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15th April 2010

Mr Anthony Deutchman
Acting Exploration Manager
Energy Metals Limited
Level 2, 18 Kings Park Road
West Perth, WA, 6005

Dear Anthony,

H&S has examined the available drill hole data for Energy Metals Limited's (EML's) Cappers uranium deposit and prepared a resource estimate that can be reported as an Inferred mineral resource.

Cappers is described as a calcrete uranium deposit analogous to Toro Energy's nearby Napperby deposit, located about 50km to the south-east of Cappers. "The Napperby mineralization conforms to a calcrete deposit of the valley deposit type defined by Butt and others (1984) as "valley deposits in calcrete and associated underlying sediments in the central channels of major drainage systems and in the platforms and chemical deltas where these drainages enter playas"."

The Cappers database consists of 359 vertical holes with an average depth of 10m and totalling 3582m. Holes are generally drilled 200m apart on 400m spaced north-south section lines.

Drill Hole Summary

Item	Holes	Records
Depth	359	3582
LITH1	357	5561
U (Chemical)	153	807
Gamma (0.5m)	152	2800
UR2 (Preferred)	222	3205
V	77	392
Th	77	437
Mo	77	437

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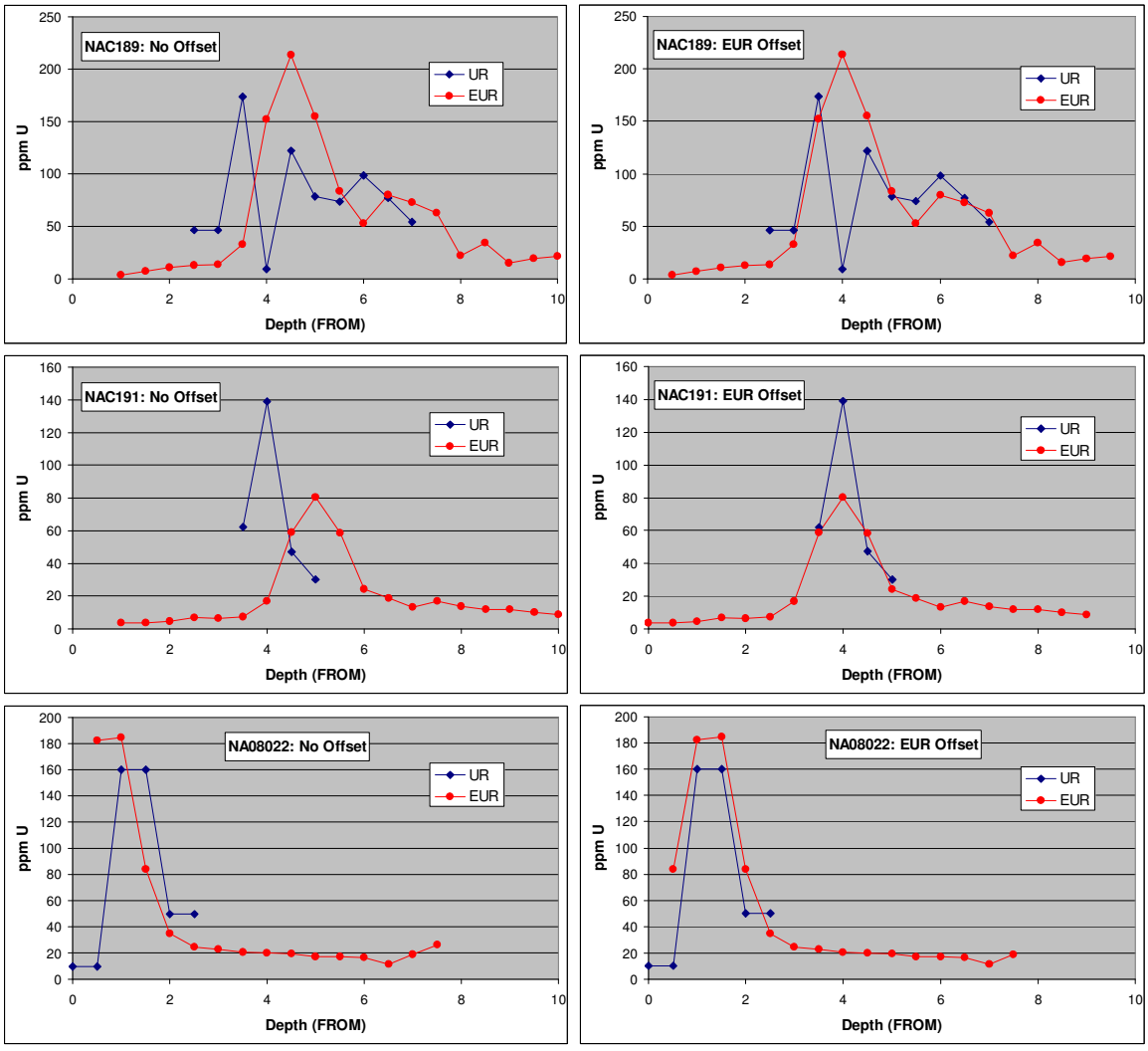
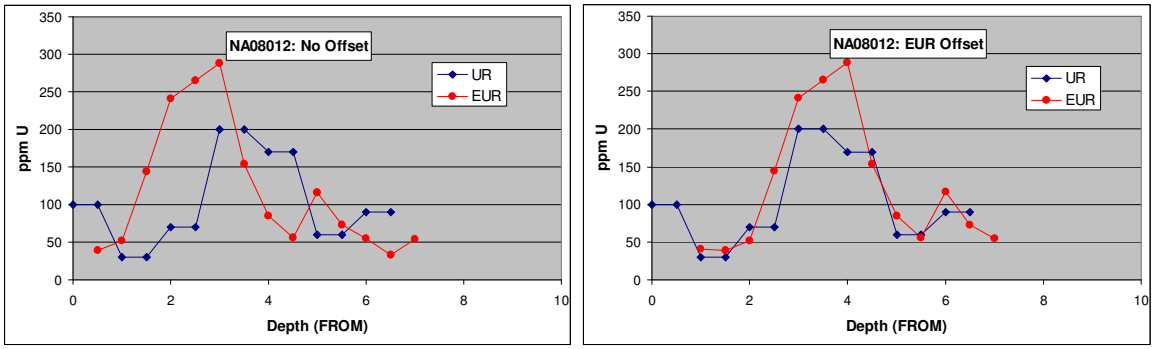
The coverage of uranium assays is incomplete, with chemical assays for 153 holes over selected intervals (807 samples) and gamma logs for 152 holes (2800 x 0.5m intervals), out of a total of 359 holes. The first 50 holes were drilled in 2008 and sampled on 1.0m intervals, while the more recent drilling was samples at 0.5m intervals. Assays are reported as elemental U and V, rather than oxides. Gamma data was generally collected on 5cm intervals; most logs record calibrated API units and raw (?) counts per second (cps).

