

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Energy Metals Limited (EME)

ACN/ARSN ACN 111 306 533

1. Details of substantial holder (1)

Name China Uranium Development Company Limited (CUD) on its own behalf and on behalf of each of the related bodies corporate of CUD listed in Annexure A (CGN Entities)

ACN/ARSN (if applicable) _____

There was a change in the interests of the substantial holder on 18/03/2010
 The previous notice was given to the company on 17/12/2009
 The previous notice was dated 17/12/2009

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary shares	78,823,195	65.22%	93,122,835	69.34%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
See Part 1 of Annexure B	China Uranium Development Company Limited (CUD)	Acquisition of relevant interest in ordinary shares by virtue of section 608(8) of the Corporations Act 2001 (Cth) as a result of acceptances of CUD's entitlement under Energy Metals Limited's (EME) Underwritten Non Renounceable Entitlements Issue (Entitlement Issue) announced on 5 February 2010, the terms of which are contained in EME's offer document despatched to shareholders on 18 February 2010 (a copy of which was given to ASX on 18 February 2010)	\$0.90 cash per EME share	See Part 1 of Annexure B	See Part 1 of Annexure B

See Part 2 of Annexure B	China Uranium Development Company Limited (CUD)	Acquisition of relevant interest in ordinary shares by virtue of section 608(8) of the Corporations Act 2001 (Cth) as a result of CUD accepting shares by underwriting the Entitlement Issue on the terms and conditions of the underwriting agreement set out in Annexure C.	\$0.90 cash per EME share	See Part 2 of Annexure B	See Part 2 of Annexure B
See Part 1 and Part 2 of Annexure B	Each of the companies listed in Annexure A (CGN Entities)	Acquisition of relevant interest in ordinary shares by virtue of section 608(3) of the Corporations Act 2001 (Cth) insofar as each of the CGN Entities either controls CUD or has over 20% of the voting power in CUD	Not applicable	See Part 1 and Part 2 of Annexure B	See Part 1 and Part 2 of Annexure B

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
CUD	CUD	Not applicable	Relevant interest under section 608(8) of the Corporations Act 2001 (Cth) (see section 3 above)	93,122,835 ordinary shares	93,122,835
Each of the CGN Entities	CUD	Not applicable	Relevant interest under section 608(3) of the Corporations Act 2001 (Cth) (see section 3 above)	93,122,835 ordinary shares	93,122,835

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5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

6. Addresses

The addresses of persons named in this form are as follows:

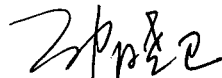
Name	Address
CUD	Room 1901, CC Wu Building, 302 Hennesy Road, Wanchai, Hong Kong
Each of the CGN Entities	Room 1901, CC Wu Building, 302 Hennesy Road, Wanchai, Hong Kong

Signature

print name Zheng Xiaowei

capacity Authorised Officer

sign here



date 22/03/2010

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure A

This is the Annexure A referred to in Form 604 (Notice of change of interests of substantial holder) signed by me and dated 22 March 2010.

