium.

A number of tests were conducted using a range of variables (grind size, acid addition, pH, and ORP and leach time) to optimise acid leach conditions. Important observations from this work include:

- Uranium extraction was rapid under all conditions tested, with leaching essentially complete within 8 hours;
- The rate of uranium extraction was largely independent of leach acidity over the range of conditions tested, whereas acid consumption decreased markedly at higher pH;
- Leaching at a lower pH increases vanadium extraction;
- Leaching at a lower controlled ORP (low oxidant consumption) did not significantly decrease the extraction of uranium or vanadium;
- A coarser grind decreases acid consumption considerably, without a decrease in uranium extraction. However much of the vanadium is locked in gangue minerals and not accessible without fine grinding.

Based on this analysis optimum leach conditions (pH 1.8, 50ºC, ORP=450 mV, coarse grind size) yielded extraction rates of 94-95% uranium and 45% vanadium.

The viability of alkaline leaching as an alternative process route was also investigated. Alkaline leaching (24 hours) on fine grind sizes extracted 93% of uranium but only 21% of vanadium. ANSTO notes that the higher cost of alkali versus acid reagents necessitates maximum recovery by recycling, which can result in the build-up of contaminants and issues with water balance. There is also greater potential for vanadium contamination of the uranium product in an alkaline flowsheet.

In conclusion, this metallurgical testwork has confirmed conventional acid leaching as the favoured process route at Bigrlyi.

The ability to reduce acid consumption to levels 40% lower than levels of acid consumption assumed for the Initial Scoping Study, without reducing uranium extraction rates, is highly significant as acid costs in the Initial Scoping Study were approximately 70% of the total cost of consumables. Relative to this advantage, the reduction in vanadium recovery rates is considered immaterial to project economics.

The full report is available in the Appendices on the accompanying data DVD.

**Scoping Studies**

An Updated Scoping Study has been completed into the development of the Bigrlyi Project. The study was conducted by mining engineer Andrew Hutson from Paladin Energy Limited and was based on the enlarged resource announced by Energy Metals in March 2008 (see Table 6).

Assumptions used in the study include a uranium (U3O8) price of US$75 per lb, a vanadium (V2O5) price of US$4 per lb and an Australian dollar rate of US$0.75. Other key assumptions include a treatment rate of 0.5Mt per annum, U3O8 and V2O5 metallurgical recoveries of 90% and 50% respectively and a 5% gross royalty. Energy Metals considers the assumed recovery rates to be reasonable based on the results of independent metallurgical test work as detailed in the ANSTO leach test report.
For the purposes of the study, a mine plan involving six open pits at three deposits (A2/3, A4 and A15) was chosen. These pits range in size from 0.8Mt to 74.7Mt. The open pits included in the scoping study deliver a total of 4.93Mt to the Run-of-Mine (ROM) stockpiles at an average grade of 1,537 ppm U3O8 and 2,529 ppm V2O5, recovering 15.0M lbs U3O8 and 13.7M lbs V2O5 over ten years.

Scheduled ROM tonnages are estimated assuming dilution and recovery of 5% and 95% respectively. The open pit operations are quite robust to changes in most costs, although the narrow nature of the resource lenses will require mining selectivity.

The study also assessed underground resource exploitation below conceptual pit designs using conventional decline access and stoping methodologies (principally Bench and Uphole Retreat stoping) with a minimum mining width of 4 metres. Utilising these parameters one underground mine was designed at A15, producing 0.48Mt ROM at 1,214 ppm U3O8 and 1,496 ppm V2O5 to recover an additional 1.2M lbs U3O8 and 0.8M lbs V2O5 over two years.

The Updated Scoping Study (demonstrates that the Bigryli Project is economically attractive and based on current resources and assumptions has the potential to produce 16.2M lbs of U3O8 and 14.5M lbs V2O5 over a mine life of 12 years. The identification and inclusion of additional resources since the Initial Scoping Study has significantly improved projected returns.

**Helicopter Electromagnetic (EM) survey**

With the availability of the GPX helicopter in the region small RepTEM survey was completed over the tenements. This EM survey (70 line km) was designed to test the applicability of this technique to locate similar structures and ore horizons beneath the transported cover.

Details of this survey, raw data and images are attached in the digital appendix. Interpretation of the data is currently being undertaken by independent geophysicists Southern Geoscience Consultants.

**Environmental baseline studies**

The initial development of the environmental baseline studies for the project was completed with engagement of independent consultant Environmental Earth Sciences as project manager. These impact studies will cover aspects including flora/fauna, soil, archaeological/heritage and groundwater.

Installation of a remote weather station and scoping visits by various consultants were undertaken in the current year.

**Drilling**

The current reporting period included the completion of the 2007 field season (mid December 2007), with some 279 holes for 53,999.2m being drilled, on the Bigryli Project. This total comprised 42,827m of RC and 11,172.2m of diamond drilling. Approximately 75% of the holes drilled in the 2007 program intersected anomalous or significant mineralisation. Database update and outstanding 2007 data were compiled in this current anniversary year in preparation for the updated resource modelling and estimation.

The 2008 RC and diamond drilling program was designed to both extend shallow resource positions and test depth extensions at the A4 and A15 deposits. This program was generated on the results of the 2008 updated scoping study and derived pit shells.