There were some issues in the chemical/gamma comparison, including some lag differences, which will impact on the quality of calibration of the gamma values. Some of the chemical versus gamma issues are highlighted by the diagrams below.

Comparison of Chemical (UR) and Gamma (EUR) Data



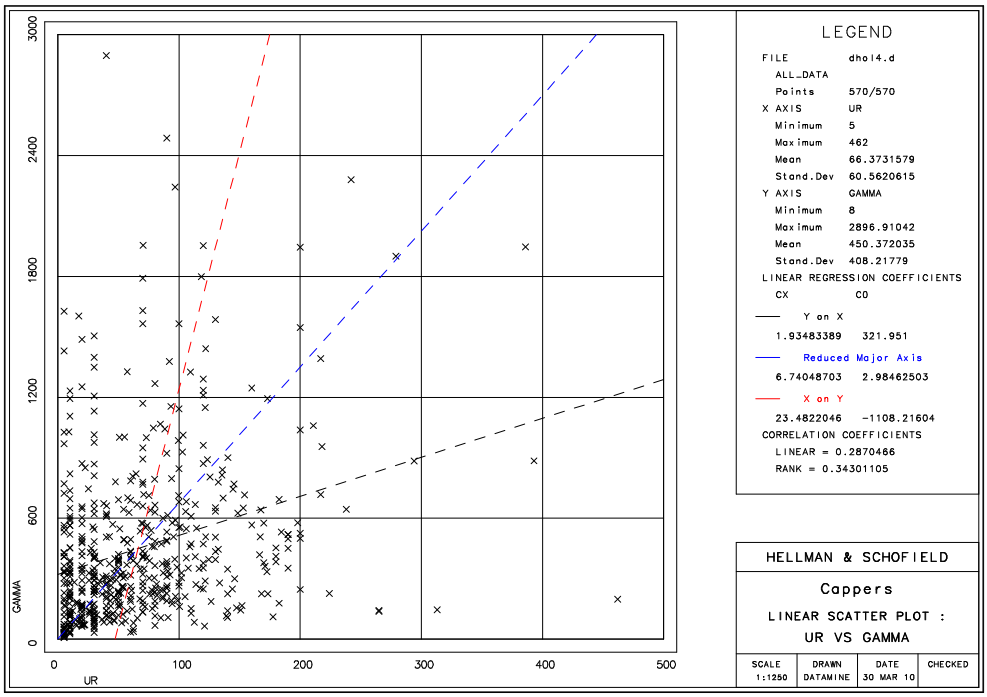


The 2008 holes tend to record the gamma values starting shallower than the chemical assays, while the later holes typically show the opposite effect.

