

CONTINUOUS DISCLOSURE

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ENERGY METALS LIMITED

POLICY ON CONTINUOUS DISCLOSURE

Introduction

Energy Metals Limited is a company listed on the Australian Stock Exchange and as such must meet the continuous disclosure requirements of the Corporations Act 2001 (Clth) and the Listing Rules of the Australian Securities Exchange (“ASX”). The Company is required to ensure the market is kept fully informed of material events as they occur.

This continuous disclosure policy sets out the procedure for:

- Identifying material price sensitive information.
- Reporting such information to the Executive Director and/or the Company Secretary for review.
- Ensuring Energy Metals Ltd (“EME”) achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules.
- Ensuring EME and individual officers do not contravene the Corporations Act and ASX Listing Rules.

This continuous disclosure policy applies to Director’s and those members of senior management who are most likely to be in possession of, or become aware of, the relevant information. All EME staff need to be aware of the existence of the policy and be familiar with the terms so that they can assist with reporting potentially sensitive information to the appropriate persons within EME.

Purpose

The purpose of this policy is to ensure that Company announcements are:

- Made in timely manner.
- Are factual.
- Do not omit material information
- Are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investments decisions.

Continuous Disclosure Protocol – Commitment

The Company is committed to:

- Ensuring that stakeholders have the opportunity to access externally available information issued by the Company.
- Providing full and timely information to the market about the Company’s activities; and
- Complying with the obligations contained in the Australian Securities Exchange Listing Rules and the Corporations Act relating to continuous disclosure.

Underlying Principle

EME has obligations under the Corporations Act and ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of EME securities, or influence an investment decision on the Company's shares or securities, and to correct any material mistake or misinformation in the market. EME discharges these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents.

ASX Listing Rule 3.1

ASX Listing Rule 3.1 requires that EME immediately notify the ASX of any information of which EME becomes aware, concerning EME that a reasonable person would expect to have a material effect on the price or value of EME securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of securities if it would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities. Hence, information is considered to be "material" if there is a substantial likelihood that it would influence an investor in deciding whether to trade in or hold the Company's shares/securities.

EME becomes aware of information if any of its Director's or Officers has or ought reasonably to have, come into possession of the information in the course of the performance of his or her duties as a Director or Officer of EME.

Exceptions to ASX Listing Rule 3.1 on Continuous Disclosure

ASX Listing Rule 3.1 provides for disclosure not to be required where:

- a) A reasonable person would not expect the information to be disclosed; and
- b) The information is confidential; and
- c) One or more of the following applies
 - i. It would be a breach of the law to disclose the information
 - ii. The information concerns an incomplete proposal or negotiation
 - iii. The information comprises matters of supposition or is insufficiently definite to warrant disclosure
 - iv. The information is generated for internal management purposes of the entity
 - v. The information is a trade secret.

All three (a, b and c) must be met for disclosure not to be required.

POLICY

The Policy

The following procedures will apply to safeguard against breaches of EME's continuous disclosure obligations:

- a) director's and senior management must immediately notify the Executive Director and/or the Company Secretary as soon as they become aware of information that should be considered for release to the market (material information which is to be disclosed);
- b) the Executive Director and/or the Company Secretary will:
 - i) review the material information reported;
 - ii) determine, in consultation with all necessary parties as appropriate, whether any of the material information is required to be disclosed to the ASX; and
 - iii) coordinate the actual form of disclosure with the relevant members of management.
- c) where a decision is made, that the item or information does not warrant an ASX release, the Executive Director /Company Secretary is to advise Director's of the rationale for the decision.

Persons to whom this policy applies

This policy applies to:

- All Director's of EME and its subsidiaries
- All members of senior management
- All employees

Obligations

- a) As soon as you become aware of information that:
 - Is not generally available (ie. the information in question has not been included in any Annual Report, ASX Release or other publication of the Company); and
 - Which may be price sensitive (ie. it is likely to have a financial or reputation impact upon the Company that may be considered material).

You must provide the Executive Director /Company Secretary with all necessary information to ensure that the matter is disclosed appropriately to all required parties.

- b) In order that you can comply with your obligations under paragraph (a) above, you must ensure that you implement such procedures as you consider appropriate to ensure if any person who reports to you becomes aware of or is in possession of information that is not generally available and/or which may be price sensitive, that person will promptly notify you of such information.

Market Speculation and Rumours

The ASX interprets Listing Rule 3.1 as requiring EME to make a clarifying statement or announcement to the ASX in circumstances where EME becomes aware that speculation or comment is affecting the price or volume of trading in EME securities.