Zheng Xiaowei
Authorised Officer
22 March 2010

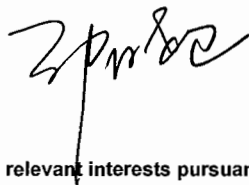


CGN Entities
China Guangdong Nuclear Power Holding Co., Ltd.
Guangdong Nuclear Investment Co., Ltd.
Shenzhen Nengzhahui Investment Co., Ltd.
Ling'ao Nuclear Power Co., Ltd.
Dayabay Nuclear Management Co., Ltd.
Guangdong Nuclear Power Joint Venture Co., Ltd.
CGNPC Energy Development Co., Ltd.
Lingdong Nuclear Power Co., Ltd.
Yangjiang Nuclear Power Co., Ltd.
Fujian Ningde Nuclear Power Co., Ltd.
Liaoning Hongyanhe Nuclear Power Co., Ltd.
Guangdong Taishan Nuclear Power Co., Ltd.
CGNPC Lufeng Nuclear Power Co., Ltd.
Yangjiang Nuclear Power Base Development Co., Ltd.
Hubei Nuclear Power Co., Ltd.
Anhui Wuhu Nuclear Power Co., Ltd.
Guangxi Fangcheng Port Nuclear Power Co., Ltd.
Jilin Nuclear Power Co., Ltd.
Xianning Nuclear Power Co., Ltd.
CGNPC Wind Power Co., Ltd.
Zhongkehua Institute of Nuclear Power Technologies
Guangdong Daya Bay Nuclear Power Environment Protection Co., Ltd.
CGNPC Uranium Resources Co. Ltd.
China Nuclear Power Engineering Co., Ltd.
Shenzhen CGNPC Engineering Design Co., Ltd.
Beijing Guanglihe System Engineering Co., Ltd.
Linwan Nuclear Power Co., Ltd.
Daya Bay Nuclear Power Finance Co., Ltd.
Guangdong Daya Bay Nuclear Power Services (Group) Co., Ltd.
Guangdong Nuclear Power Industrial Development Co., Ltd.
Beijing Galaxy Innovative Technologies Co., Ltd.
CGNPC Nuclear Power Imp. & Exp. Co., Ltd.
CGNPC International Co., Ltd.
Bailu New Energy Investment and Development Co., Ltd.

Annexure B

This is the Annexure B referred to in Form 604 (Notice of change of interests of substantial holder) signed by me and dated 22 March 2010.

Zheng Xiaowei
Authorised Officer
22 March 2010



Details of changes in relevant interests pursuant to acceptances of the Offer

Part 1

Date of change	Class and number of securities affected	Person's votes affected
Mon, 15 March 2010	8,867,922 ordinary shares	8,867,922

Part 2

Date of change	Class and number of securities affected	Person's votes affected
Thurs, 18 March 2010	4,536,622	4,536,622

Annexure C

This is the Annexure C referred to in Form 604 (Notice of change of interests of substantial holder) signed by me and dated 22 March 2010.

Zheng Xiaowei
Authorised Officer
22 March 2010

A handwritten signature in black ink, appearing to be 'Zheng Xiaowei' in a stylized cursive script.

ENERGY METALS LIMITED
ABN 63 111 306 533
(Company)

and

CHINA URANIUM DEVELOPMENT COMPANY LIMITED
(Underwriter)

UNDERWRITING AGREEMENT – RIGHTS ISSUE



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THIS AGREEMENT is made the

4th

day of

February

2010

BETWEEN

ENERGY METALS LIMITED (ABN 63 111 306 533) of Level 2, 18 Kings Park Road, West Perth, Western Australia (**Company**);

AND

CHINA URANIUM DEVELOPMENT COMPANY LIMITED of Room 1901 C C Wu Building, 302 Hennessy Road, Waichai, Hong Kong (**Underwriter**).

RECITALS

- A. The Company proposes to offer to its Shareholders the Underwritten Shares for subscription at the Price.
- B. The Company has requested the Underwriter to underwrite the subscription of all the Underwritten Shares, which the Underwriter has agreed to do so on the following terms and conditions.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

Accounts means the financial statements of the Relevant Companies as at and for the period ending 31 December 2009 and the most recent monthly management accounts of the Relevant Companies for the period ending 31 December 2009, provided to the Underwriter prior to the date of this Agreement.

Announcement Date means 5 February 2010.

Appendix 3B means the document to be prepared by the Company in accordance with Appendix 3B of the Listing Rules in respect of the Issue and lodged by the Company with ASX.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited, or the Australian Securities Exchange, as the context requires.

Authorisation includes any consent, authorisation, registration, filing, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with any governmental agency.

Board or **Directors** means the board of directors of the Company from time to time.

Business Day means a day upon which ASX is open for trading in securities and trading banks in Perth, Western Australia are open for general banking business.

Certificate means a letter to the Underwriter signed by one director and the secretary or by two directors of the Company as set out in the Annexure.

Cleansing Notice means a notice to be prepared by the Company in compliance with section 708AA(7) of the Corporations Act and lodged by the Company with ASX in accordance with ASIC Class Order 08/35 and the timetable set out in paragraph 3 of Appendix 7A of the Listing Rules.