The gamma data was composited to 0.5m intervals and calibrated against the chemical assays to derive an equivalent uranium value. These equivalent uranium values were then combined with the chemical assays to derive a preferred uranium value (chemical preferred). This gave 3205 intervals in 222 holes (62% of total), with missing values assigned a value of 10ppm U.

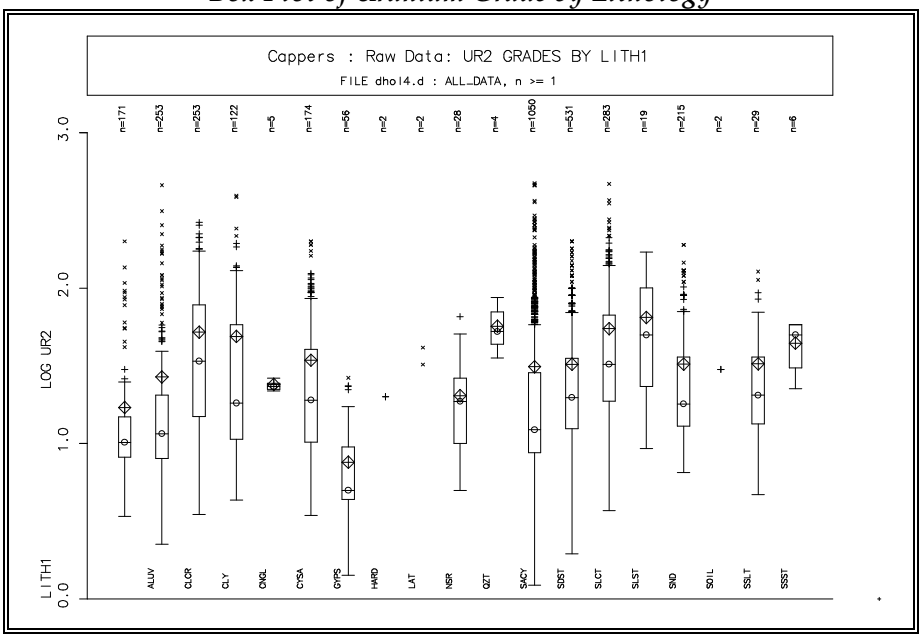
The plot of chemical assays versus gamma shows poor correlation, but this is considered due in part to the lag problems identified above. Despite this problem, use of this data was considered reasonable for an Inferred Resource because most of the gamma values used were lower grade than the chemical values.

Scatter Plot of Chemical U3O8 and Gamma



The geological logging shows substantial inconsistency between drilling programs. The logs of the 2008 holes (1-50) show less detail and predominant sandstone/sand codes (84%), while logs from the more recent drilling (51-366) are more detailed and predominated by sandy-clay, alluvium, silcrete and calcrete codes (83%). The 2008 holes should be relogged to be consistent with the later holes.
The old and new holes occur on alternate section lines, but the predominance of newer data did allow a crude geological interpretation. This showed channels dominated by silcrete/calcrete lithologies cut into sandy-clay and overlain by alluvium. However, the mineralisation was not necessarily confined to these channels, with significant grades in both the sandy-clay and alluvium (as shown in the boxplot below).

