

THIS ASSUMPTION OF OBLIGATIONS AGREEMENT made as of the 2nd day of November, 2007.

AMONG:

CANADA ENERCO CORP., a corporation incorporated under the laws of the Province of Ontario,

(herein called the "CEC");

OF THE FIRST PART

- AND -

APIA ENERGY CORP., a corporation incorporated under the federal laws of Canada,

(herein called the "Appia")

OF THE SECOND PART

- AND -

QUINCY GOLD CORP., a corporation incorporated under the laws of the Province of Ontario,

(herein called the "Quincy");

OF THE THIRD PART

- AND -

ENERGY METALS CORPORATION., a corporation incorporated under the laws of the Province of Ontario,

(herein called the "EMC");

OF THE FOURTH PART

WHEREAS CEC has sold 61 mining claims known as the Elliott Lake Property located in Beange, Bolger, Bouck, Buckles, Gunterman and Joubin Townships, Sault Ste. Marie Mining Division, in the Province of Ontario (the "**Property**") to Appia on the terms set out in a vending agreement (the "**Vending Agreement**"), dated November 1, 2007;

AND WHEREAS Quincy, EMC and CEC entered into an option agreement (the "**2005 Option Agreement**"), dated May 12, 2005, whereby EMC granted to Quincy an option to earn up to a 75% interest in specific mineral claims contained within the Property;

AND WHEREAS Quincy, EMC and CEC entered into an option agreement (the "**2007 Option Agreement**"), dated June 4, 2007, which is attached as **Schedule "A"** hereto, whereby Quincy and EMC have the option to earn an interest in the Property or in a newly incorporated company ("**Newco**") that has been transferred the Property by CEC, which agreement supersedes and replaces the 2005 Option Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and for other good and valuable consideration and the payment of Ten (\$10.00) Dollars by each party to the other, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree each with the other as follows:

1. Quincy, EMC, CEC and Appia (the "**Parties**") agree to comply with the terms of the 2007 Option Agreement.
2. The Parties acknowledge that Appia is Newco, as the term is utilized in the 2007 Option Agreement, and therefore all of the rights and obligations that attach to Newco in the 2007 Option Agreement attach to Appia.
3. Appia hereby assumes Newco's rights and obligations, as they are contained within the Option Agreement, including but not limited to the following:
 - (a) in the event of an Initial Financing (as defined in section 3 of the 2007 Option Agreement) maintaining EMC's right to purchase 9.9% of the securities of Appia issued under the Initial Financing, on the same terms as other subscribers;
 - (b) in the event of an Initial Public Offering (as defined in section 5 of the 2007 Option Agreement) maintaining EMC's right to purchase 9.9% of the securities of Appia issued under the Initial Public Offering;
 - (c) in the event of a business combination (as defined in section 6 of the 2007 Option Agreement) maintaining EMC's right to purchase 9.9% of the securities of the resulting company on the same terms as Appia shareholders participated;

- (d) in the event Appia decides to surrender some or all of the Property (“**Surrendered Property**”) before the expiry of the 2007 Option Agreement maintaining EMC’s right to be transferred the Surrendered Property (as described in section 9 of the 2007 Option Agreement); and
 - (e) in the event that the Initial Financing (as defined in section 3 of the 2007 Option Agreement and referenced in section 3(a) above) is not completed by December 31, 2007, acknowledging that the Property must be immediately transferred to CEC (as described in section 4 of the 2007 Option Agreement).
4. The parties hereto agree that they shall execute all such other documents and further assurances as may reasonably be required to give effect to the intent expressed herein.
 5. This Agreement shall be construed in accordance with the laws of the Province of Ontario.
 6. This Agreement and its Schedule supersede all prior negotiations, undertakings and agreements between the parties with respect to the subject matter hereof, and this Agreement and its Schedule constitute the entire agreement of the parties respecting the matters herein contained.
 7. No amendment, modification, alteration, or waiver of the terms of this Agreement shall be binding unless made in writing and executed by the parties hereto or their successors or assigns.
 8. Subject to the terms and provisions hereof, this Agreement shall be binding upon and enure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns, as the case may be.
 9. Wherever the singular or masculine are used throughout this Agreement, the same shall be construed as being the plural or feminine or neuter where the context so requires.
 10. The Parties shall be entitled to register this Agreement or notice hereof against the Property.
 11. The Parties acknowledges that this Agreement and the Schedule hereto require the Parties to provide certain personal information to the Corporation. Such information is being collected by the Corporation for the purposes of completing filings required by any stock exchange or securities regulatory authority. The Parties’ personal information, including name, address, telephone number and any other information contained in this Agreement may be disclosed by the Corporation to: (a) stock exchanges or securities regulatory authorities; and (b) the Corporation’s registrar and transfer agent. By executing this Agreement, the Parties are deemed to be consenting to the foregoing collection, use and disclosure of the Parties’ personal information. The Parties also