Closing Date means the closing date specified in the Timetable, or such other date as the Company and the Underwriter agree in writing (such agreement on the part of both parties not to be unreasonably withheld).

Contracts means all material agreements of the Company as disclosed to ASX.

Controller means in respect of a Relevant Company, any person described in Section 419(1) of the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth) as amended.

Dispatch Date means 18 February 2010, or such other date as agreed between the parties, being the date of dispatch of the Offer Document.

Due Diligence Program means the due diligence program implemented by the Company for the purpose of preparing the Offer Document and ensuring that the Offer Document complies with the Corporations Act, which program will consist of, inter alia, completion of due diligence questionnaires (in a form acceptable to the Underwriter) by all of the directors of the Company, a legal review of the Offer Document by the Company's legal advisers and completion of verification of the information contained in the Offer Document.

Due Diligence Results means the results of the investigations which make up the Due Diligence Program and all supporting reports, documents and work papers to which the Due Diligence Program relates.

Event of Insolvency means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 21 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control

of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;

- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Force Majeure means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

Foreign Shareholder means a person who is registered as the holder of ordinary shares in the capital of the Company on the Record Date whose registered address is in a country other than Australia, New Zealand or Hong Kong.

Insolvency Provision means any law relating to insolvency, sequestration, liquidation or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences, and any law under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

Issue means a non-renounceable rights issue of the Underwritten Shares on the basis of one (1) new Share for every nine (9) Shares held on the Record Date, as offered pursuant to the Offer Document.

Listing Rules means the Official Listing Rules from time to time of ASX.

Material Adverse Effect means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Underwritten Shares (including, without limitation, a material adverse effect on a decision of an investor to invest in Underwritten Shares); or
- (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries taken as a whole.

Offer means the offer for subscription of the Underwritten Shares pursuant to the Issue and the Shortfall Offer, under the Offer Document.

Offer Document means the offer document and accompanying entitlement and acceptance form prepared in accordance with Section 708AA and dispatched to Shareholders on the Dispatch Date.

Opening Date means the opening date specified in the Timetable or such other date agreed in writing by the Underwriter.

Option means an option to acquire a Share which is on issue at the date of this Agreement.

Prescribed Occurrence means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under Section 257D or 257E of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option (other than pursuant to the Offer);
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under Section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

Price means \$0.90 per Share.

Record Date means 16 February 2010.

Relevant Company means the Company and each Subsidiary.

Shortfall Application has the meaning given by clause 6.1.

Shortfall Notice Deadline Date means the day that is 2 Business Days after the Closing Date or any other date agreed in writing between the parties as the date by which the Company must give the Underwriter written notice of the Shortfall Shares and the Certificate.

Shortfall Offer means the separate offer to Shareholders under the Offer Document to subscribe for Shares in excess of their entitlement under the Issue, the event that Shareholders do not submit valid entitlements under the Issue.

Shortfall Shares means, subject to the deeming provisions of clause 5.2, Underwritten Shares for which Valid Applications have not been received by 5:00 pm on the Closing Date.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Subsidiary means each company which is now, or before the issue of all the Underwritten Shares becomes, a subsidiary of the Company as that term is defined in the Corporations Act.

Timetable means the timetable set out in the Offer Document.

Underwritten Amount means the number of Underwritten Shares multiplied by the Price.

Underwritten Shares means 13,429,499 Shares plus any Shares to be offered under the Issue as a result of the conversion of Options prior to the Record Date.

Valid Application means an application in respect of either the Issue or the Shortfall Offer:

- (a) that is made on an entitlement and acceptance form which was attached to or accompanied the Offer Document that is properly completed in accordance with the instructions in that form and in the Offer Document;
- (b) that is accompanied by any supporting documents required by the Offer Document to accompany that form;
- (c) that is received by the Company on or before 5.00pm on the Closing Date at a place specified in the Offer Document for lodgement of application forms;
- (d) that is not withdrawn before it ceases to be capable of being withdrawn; and
- (e) in respect of which payment of the Price for the relevant number of Underwritten Shares is received and is cleared when presented for payment by the relevant financial institution on which the payment is drawn.