Box Plot of Uranium Grade by Lithology



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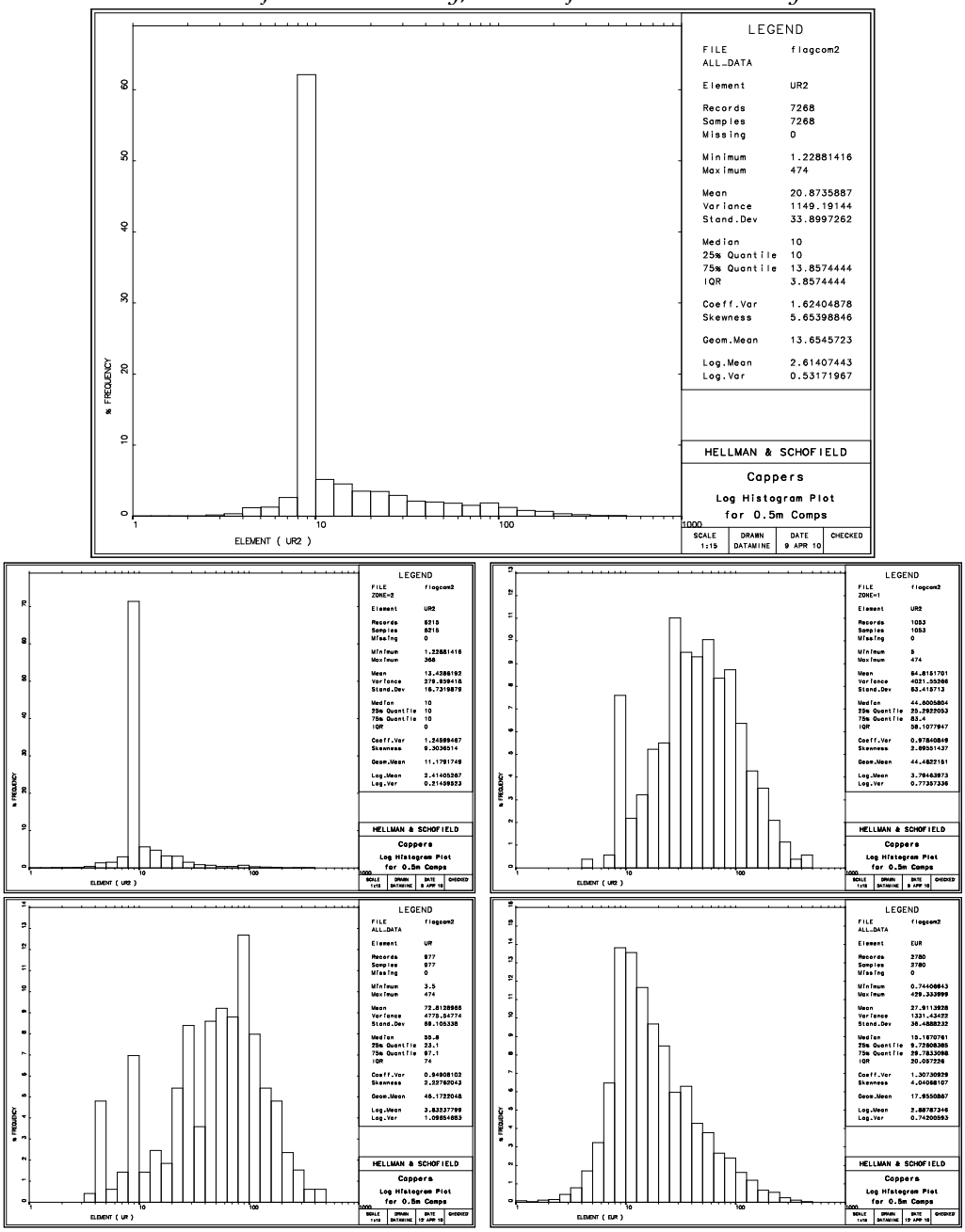
H&S digitised a mineralisation envelope (Zone 1) around the main (south) channel using a nominal 30ppm uranium threshold (based on statistical analysis), and remaining material was assigned to Zone 2. Statistical analysis and variography was performed on 0.5m composites of the available data. Summary statistics and histograms were prepared for both chemical and radiometric uranium separately, as well as a combined preferred value - chemical assays were used where available and otherwise the calibrated radiometric values were used.

Uranium Grade Summary Statistics

FIELD	ZONE	Samples	Min	Max	Mean	SD	CV
UR (chem)	1	583	0.00	474.0	90.4	73.2	0.81
UR (chem)	2	399	0.00	368.0	46.2	52.6	1.14
UR (chem)	**Total**	**982**	**0.00**	**474.0**	**72.4**	**69.1**	**0.95**
EUR (gamma)	1	793	4.74	429.3	53.7	50.1	0.93
EUR (gamma)	2	1987	0.74	332.5	17.6	22.1	1.26
EUR (gamma)	**Total**	**2780**	**0.74**	**429.3**	**28.0**	**36.5**	**1.31**
UR2 (preferred)	1	1057	0.00	474.0	64.6	63.4	0.98
UR2 (preferred)	2	6216	0.00	368.0	13.4	16.7	1.25
UR2 (preferred)	**Total**	**7273**	**0.00**	**474.0**	**20.9**	**33.9**	**1.62**
U3O8 (preferred)	1	1057	0.00	558.9	76.1	74.8	0.98
U3O8 (preferred)	2	6216	0.00	433.9	15.8	19.7	1.25
U3O8 (preferred)	**Total**	**7273**	**0.00**	**558.9**	**24.6**	**40.0**	**1.62**