consent to the filing of copies or originals of any of the Parties' documents referred to in this Agreement as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated herein. The Parties acknowledges that the Ontario Securities Commission has authority to collect the information contained herein indirectly under authority granted pursuant to the *Securities Act* (Ontario) for the purposes of the administration and enforcement of securities legislation in Ontario. The Parties are advised that they may contact the Administrative Assistant to the Director of Corporate Finance of the Ontario Securities Commission at Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, (416) 593-8086 for further information concerning the collection of personal information by the Ontario Securities Commission.


12. The recitals set out above shall form an integral part of this Agreement.


13. This Agreement may be executed by facsimile and in one or more counterparts, each of which shall be considered an original but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement effective as of the day and year first above written.

SIGNED, SEALED and DELIVERED

)
) **CANADA ENERCO CORP.**
) 
)
)
)
) Per: _____
) **A.S.O.**
)

) **APPIA ENERGY CORP.**
) 
)
)
) Per: _____
) **A.S.O.**
)

) **QUINCY GOLD CORP.**
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) Per: _____
) **A.S.O.**
)

) **ENERGY METALS CORPORATION**

)

)

) Per: _____

)

A.S.O. 

SCHEDULE "A"

TO THE ASSUMPTION OF OBLIGATIONS AGREEMENT DATED NOVEMBER 2, 2007 AMONG CANADA ENERCO CORP. ("CEC"), APPIA ENERGY CORP ("APPIA"), QUINCY GOLD CORP. (QUINCY) AND ENERGY METALS CORPORATION ("EMC").

ENERGY METALS CORPORATION
Suite 1238 - 200 Granville Street
Vancouver, BC V6C 1S4
Tel: (604) 685-1954
Fax: (604) 961-2479
Email: pm@energymetalscorp.com

June 4, 2007

Canada Enerco Corp.
17 Dickenson Drive
Toronto, Ontario M2P 1J7
Canada

Attention: Tom Drivas

Dear Sirs:

ELLIOT LAKE OPTION AGREEMENT

Under the terms of an option agreement between Quincy Gold Corp. ("QGC"), a wholly-owned subsidiary of Energy Metals Corporation ("EMC"), and Canada Enerco Corp. ("CEC") executed on May 12, 2005 but effective February 10, 2005 (the "Elliot Lake Option Agreement"), CEC granted to QGC an option to earn up to a 75% interest in and to certain mineral claims known as the Elliot Lake Property described in Schedule "A". CEC, EMC and QGC wish to cooperate take CEC public or to incorporate a new company ("Newco") and effect the transfer to Newco of all mineral claims and interests owned by each of CEC and QGC relating to the Elliot Lake property, suspend or terminate the Elliot Lake Option Agreement, arrange an equity financing for CEC or Newco, as the case may be, and seek a listing of the common shares of CEC or Newco, as the case may be, on a stock exchange by way of initial public offering or a reverse take over (a "Going Public Transaction"). The purpose of this letter agreement is to describe the rights, and obligations of the parties in respect of the Elliot Lake Option Agreement and CEC or Newco.

In consideration of the mutual promises and agreements set out hereunder, the parties agree as follows:

1) CEC shall either:

- (a) maintain or effect the transfer to CEC of 100% of (i) the Elliot Lake Property, and (ii) the additional mineral claims described in Schedule "B" (the "Additional Mineral Claims"); or
- (b) transfer or option the Elliot Lake Property and the Additional Mineral Claims to Newco,

free and clear of all liens, charges and encumbrances in consideration of common shares of Newco and or other consideration provided that until the consideration is paid CEC shall have security over the Elliot Lake Property and the Additional Mineral Claims.

