



ABN 63 111 306 533

Half Year Financial Report

31 December 2008

ENERGY METALS LIMITED

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2008

CORPORATE DIRECTORY

DIRECTORS

Oscar Aamodt - Non-Executive Chairman
Lindsay Dudfield - Executive Director
Geoffrey Jones - Non-Executive Director

CONTACT DETAILS

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REGISTERED OFFICE

Level 2, 18 Kings Park Road
WEST PERTH WA 6005

COMPANY SECRETARY

Patricia Anne Farr

POSTAL ADDRESS

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WEST PERTH WA 6872

STOCK EXCHANGE LISTING

Australian Stock Exchange
ASX Code : **EME**

AUDITORS

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
SUBIACO WA 6008

SOLICITORS

Blakiston & Crabb
1202 Hay Street
WEST PERTH WA 6005

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
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BANKERS

National Australia Bank
50 St Georges Terrace
PERTH WA 6000

ENERGY METALS LIMITED

DIRECTORS' REPORT

Your Directors present the financial report of Energy Metals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

DIRECTORS

The names of the Directors in office during the half-year and at the date of this report are as follows. Directors were in office for this entire period unless otherwise stated:

Oscar Aamodt (63) *FCIS*

Lindsay George Dudfield (52) *B.Sc.*

Geoffrey Michael Jones (47) *B. Eng FIEAust CPEng* – appointed 29/08/2008

Donald Ross Kennedy (69) *B.Sc. (Hons)* – resigned 01/09/2008

REVIEW OF OPERATIONS

The Company reported an operating profit after income tax of \$69,289 for the six months ended 31 December 2008 (2007: profit after income tax of \$77,259).

Energy Metals Limited is a dedicated uranium explorer with eight projects located in the Northern Territory (NT) and Western Australia (WA) covering over 4,000 km². Most of the projects contain uranium mineralisation discovered by major companies in the 1970's. The Company's main focus is the advanced Bigrlyi project (NT), which is characterised by relatively high uranium grades (with vanadium credits) and excellent metallurgical recoveries. A JORC compliant uranium and vanadium resource estimate (7.56Mt @ 0.14% U₃O₈ & 0.26% V₂O₅ at 0.5kg/t U₃O₈ cut-off) was announced to the ASX in March 2008. This represented a 64% increase in uranium and a 168% increase in vanadium compared with the previous (March 2007) resource estimate.

Field work undertaken during the half year was predominantly focused on the Bigrlyi project where 89 RC and diamond holes were drilled to extend shallow resource positions at the A4 and A15 deposits, with most holes intersecting anomalous uranium values. A new Bigrlyi resource estimate incorporating recent drilling results is scheduled for release in the next quarter.

Exploration conducted on 100% owned Energy Metals projects during the period included first pass RC and aircore drilling at the Ngalia Regional project (NT) and aircore drilling at Lakeside, Anketell and Mopoke Well (all WA). Shallow uranium intercepts were recorded from Cappers and Camel Flat prospects (both Ngalia Regional) and from Lakeside, with results from Anketell and Mopoke Well pending.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12 to this half-year financial report.

ENERGY METALS LIMITED

DIRECTORS' REPORT

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Lindsay Dudfield
Executive Director

PERTH

26 February 2009.

ENERGY METALS LIMITED

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) The financial statements, and notes set out on pages 5 to 11, are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half year ended on that date; and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Lindsay Dudfield
Executive Director

PERTH

26 February 2009.

ENERGY METALS LIMITED

BALANCE SHEET As at 31 December 2008

		Consolidated	
	Notes	31/12/2008	30/06/2008
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		5,694,794	5,329,275
Trade and other receivables		240,237	2,125,602
		5,935,031	7,454,877
TOTAL CURRENT ASSETS			
NON CURRENT ASSETS			
Property, plant & equipment		398,696	406,173
Exploration and evaluation expenditure		10,179,530	8,096,943
		10,578,226	8,503,116
TOTAL NON CURRENT ASSETS			
		16,513,257	15,957,993
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and other payables		34,154	81,592
		34,154	81,592
TOTAL CURRENT LIABILITIES			
		34,154	81,592
TOTAL LIABILITIES			
		16,479,103	15,876,401
NET ASSETS			
EQUITY			
Contributed equity	3	17,337,555	16,804,142
Reserves		2,419,100	2,419,100
Accumulated losses		(3,277,552)	(3,346,841)
		16,479,103	15,876,401
TOTAL EQUITY			

The above balance sheet should be read in conjunction with the accompanying notes.

ENERGY METALS LIMITED

INCOME STATEMENT

For the half-year ended 31 December 2008

	Consolidated Half-year	
	31/12/2008	31/12/2007
	\$	\$
Revenue from continuing operations	617,174	770,014
Depreciation expenses	(36,891)	(26,011)
Employee benefits expenses	(82,691)	(211,562)
Corporate and regulatory expenses	(106,492)	(118,365)
Joint Venture expenses (8)	-	-
Administration expenses	(321,811)	(336,817)
Profit /(loss) before income tax	69,289	77,259
Income tax expense	-	-
Profit /(loss) for the half-year	69,289	77,259
Profit/(loss) attributable to members of Energy Metals Limited.	69,289	77,259
Earnings per share for profit attributable to the ordinary equity holders of the company		
Basic earnings per share (cents)	0.0006	0.0027
Diluted earnings per share (cents)	0.0005	0.0020

The above income statement should be read in conjunction with the accompanying notes.