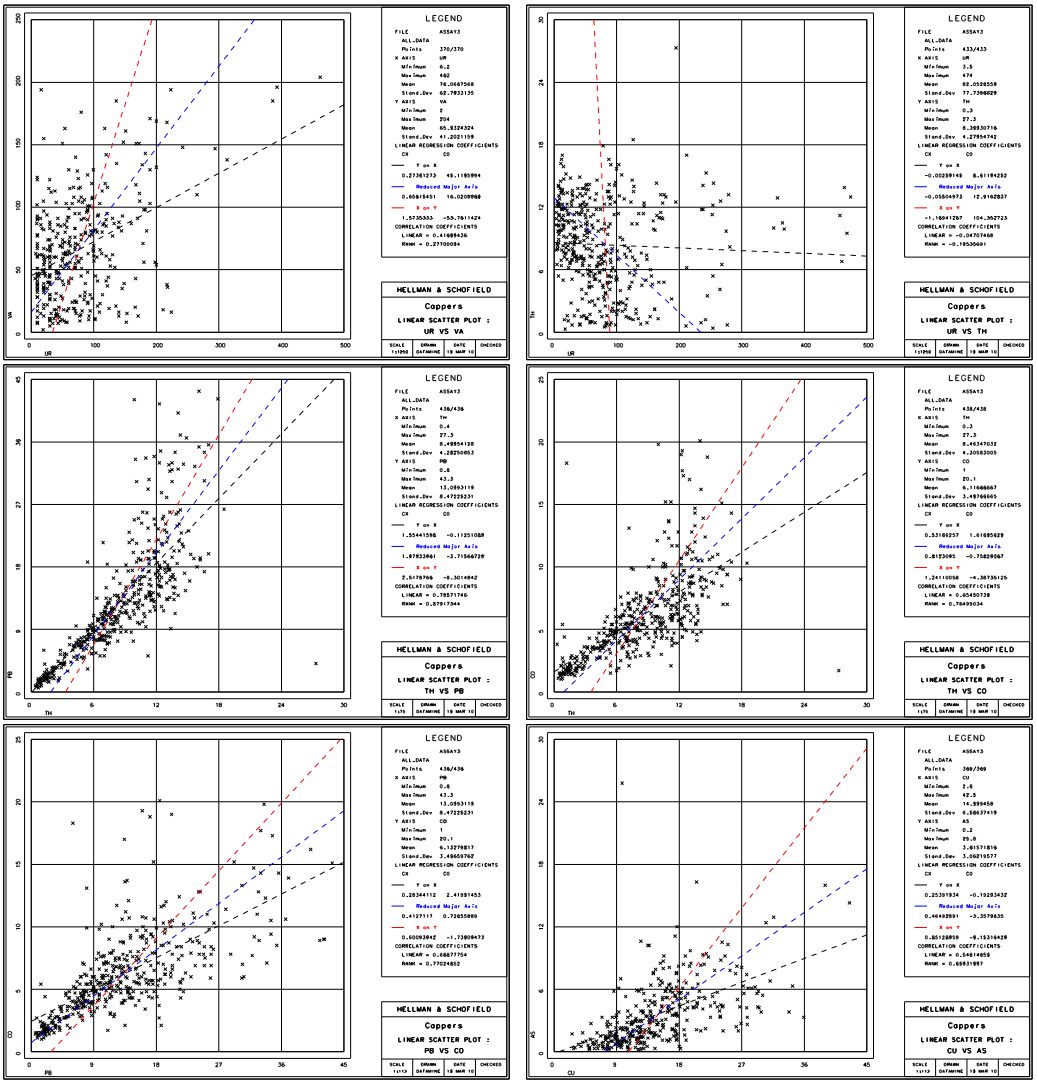
The statistics show that chemical uranium has an average grade substantially higher than the radiometric grade, due to preferential chemical assaying of higher grade samples (based on the radiometrics). The coefficients of variation (CV=SD/mean) are broadly similar for the various data sets by individual zones, although the CVs for combined data sets are highest for the preferred uranium values due to the inclusion of a substantial number of default values for unassayed intervals (10ppm U).

Histograms of 0.5m Composites
Top=All Preferred (including defaults)
Middle left=Preferred Zone2, middle right=Preferred Zone 2
Lower left=Chemical only, lower left=Radiometric only



A brief examination of the multi-element data showed a number of apparent correlations, eg Th/Pb/Co, but discussions with Simon Gatehouse (H&S geochemist) suggest that these correlations are a mutual dilution effect. This could be, for example, sediments diluted by calcrete or by wind blown sand or by deflation. It simply means that these elements are diluted or concentrated to the same extent by the same process. So most of the trace elements (Th, Pb, Co and As) show some weak correlation. So unfortunately, this does not really mean anything, even though it looks interesting. Silver correlates with nothing.