- 2) CEC and QGC shall suspend the Elliot Lake Option Agreement and CEC will grant to EMC or cause Newco to grant a \$250,000 credit (the "QGC Credit") which EMC or its designated nominee may apply toward the purchase up to 9.9% of the issued common shares of CEC or Newco, as the case may be, in accordance with the terms of this Letter Agreement.
- 3) In the event that CEC or Newco, as the case may be, conducts an equity financing of securities (the "Initial Financing") EMC or its designated nominee shall have the right to purchase of up to 9.9% of the securities of CEC or Newco, as the case may be, issued under the Initial Financing of CEC or Newco, as the case may be, at the same price and terms as other subscribers of the Initial Financing of CEC or Newco, as the case may be. Upon completion of the Initial Financing the Elliot Lake Option Agreement shall terminate and be of no further force or effect.
- 4) In the event that CEC or Newco, as the case may be, is unable to complete the Initial Financing by December 31, 2007, CEC shall immediately assign and transfer all of the Elliot Lake Properties back to CEC and reinstate the Elliot Lake Option Agreement as of January 1, 2008 and CEC agrees to extend all Elliot Lake option agreement dates by six months as follows:
 - (a) in the fourth line of Section 5.1, the date "September 1, 2008" shall be changed to "March 1, 2009";
 - (b) in Section 5.1(d), the date "September 1, 2007" shall be changed to "March 1, 2008";
 - (c) in Sections 5.1(e), the date "February 8, 2008" shall be changed to "August 8, 2008";
 - (d) in Section 5.1 (f) the date "September 1, 2008" shall be changed to "March 1, 2009";
 - (e) in the sixth line of Section 5.3, the date "September 1, 2009" shall be changed to "March 1, 2010"
 - (f) in Section 5.3(a), the date "February 8, 2009" shall be changed to "August 8, 2009";
 - (g) in Section 5.3(b), the date "September 1, 2009" shall be changed to "March 1, 2010"; and
 - (h) in the second line of Section 6.2, the date "February 8, 2009" shall be changed to "August 8, 2009".

For greater certainty, CEC, EMC and Quincy confirm that the obligations described in Sections 5.2 of the Elliot Lake Option Agreement have been satisfied.