ENERGY METALS LIMITED

STATEMENT OF CHANGES IN EQUITY For the half-year ended 31 December 2008

		Consolidated Half-Year	
	Notes	31/12/2008 \$	31/12/2007 \$
Total equity at the beginning of the half-year		15,876,401	7,883,902
Net income recognised directly in equity		-	-
Profit for the half-year		69,289	77,259
Total recognised income and expense for the half-year		69,289	77,259
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transaction costs	3	533,413	5,949,957
		533,413	5,949,957
Total equity at the end of the half-year		16,479,103	13,911,118
Total recognised income and expense for the half-year is attributable to:			
Members of Energy Metals Limited		69,289	77,259
		69,289	77,259

The above statement of changes in equity should be read in conjunction with the accompanying notes.

ENERGY METALS LIMITED

CASH FLOW STATEMENT

For the half-year ended 31 December 2008

	Notes	Consolidated Half-year	
		31/12/2008 \$	31/12/2007 \$
Cash flows from operating activities			
Joint Venture fees received		590,014	765,867
Joint Venture costs		(195,268)	(334,825)
Interest received		208,771	63,997
Diesel fuel rebate received		13,656	-
Expenses related to managing the joint venture and payments to suppliers and employees		(455,243)	(630,922)
		161,930	(135,883)
Cash flows from investing activities			
Payments for property, plant & equipment		(25,357)	(123,216)
Payments for exploration, evaluation & development expenditure		(2,082,587)	(2,678,601)
		(2,107,944)	(2,801,817)
Cash flows from financing activities			
Proceeds from issue of shares		2,311,533	5,949,957
		2,311,533	5,949,957
Net increase/(decrease) in cash and cash equivalents			
		365,519	3,012,257
Cash and cash equivalents at the beginning of the half year		5,329,275	2,314,578
Cash and cash equivalents at the end of the half year		5,694,794	5,326,835

The above cash flow statement should be read in conjunction with the accompanying notes.

ENERGY METALS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS For the half-year ended 31 December 2008

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR REPORT

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Energy Metals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

NOTE 2: SEGMENT INFORMATION

a) Industry Segment.

During the half year the Company operated in one industry, the mining exploration and prospecting industry. The Company reported an operating profit after income tax of \$69,289 for the six months ended 31 December 2008.

b) Geographical Segment.

During the half year the Company operated within Western Australia and the Northern Territory only.

NOTE 3: EQUITY SECURITIES ISSUED

	Half Year		Half Year	
	2008	2007	2008	2007
	Shares	Shares	\$	\$
Issues of ordinary shares during the period:				
Fully paid ordinary shares @ 98.78 cents each on the exercise of options.	540,000	-	533,413	-
Fully paid ordinary shares @ 30 cents each on the exercise of options.	-	2,603,771	-	781,131
Fully paid ordinary shares @ \$1 each on the exercise of options.	-	165,000	-	165,000
Fully paid ordinary shares @ \$3 each on the exercise of options		20,000		60,000
Fully paid ordinary shares @ \$3.50 cents each as per 1 for 20 Rights Issue announced to ASX on 12 November 2007.	-	1,482,287	-	5,188,004
Less: transaction costs	-	-	-	(244,178)
	540,000	4,271,058	533,413	5,949,957

ENERGY METALS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS For the half-year ended 31 December 2008

NOTE 4: DIVIDENDS

No dividends have been paid or declared and no dividends have been recommended by the Directors.

NOTE 5: CONTINGENCIES

a) Contingent liabilities.

There has been no change in contingent liabilities since the last annual report.

NOTE 6: INTEREST IN JOINT VENTURE OPERATIONS

The Company has the following interest in unincorporated joint ventures:

Joint Venture	Principal Activity	% Interest	
		2008	2007
Bigrlyi Joint Venture	Uranium Exploration	53.74	53.29

The joint venture is a contractual arrangement between participants for the sharing of costs and outputs and does not generate revenue and profit.

The Company is a participant in the Bigrlyi Joint Venture with a 53.74% interest (2007: 53.29%). The Company's interest in the Joint Venture increased as a result of dilution by Southern Cross Exploration NL. Southern Cross have disputed the dilution and pursuant to the joint venture agreement the parties operate under, the matter will be resolved via a process of arbitration and should the dilution be found to be invalid, the total result would be to remove the dilution affect and revert back to the original percentages.

The other participants in the joint venture are Valhalla Uranium Limited (42.06%) and Southern Cross Exploration NL (4.20%).

The Company has brought to account its percentage interest of the operating costs of the joint venture in the Income Statement, and its percentage interest of the assets in the Balance Sheet.

a) Commitments

There are no capital expenditure commitments for the Joint Venture as at 30 June 2008.

b) Contingent liabilities

Claims of Native Title

There are no claims of Native Title that affect the joint venture licence holdings.

ENERGY METALS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS For the half-year ended 31 December 2008

NOTE 7: EVENTS OCCURRING AFTER BALANCE DATE

There are no events subsequent to the end of the financial period that would have a material effect on these financial statements.

NOTE 8: COMPARATIVES

In accordance with AASB 131 Joint Venture Accounting, at 31 December 2008 the consolidated entity has only disclosed management fee income and joint venture costs in the income statement to the extent of the interest of the other joint venturers in the Bigrlyi Joint Venture.

The comparatives at the 31 December 2007 have been adjusted accordingly. There is no impact on the profit of the consolidated entity.

26 February 2009

The Directors
Energy Metals Limited
Level 2
18 Kings Park Road
WEST PERTH WA 6005

Dear Sirs

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF ENERGY METALS LIMITED

As lead auditor of Energy Metals Limited for the half year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Energy Metals Limited and the entities it controlled during the period.



Chris Burton
Director



BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Energy Metals Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Energy Metals Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year (in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission).

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Energy Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Energy Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Kendalls Audit and Assurance (WA) Pty Ltd

BDO Kendalls



Chris Burton

Director

Signed in Perth, Western Australia
Dated this 26th day of February 2009