This program commenced early September 2008 and was completed in mid December 2008.
### TABLE 7 – SIGNIFICANT PROBE INTERCEPTS (>0.05% eU$_3$O$_8$) from 2008 drilling

<table>
<thead>
<tr>
<th>DEPOSIT</th>
<th>HOLE</th>
<th>FROM (m)</th>
<th>INTERCEPT (0.01% Cut-off)</th>
<th>eU$_3$O$_8$ (%)</th>
<th>eU$_3$O$_8$ (lb/t)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A4</td>
<td>B08001</td>
<td>*10.65</td>
<td>1.70</td>
<td>0.05</td>
<td>1.05</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08004</td>
<td>*36.10</td>
<td>3.00</td>
<td>0.23</td>
<td>5.07</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*39.15</td>
<td>2.75</td>
<td>0.61</td>
<td>13.45</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08005</td>
<td>103.20</td>
<td>6.35</td>
<td>0.08</td>
<td>1.77</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08006</td>
<td>*0</td>
<td>3.35</td>
<td>0.07</td>
<td>1.54</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*28.60</td>
<td>2.90</td>
<td>0.10</td>
<td>2.2</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td></td>
<td>40.05</td>
<td>3.60</td>
<td>0.20</td>
<td>4.81</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08007</td>
<td>*34.12</td>
<td>1.60</td>
<td>0.17</td>
<td>3.84</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08008</td>
<td>77.65</td>
<td>5.30</td>
<td>0.52</td>
<td>11.46</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08009</td>
<td>*37.45</td>
<td>1.95</td>
<td>0.05</td>
<td>1.05</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08010</td>
<td>45.12</td>
<td>3.50</td>
<td>0.07</td>
<td>1.54</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08011</td>
<td>217.38</td>
<td>3.10</td>
<td>0.21</td>
<td>4.63</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08012</td>
<td>*2.10</td>
<td>11.10</td>
<td>0.10</td>
<td>2.11</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08013</td>
<td>59.15</td>
<td>4.60</td>
<td>0.08</td>
<td>1.82</td>
<td>RC drillhole</td>
</tr>
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<td></td>
<td>B08014</td>
<td>93.85</td>
<td>10.15</td>
<td>0.17</td>
<td>3.69</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08015</td>
<td>102.55</td>
<td>2.40</td>
<td>0.08</td>
<td>1.77</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08017</td>
<td>113.55</td>
<td>1.50</td>
<td>0.09</td>
<td>1.98</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td></td>
<td>120.50</td>
<td>0.95</td>
<td>0.07</td>
<td>1.54</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td></td>
<td>123.95</td>
<td>2.05</td>
<td>0.05</td>
<td>1.05</td>
<td>RC drillhole</td>
</tr>
<tr>
<td></td>
<td>B08018</td>
<td>134.35</td>
<td>1.80</td>
<td>0.26</td>
<td>5.73</td>
<td>RC drillhole</td>
</tr>
<tr>
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The proposed diamond drill component of this program was restricted initially by the drill rig availability, then by poor rig productivity (logistical and personnel limitations). Large diameter diamond core samples were collected from typical ore horizons at the A4 and A15 resources for ongoing physical and comminution testwork in the forthcoming year.

The 2008 data set is not complete at the time of writing due to outstanding geochemical assays and ongoing database compilation. All data not contained on the accompanying data DVD will be forwarded in the next reporting period.

All holes drilled by Energy Metals Limited are down hole gamma logged, geologically logged and relevant intervals assayed by chemical methods (XRF and ICP-MS).

Significant radiometric disequilibrium is present at the Bigrlyi deposits and it is thought to be highly erratic and restricted to the top 30-50m from surface. As a result of this disequilibrium, samples are in general probed radiometrically then the sample is dispatched for XRF assay to generate a large data set for analysis. Chemical samples are also taken outside the uranium mineralised zones to capture the level of vanadium mineralisation.
Rehabilitation
During this field season there was significant rehabilitation of previous drilling activities undertaken within ERL’s 47-49, with restoration of all 2006 and 2007 drill sites in these tenements. Sites were rehabilitated to current DRDPIFR guidelines.

WORK PROPOSED FOR 2009

Work to be undertaken in the first quarter of 2009 will comprise the following:

(i) Compilation of collar, survey, geology, downhole probing and assay files for geological resource modelling,
(ii) Updated resource estimation
(iii) Formulation of a joint venture budget in accordance with the JV agreement,
(iv) Re-scoping of the project economics.
(v) Continuation of environmental baseline studies
(vi) Metallurgical testwork, including comminution studies

It is anticipated that this work will dictate exploration activities to be undertaken during the 2009 field season (work undertaken at Bigrlyi is subject to approval by joint venture partners and DRDPIFM).

If the new scoping study indicates that the resources at Bigrlyi are sufficient to support a mining operation it is likely that prefeasibility studies will commence. Activities associated with the prefeasibility study will likely include infill drilling, both to increase the resource confidence to measured status and for further metallurgical testwork and geotechnical studies, as well as engineering studies (plant design, tailings, water, power etc) and continuing environmental baseline studies.

It is anticipated that exploration expenditure at Bigrlyi for the year ending 17 November 2009 will exceed $3,000,000.
REFERENCES


APPENDIX 1

Digital Data