- 5) If the Going Public Transaction of CEC or Newco, as the case may be, is conducted by way of initial public offering ("IPO"), EMC or its designated nominee shall have the right to purchase up to 9.9% of the securities of CEC or Newco, as the case may be, issued under the IPO.
 - 6) If the Going Public Transaction of CEC or Newco, as the case may be, is conducted by way of a reverse-take-over, merger or other form of business combination ("RTO") with a company listed on a recognized stock exchange (a "Pubco"), EMC or its designated nominee shall have the right to purchase on closing of the RTO up to 9.9% of the securities of the resulting company ("Amalco") at the same price per share issued to shareholders of CEC or Newco, as the case may be, under the terms of the RTO.
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- 8) EMC or its designated nominee shall be entitled in its sole discretion to apply the Credit to purchase securities of CEC or Newco, as the case may be, in respect of the Initial Financing, the IPO or the RTO at the same price and terms as other subscribers of the Initial Financing of CEC or Newco or under the same price per share issued to shareholders of CEC or Newco under the terms of an RTO as the case may be.
 - 9) In the event that CEC or Newco, as the case may be, decides to surrender some or all of the mineral claims comprising the Elliot Lake Properties (the Elliot Lake Properties the "Properties") up to the earlier of: (a) the date of expiry of this Agreement (as a result of CEC or Newco not completing the Initial Financing by December 31, 2007), or (b) the date of the Going Public Transaction, CEC or Newco, as the case may be, shall deliver a written notice (the "Surrender Notice") to EMC of its intention to surrender or abandon such mineral claims comprising the Properties. EMC shall have the option (the "Transfer Option") within 30 days following the date of delivery of the Surrender Notice (the "Option Period") to provide a written request to CEC or Newco, as the case may be, to obtain the transfer by CEC or Newco, as the case may be, of such mineral claims described in the Surrender Notice for nominal consideration (i.e. \$1.00). During the Option Period, CEC or Newco, as the case may be, shall maintain the mineral claims described in the Surrender Notice in good standing. Upon exercise by EMC of the Transfer Option, CEC or Newco, as the case may be, shall transfer all mineral claims described in the Surrender Notice to EMC or its designated nominee. Following the transfer of such mineral claims by CEC or Newco, as the case may be, pursuant to the Transfer Option, or failure of EMC to exercise the Transfer Option within the Option Period, CEC or Newco, as the case may be, shall have no further obligations in respect of such mineral claims identified in the Surrender Notice, and such mineral claims shall no longer form part of the Properties covered by this Letter Agreement. Prior to the Initial Financing, CEC or Newco will do its best efforts to keep all Additional Mineral Claims in good standing. CEC acknowledges that it has filed work to keep the Additional Mineral Claims in good standing until at least December 31, 2007 but such work has not been accepted by the Mining Recorder's office. In the event that some of the work filed is rejected resulting in the loss of any of the claims comprising the Additional Mineral Claims then such lost claims shall be excluded from the Additional Mineral Claims and CEC shall have no liability in respect of such lost claims.
 - 10) In the event that the shareholders of Newco or CEC, as the case may be, who participated in the Initial Financing are required to enter into a voluntary pooling arrangement or an escrow arrangement pursuant to the rules and policies of the TSX Venture Exchange with respect to the securities of Newco or CEC, as the case may be, purchased under the Initial Financing, EMC or its designated nominee shall enter into such voluntary pooling arrangement or escrow arrangement on the same terms and conditions as such other shareholders of Newco or CEC, as the case may be.
 - 11) Upon the incorporation of Newco and transfer or option of the Properties to Newco, CEC shall cause Newco to enter into an agreement (the "Newco Agreement") with EMC, QGC and CEC substantially in the form of this Letter Agreement which incorporates the terms and conditions of this Letter Agreement and obligates Newco, CEC, OGC and EMC to comply with the terms and conditions provided for hereunder.
 - 12) Time is of the essence.
 - 13) The Option Agreement and this Letter Agreement is the entire agreement between CEC, EMC and QGC in respect of the matters referred to herein and no amendment to this Letter Agreement or the Option Agreement will be binding on either of the parties unless same is in writing executed by all of the parties hereto.
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14) This Letter Agreement shall inure to the benefit of, and be binding upon each of CEC, EMC and QGC and their respective successors and permitted assigns.

This Letter Agreement may be executed in counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one and the same instrument. In order to facilitate the execution of this Letter Agreement, signatures may be exchanged via facsimile with the same effect as original signatures being delivered by the parties to each other.

Please signify the agreement of CEC to this Letter Agreement by counter signature below.

Yours truly,

ENERGY METALS CORPORATION

By: 

Name: PAUL MATYSOK
Title: PRESIDENT, CEC

QUINCY GOLD CORP.

By: 

Name:
Title:

Agreed to and accepted this 15th day of July, 2007

CANADA ENERCO CORP.

By: 

Name: Tom Drivas
Title: Director

Schedule "A"
ELLIOT LAKE PROPERTY

Township	Claim Number	Recording Date	Claim Due Date
BUCKLES	<u>4221249</u>	2004-Oct-19	2007-Oct-19
BUCKLES	<u>4221250</u>	2004-Oct-19	2007-Oct-19
BUCKLES	<u>4221252</u>	2004-Oct-19	2007-Oct-19
BUCKLES	<u>4202357</u>	2004-Oct-19	2007-Oct-19
BUCKLES	<u>4219980</u>	2004-Oct-19	2007-Oct-19
BUCKLES	<u>4219979</u>	2004-Oct-19	2007-Oct-19
BUCKLES	<u>4219978</u>	2004-Oct-19	2007-Oct-19
BUCKLES	<u>4201526</u>	2004-Nov-16	2007-Nov-16
BUCKLES	<u>4202381</u>	2004-Oct-19	2007-Oct-19
BUCKLES	<u>4221251</u>	2004-Oct-19	2007-Oct-19