Verification Material means the material maintained by the Company being the documents and information provided by the Company in verification of statements made in the Offer Document, as inspected and approved by the Underwriter immediately before the Dispatch Date.

1.2 Interpretation

In this Agreement unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) an obligation or liability assumed by, or a right conferred on, 2 or more Parties binds or benefits all of them jointly and each of them severally;

- (c) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (e) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (h) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Agreement and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;
- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (j) a reference to **\$** or **dollar** is to Australian currency; and
- (k) a reference to time is to the time in Perth, Western Australia.

1.3 Official quotation

A reference in this Agreement to grant of "official quotation" includes a reference to unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of the Underwriter, have a Material Adverse Effect) by ASX in writing for all the Underwritten Shares to be officially quoted on ASX. Without limitation, granting of official quotation must be taken to have been refused if any prior approval is withdrawn or if a statement to the effect that official quotation will be refused or withdrawn is made to the Company, the Underwriter or to the public by ASX before the Closing Date.

2. UNDERWRITER'S RIGHTS AND OBLIGATIONS

2.1 To Underwrite the Offer

Subject to clause 2.2, on the conditions and for the consideration appearing in this Agreement, the Underwriter agrees to underwrite the subscription of the Underwritten Shares.

2.2 Sub-underwriters

- (a) The Underwriter may, at any time in its absolute discretion appoint sub-underwriters to sub-underwrite the Issue.

- (b) The Underwriter must pay all fees and commissions due to sub-underwriters of the Issue.
- (c) The appointment of any such sub-underwriters will not limit the Underwriter's obligations under clause 2.1.

2.3 Conditions Precedent

- (a) The obligations of the Underwriter under this Agreement (except under clause 12.4) are subject to and conditional upon:
 - (i) **(Due Diligence)**: the Underwriter being satisfied (in its sole and absolute discretion) with the Due Diligence Program and the Due Diligence Results by the Dispatch Date;
 - (ii) **(Legal sign-off)**: a legal sign-off letter prepared by the Company's legal advisers being provided to the Underwriter by the Dispatch Date confirming that the Offer may be made without disclosure under Chapter 6D of the Corporations Act and that the Offer will comply with the Corporations Act and the Listing Rules;
 - (iii) **(Underwriter's consent to be named)**: the Underwriter being satisfied (in its sole and absolute discretion) with the form of the Offer Document and having given its consent to be named in the Offer Document prior to the Dispatch Date as evidence thereof, such consent not to be unreasonably withheld;
 - (iv) **(Appointment of Nominee)**: on or prior to the Dispatch Date, the Company appointing a nominee, as contemplated by Section 615 of the Corporations Act, to deal with the entitlements of Foreign Shareholders under the Issue;
 - (v) **(Cleansing Notice and Appendix 3B)**: the Company lodging with ASX the Cleansing Notice (as required under 708AA of the Corporations Act and the timetable set out in paragraph 3 of Appendix 7A of the Listing Rules) and an Appendix 3B prior to 5.00pm (Perth time) on the Announcement Date; and
 - (vi) **(Offer Document)**: the Company dispatching to its shareholders the Offer Document prior to 5.00pm (Perth time) on the Dispatch Date.
- (b) If any of the conditions precedent set out in this clause 2.3, are not satisfied or waived by 5.00pm (Perth time) by their due dates for satisfaction as set out in clause 2.3, the Underwriter may terminate this Agreement by notice in writing to the Company.

2.4 Benefit of Conditions Precedent

The conditions precedent in clause 2.2 are for the benefit of the Underwriter and may only be waived by the Underwriter.

2.5 To determine allocation of Shortfall Shares

The Underwriter has the right to nominate and determine who is to receive the Shortfall Shares.

2.6 Not acting as adviser

- The Company acknowledges that the Underwriter is only acting in its capacity as underwriter in relation to the Offer and that the Underwriter is not acting as adviser to the Company in respect of the Offer.