There appears to be some weak correlation between uranium and vanadium at higher values, but this is expected for carnotite mineralisation. Uranium does not correlate with anything else.



Scatter Plots of Selected Multi-Element Data

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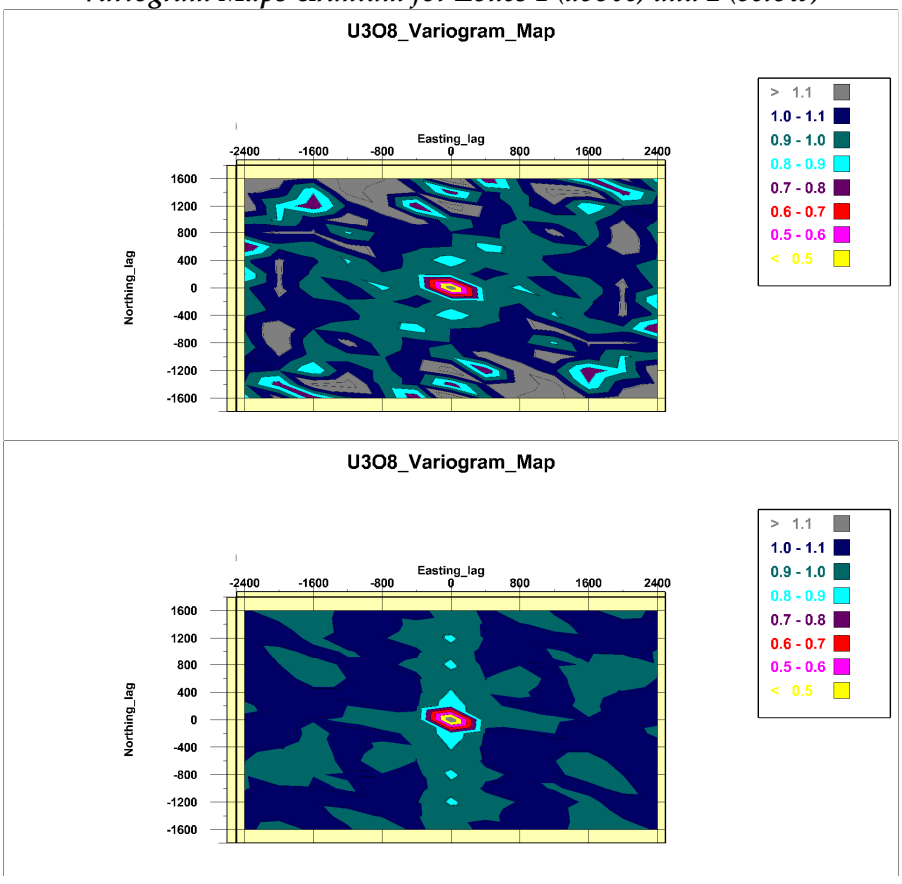
Correlation Matrix

vs	UR	VA	TH	PB	MO	CU	CO	AS	AG
UR	1.000								
VA	**0.450**	1.000							
TH	**-0.062**	0.000	1.000						
PB	0.036	0.000	**0.786**	1.000					
MO	-0.059	0.000	0.482	0.436	1.000				
CU	-0.003	0.000	0.320	0.330	0.170	1.000			
CO	0.040	0.000	**0.655**	**0.687**	0.410	0.402	1.000		
AS	0.122	0.000	0.452	0.440	0.213	**0.546**	0.352	1.000	
AG	-0.026	0.000	0.106	0.086	0.023	0.036	0.052	-0.007	1.000

Variography was performed on the preferred uranium values and shows flat mineralisation following the trend of the channels, approximately east-west for the main channel (zone 1) and north-south and NE-SW for the subsidiary channels to the north (zone 2). The variogram for uranium was fitted with a 3 structured exponential model as shown below. Both variogram maps and directional variograms show some continuity of grade at the current drill hole spacing.

Variogram Maps Uranium for Zones 1 (above) and 2 (below)



Variogram Model for Preferred Uranium

Element	Variance	Structure	X Range	Y Range	Z Range
Uranium	0.20	Nugget	0	0	0.00
	0.43	Exp 1	200	120	0.45
	0.02	Exp 2	200	120	1.67
	0.35	Exp 3	570	1400	1.67

H&S generated a number of uranium grade models for Cappers using both ordinary kriging (OK) and multiple indicator kriging (MIK). Both unconstrained and constrained OK models were prepared and then a constrained MIK model, in an effort to maximise the resource. The MIK block model dimensions and search strategy are given below; a 3 pass search strategy was used. The OK model had the same extent, but blocks were half the size in X and Y; search parameters were also similar.