Schedule "B"			
ELLIOT LAKE PROPERTY - Additional Mineral Claims			
Township	Claim Number	Recording Date	Claim Due Date
BEANGE	<u>4201500</u>	2005-May-02	2007-May-02
BEANGE	<u>4201501</u>	2005-May-02	2007-May-02
BEANGE	<u>4201502</u>	2005-May-02	2008-May-02
BEANGE	<u>4201503</u>	2005-May-02	2007-May-02
BEANGE	<u>4201504</u>	2005-May-02	2007-May-02
BEANGE	<u>4205717</u>	2005-Jun-28	2007-Jun-28
BEANGE	<u>4207326</u>	2005-May-02	2007-May-02
BEANGE	<u>4219904</u>	2007-Mar-27	2009-Mar-27
BEANGE	<u>4219907</u>	2007-Mar-27	2009-Mar-27
BEANGE	<u>4219941</u>	2007-Mar-27	2009-Mar-27
BEANGE	<u>4219969</u>	2007-Mar-27	2009-Mar-27
BEANGE	<u>4219977</u>	2007-Mar-27	2009-Mar-27
BOLGER	<u>4219968</u>	2007-Mar-27	2009-Mar-27
BOUCK	<u>3019176</u>	2006-Dec-21	2008-Dec-21
BOUCK	<u>3019177</u>	2006-Dec-21	2008-Dec-21
BOUCK	<u>3019230</u>	2006-Dec-21	2008-Dec-21
BOUCK	<u>3019231</u>	2006-Dec-21	2008-Dec-21
BOUCK	<u>3019232</u>	2006-Dec-21	2008-Dec-21
BOUCK	<u>3019233</u>	2006-Dec-21	2008-Dec-21
BOUCK	<u>3019234</u>	2006-Dec-21	2008-Dec-21
BOUCK	<u>4205718</u>	2005-Jun-28	2007-Jun-28
BOUCK	<u>4207259</u>	2006-Dec-21	2008-Dec-21
BOUCK	<u>4207262</u>	2006-Dec-21	2008-Dec-21

BOUCK	<u>4215011</u>	2007-Feb-27	2009-Feb-27
BOUCK	<u>4215012</u>	2007-Feb-27	2009-Feb-27
BOUCK	<u>4215013</u>	2007-Feb-27	2009-Feb-27
BOUCK	<u>4215302</u>	2006-Dec-29	2008-Dec-29
BOUCK	<u>4219908</u>	2007-Mar-30	2009-Mar-30
BOUCK	<u>4221243</u>	2004-Oct-19	2007-Mar-19
BOUCK	<u>4221244</u>	2004-Oct-19	2007-Mar-19
BOUCK	<u>4221245</u>	2004-Oct-19	2007-Mar-19
BUCKLES	<u>3009193</u>	2004-Oct-19	2008-Mar-19
BUCKLES	<u>4205719</u>	2005-Jun-28	2007-Jun-28
BUCKLES	<u>4215303</u>	2006-Dec-29	2008-Dec-29
BUCKLES	<u>4219974</u>	2007-Apr-13	2009-Apr-13
BUCKLES	<u>4221246</u>	2004-Oct-19	2007-Mar-19
GUNTERMAN	<u>3019178</u>	2006-Dec-21	2008-Dec-21
GUNTERMAN	<u>3019179</u>	2006-Dec-21	2008-Dec-21
GUNTERMAN	<u>3019180</u>	2006-Dec-21	2008-Dec-21
GUNTERMAN	<u>4215008</u>	2007-Feb-27	2009-Feb-27
GUNTERMAN	<u>4215009</u>	2007-Feb-27	2009-Feb-27
GUNTERMAN	<u>4215010</u>	2007-Feb-27	2009-Feb-27
GUNTERMAN	<u>4215014</u>	2007-Feb-27	2009-Feb-27
GUNTERMAN	<u>4215015</u>	2007-Feb-27	2009-Feb-27
JOUBIN	<u>4205720</u>	2005-Jun-28	2007-Jun-28
JOUBIN	<u>4214928</u>	2007-Feb-27	2009-Feb-27
JOUBIN	<u>4215016</u>	2007-Feb-27	2009-Feb-27
JOUBIN	<u>4221247</u>	2004-Oct-19	2007-Mar-19
JOUBIN	<u>4221248</u>	2004-Oct-19	2007-Mar-19