For example, when the market moves in a way that appears to be referable to the comment or speculation, EME has an obligation to make such disclosure as is necessary in order to correct a false market in EME securities and ensure investors are not trading on false or misleading information. Normally the ASX will indicate to EME when it believes this is required.

Release of Information to Others

EME must not release material price sensitive information to any person if that information is required to be disclosed to the ASX, until cleared by the ASX. The Executive Director and/or the Company Secretary or a nominee of the Executive Director/Company Secretary will advise all relevant parties when the ASX release has been announced by the ASX. All the information disclosed through ASX is to be promptly placed on the Company's investor website after clearance by the ASX.

Presentation/Enquiries

For all information/presentations/briefings, etc which are to be provided to third parties, each individual is responsible for ensuring that a copy of the material is provided to the Executive Director and/or the Company Secretary prior to presenting that information externally.

All inquiries from third parties must be referred to the Executive Director and/or the Company Secretary. All material presented at an analyst briefing, bank or other third party must be approved or referred through the Executive Director and/or the Company Secretary prior to the briefing.

All inquiries from the media must be referred to the Executive Director and/or the Company Secretary.

Interviews by Employees

No employee may give an interview or make a presentation unless express authority or specific permission is received from the Executive Director.

An employee who is given permission by the Executive Director to give an interview or make a presentation must notify the Executive Director and/or the Company Secretary of the date and time for the interview and must give a copy of any presentation to the Executive Director and/or the Company Secretary.

MANAGEMENT OF THE POLICY

Specific Responsibilities

The Executive Director and/or the Company Secretary is responsible for:

- (a) Liaising with the ASX in relation to continuous disclosure issues.
- (b) Ensuring that the system for the disclosure of all material information to the ASX in a timely fashion is operating.
- (c) Reviewing proposed announcements by EME to the ASX and liaising with the Executive Director or other members of the executive or the Chairman in relation to the form of any ASX releases.
- (d) Liaising with the Board of Director's, as appropriate, in relation to the disclosure of information.
- (e) Keeping a record of all ASX releases and other releases that have been made
- (f) Periodically reviewing EME's disclosure procedures in light of changes to ASX Listing Rules or the Corporations Act and recommending any necessary changes to the procedures.

BREACH OF POLICY AND PENALTIES

Breach of Policy

EME contravenes its Australian continuous disclosure obligations if it fails to notify the ASX of the information required by Listing Rule 3.1 to be disclosed. If EME fails to meet this obligation, its officers may be guilty of an offence under the Corporations Act 2001.

Liabilities and Penalties

(a) EME

If EME contravenes its continuous disclosure obligations, it may face:

- If the contravention is intentional or reckless – criminal liability with a fine.
- Civil liability for any loss or damage suffered by any person as a result of failure to disclose relevant information to the ASX.
- De-listing from the ASX.

The Corporations Act also provides the Australian Securities and Investment Commission ("ASIC") with a mechanism to issue an infringement notice on the Company for any alleged contravention of its continuous disclosure obligation. The ASIC infringement works in the following manner.

- Where ASIC considers an entity has breached the continuous disclosure regime, ASIC notifies the entity of the case against it;
- ASIC then holds a hearing at which the entity is permitted to give evidence and make submissions;
- If, following the hearing, ASIC decides a contravention has occurred it may issue an infringement notice to this effect;
- Compliance with this notice can be satisfied by payment of a specified financial penalty and by remedying the alleged inadequate disclosure.
- Compliance with an infringement notice will not be taken as an admission of liability or of a contravention of the Corporations Act. Subject to certain exceptions, entities complying with an infringement order will also avoid existing or further civil or criminal proceedings arising from the alleged contraventions;
- Financial penalties imposed by way of infringement notices will range from \$33,000 up to \$100,000 depending on whether the respondent is an unlisted or listed disclosing entity,

whether or not the entity has previously contravened the disclosure provisions, and the entity's market capitalization (listed entities).

- If an entity fails to comply with an infringement notice, ASIC may bring civil proceedings against the entity for alleged contravention. If the court finds that a breach has occurred, it must make a declaration of contravention against the entity, and, if ASIC has sought it, may make an order to disclose information or publish the infringement notice.

(b) Others

EME's officers (including its Director's, employees or advisers who are involved in the contravention), may be banned from managing corporations, face criminal (monetary fine and/or 5 years imprisonment) and/or civil penalties as outlined above.