Cappers MIK Model Dimensions

Parameter	X	Y	Z
Origin	227,200	7,482,000	545
Maximum	240,400	7,488,000	565
Block Size	400.0	200.0	1.0
Number of blocks	33.0	30.0	20.0
Length	13,200	6,000	20

MIK Estimation Search Strategy

Pass	X Search	Y Search	Z Search	Min Samples	Max Samples	Restriction
1	400	200	1	16	48	4 octants
2	800	400	2	16	48	4 octants
3	800	400	2	8	48	2 octants

The recoverable MIK estimate assumes a 50x50x0.5m selective mining unit (SMU) and grade control drilling at the same scale. These parameters are necessarily preliminary at this stage of the project but are considered to reasonably reflect potential selective mining using scrapers or continuous miners with radiometric grade control.

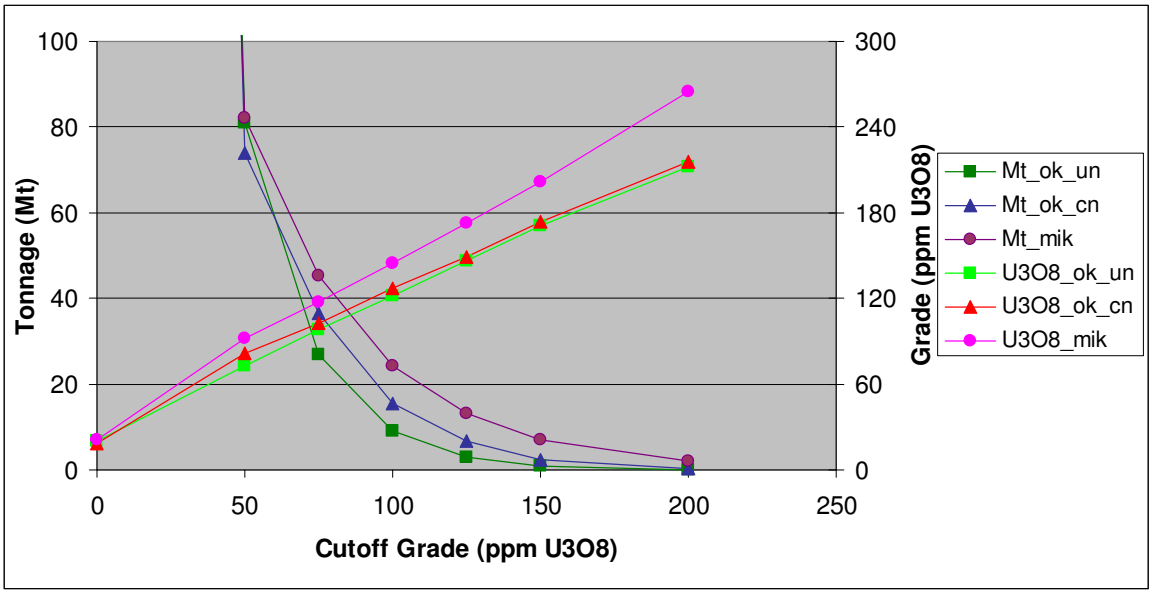
An assumed density of 1.70t/m3 was used for all rock types, which is based on previous H&S work at Napperby. Site specific density measurements are required on the full range of rock types at Cappers for future estimates.

The results of the various resource estimates are tabulated below. The MIK recoverable estimate gives the highest tonnes and grade due to the improved selectivity of the assumed SMU.

Cappers Total Resource Estimates

Model	Unconstrained OK		Constrained OK		Constrained rec MIK	
Cutoff	Mt	U3O8	Mt	U3O8	Mt	U3O8
0	1258	20	1251	19	908	21
50	81	73	74	82	82	92
75	27	98	36	103	45	117
100	**9.0**	**122**	**15**	**127**	**24**	**144**
125	3.0	147	6.6	149	13	173
150	1.0	171	2.3	174	7.2	202
200	0.1	212	0.3	216	2.0	265