3. COMPANY'S OBLIGATIONS

3.1 Offer Document

The Company must:

- (a) **(Statutory compliance)**: ensure the Offer complies with the requirements of offering securities under a rights issue without a disclosure document as set out in Section 708AA of the Corporations Act and any other relevant law contained in the Corporations Act, the Corporations Regulations and the Listing Rules;
- (b) **(Dispatch Offer Document)**: dispatch the Offer Document to Shareholders by the Dispatch Date and to otherwise comply with the Timetable;
- (c) **(Complying Offer)**: ensure that the Offer and the Issue take place in accordance with the requirements of Item 10 of Section 611 of the Corporations Act and otherwise in compliance with the terms of the Offer Document, the Listing Rules, any applicable law or regulation and any modification, exemption, declaration, waiver, direction or ruling by ASIC or ASX and complies with the regulatory requirements of all States and Territories of Australia where the Offer will be made; and
- (d) **(Cleansing Notice)**: lodge any supplementary or replacement Cleansing Notice as may be required under section 708AA(10) of the Corporations Act.

3.2 Conduct of the Issue

The Company must:

- (a) **(Open the Offer)**: open the Offer on the Opening Date; and
- (b) **(Close the Offer)**: not, except with the prior written consent of the Underwriter, close the Offer before the Closing Date.

3.3 Due Diligence Program

The Company must:

- (a) **(Conduct)**: conduct the Due Diligence Program until the date the Underwritten Shares are issued;
- (b) **(File Copies)**: maintain files documenting and recording the Due Diligence Program and the Due Diligence Results and make those files available to the Underwriter on reasonable request from the Underwriter at any time from the date of this Agreement and for a period of 7 years thereafter; and

- (c) (**Copies**): give the Underwriter copies of all documents, notices and circulars despatched to Shareholders that are material to the Offer and the Issue from the date of this Agreement.

3.4 Obligation to Underwriter

The Company must:

- (a) (**Obtain Underwriter's approval**): not make any announcement as to the success or otherwise of the Offer nor otherwise advertise or publicise the Offer before the Closing Date except with the prior written consent of the Underwriter (which will not be unreasonably withheld) except to the extent required by ASX, by statute or by regulatory authorities in any relevant governing jurisdiction; and
- (b) (**Inform Underwriter of Breach**): inform the Underwriter of the occurrence of any termination event specified in clause 10.2, material breach of, or material default under, this Agreement immediately in writing.

4. REPRESENTATIONS AND WARRANTIES

4.1 Company's representations and warranties

The Company represents, warrants and undertakes to the Underwriter that as at the date of this Agreement and at all times up until and as at the close of business on the day of issue of the Underwritten Shares:

- (a) (**Offer Document**): the Company is legally able to issue the Offer Document in accordance with Section 708AA of the Corporations Act;
- (b) (**Compliance**): the Offer Document complies with relevant provisions of the Corporations Act;
- (c) (**Section 708AA(3)**): no determination pursuant to section 708AA(3) of the Corporations Act has been made by ASIC in relation to the Company;
- (d) (**Due Diligence Results**): the Due Diligence Results and the Verification Material are correct and accurate in all material respects and there is no material omission from them having regard to the purpose and scope of the Due Diligence Program;
- (e) (**Recitals correct**): the Recitals to this Agreement are true and correct;
- (f) (**No rights to securities**): no Relevant Company will issue or agree to issue any shares, options, securities or interests other than the Underwritten Shares in accordance with the Offer Document, as is otherwise contemplated or under this Agreement and no person has or will have any right to subscribe for or to receive or be issued any shares, securities or interests of any Relevant Company other than the Underwritten Shares in accordance with the Offer Document and this Agreement;
- (g) (**Permits**): each Relevant Company holds all licences and approvals necessary to enable it to carry on each of its businesses;