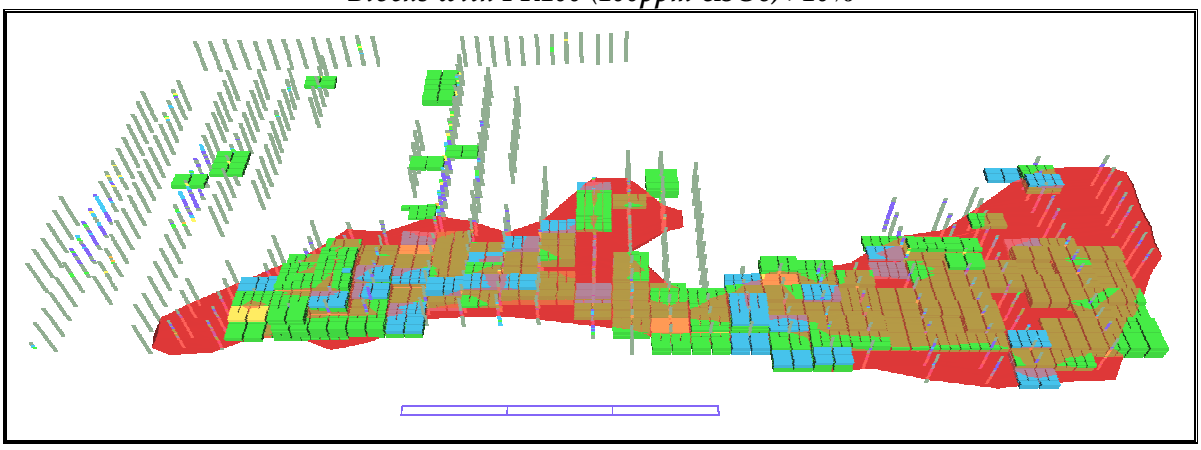
Cappers Total Grade-Tonnage Curves



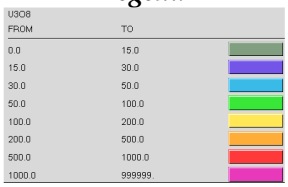
Inspection of the MIK model showed that the majority of the estimated blocks are within one panel (400x200m) of the drill hole data, although a small proportion are beyond this distance. It was decided to exclude these peripheral blocks from the reported Inferred Resource. Around 12% of the resource is extrapolated, ie 12% is outside a polygon defined by the drill hole collar locations.

The MIK resource model for Cappers suggests that the mineralisation shows reasonable continuity at cutoff grades up to 100ppm U3O8, with a strike length of around 10km at this cutoff. This includes blocks where the proportion of material above 100ppm U3O8 greater than 10%, even though the average grade of the entire block may be below 100ppm U3O8.

Cappers Model and Drill Holes – looking North
Blocks with PR100 (100ppm U3O8) >10%



Legend



The continuity of geology and grade appears reasonable as shown by variography and the block model. Therefore, the resource estimates are considered to be Inferred despite the relatively wide drill hole spacing. The lack of density data limits the accuracy of the resource tonnage estimates.

The Inferred Resource is tabulated below, along with the peripheral blocks that are classified as Exploration Potential.

Cappers Resource Classification

Class	Mt	ppmU3O8	Kt U3O8	Mlb U3O8
Inferred Resource	22	145	3.2	7.0
Exploration Potential	2	140	0.3	0.8
Total	**24**	**144**	**3.5**	**7.7**

Public reporting of Exploration Potential requires the potential quantity and grade of the target be expresssed as ranges. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Conclusions

The Cappers deposit contains a significant low grade uranium resource close to surface and shows reasonable continuity at the current broad drill hole spacing.

The lack of density data for the deposit limits the accuracy of the tonnage estimates and is probably the most significant risk factor in the resource estimates.

There are a number of issues with the drill hole data, including assay coverage, gamma calibration and lag issues.

There are consistencies in geological logging between earlier holes and more recent drilling.

H&S did not examine the QAQC data supplied - duplicates, standards and blanks – nor was any sample recovery data provided or examined.

Recommendations

More complete assay/gamma coverage for existing holes would be desirable because values as low as 30ppm uranium could be anomalous.

The calibration and lag issues with the gamma logging need to be resolved.

EML needs to initiate a program of reliable density measurements to allow accurate estimation of resource tonnage. Samples over the full range of lithologies and depths need to be tested.

The consistency of geological logging at Cappers can be improved to allow a more coherent geological interpretation of the deposit. This will likely require relogging of the first 50 drill holes to make them consistent with later logging.

The available QAQC data, including sample recoveries, requires analysis to ensure that the existing data is reliable and adequate for higher confidence resource estimates. EML should maintain an ongoing QAQC program and may require corrective action to address any inadequacies in earlier programs.

Additional infill drilling is required to confirm the shorter scale continuity of mineralisation and allow the reporting of higher confidence resources.

A van der Heyden
Consulting Geologist