- (h) **(No encumbrances)**: no Relevant Company has or will have created or agreed to create any mortgage, charge, lien or other security or encumbrance over any or all of its assets;
- (i) **(No litigation)**: there is not and will be no litigation, arbitration, industrial or administrative proceedings on foot or to the best of the Company's knowledge, threatened, or pending against a Relevant Company which could reasonably be expected to have a Material Adverse Effect;
- (j) **(No Prescribed Occurrence)**: no Prescribed Occurrence exists or will occur in respect of any Relevant Company after the execution of this Agreement other than the issue of securities in accordance with the Offer Document, as is otherwise contemplated or this Agreement;
- (k) **(Corporate authority)**: all necessary corporate action and authorisations to permit the Company to enter into this Agreement, for the Company to dispatch the Offer Document to Shareholders and for the Company to make the Offer have been obtained and are and will be in full force and effect;
- (l) **(Binding obligations)**: this Agreement constitutes a legal, valid and binding obligation on the Company and subject to any necessary stamping is enforceable in accordance with its terms;
- (m) **(No Event of Insolvency)**: no Event of Insolvency has occurred in relation to any Relevant Company nor is there any act which has occurred or any omission made which may reasonably be expected to result in an Event of Insolvency occurring in respect of a Relevant Company;
- (n) **(Certificate correct)**: the Certificate will be true and correct;
- (o) **(Agreement does not result in breach)**: the execution and carrying out of this Agreement will not conflict with or result in a breach of or a default under any of the terms or provisions of any mortgage, deed or trust or other instrument binding on any Relevant Company; and
- (p) **(Information)**: all information provided to the Underwriter by or on behalf of the Company is true and correct in all material respects and does not contain material statements which are misleading or deceptive or likely to mislead or deceive and there is no material information that has not been disclosed to the Underwriter which has, or could reasonably be expected to have, a Material Adverse Effect.

4.2 Notice of breach

The Company must immediately give notice in writing to the Underwriter of any breach by the Company of this Agreement that occurs before the day of issue of the Underwritten Shares. Such notification does not limit or affect the liability of the Company for any such breach.

4.3 Acknowledgments

The Company acknowledges that:

- (a) the Underwriter has entered into this Agreement in reliance on the representations, warranties and undertakings set out in clause 4.1 (the **Representations**); and

- (b) except where a Representation expressly states otherwise, the Company gives all the Representations to the best of its knowledge and belief and after having made full and proper enquiries on the subject matter to which the Representation relates.

4.4 Not affected by investigations

The representations, warranties and undertakings are not affected or extinguished by any investigation made by or on behalf of the Underwriter into the affairs of any Relevant Company or by any other event or matter unless:

- (a) the Underwriter has given a specific waiver or relief;
- (b) the Company has fairly disclosed the event or matter relevant to the representations, warranties or undertakings in the Due Diligence Program; or
- (c) the event or matter relevant to the representations, warranties or undertakings occurs or fails to occur after the date of this Agreement at the request or with the approval of the Underwriter.

5. THE SHARES

5.1 Issue of Underwritten Shares

Subject to clause 5.2, the Company must:

- (a) **(Notify Underwriter)**: from the Business Day after the Opening Date to the Closing Date, give written notice to the Underwriter on a daily basis of the Valid Applications received, the identity of the applicants and the number of Underwritten Shares validly applied for unless otherwise reasonably requested by the Underwriter;
- (b) **(Final list)**: cause a final computerised list of Valid Applications to be delivered to the Underwriter as soon as possible after the Closing Date and in any event, by the Shortfall Notice Deadline Date;
- (c) **(Acceptance of Valid Applications)**: accept all Valid Applications for Underwritten Shares up to the number of Underwritten Shares offered under the Offer Document;
- (d) **(Issue Shares)**: promptly issue the Underwritten Shares in accordance with the Valid Applications;
- (e) **(Issue holding statements)**: complete the despatch of holding statements for the Underwritten Shares in accordance with the Listing Rules;
- (f) **(Documents to ASX and ASIC)**: execute and perform all documents and things as may be reasonably necessary to procure Listing Approval and official quotation of the Underwritten Shares and send to ASX and the ASIC on completion of the Issue the details of issues and other information required by the Listing Rules and the Corporations Act; and
- (g) **(Advise Underwriter of Issues)**: notify the Underwriter of the days on which issue of the Underwritten Shares commences and terminates.

5.2 Valid Applications to go in relief of Underwriter's obligations

All Valid Applications received by the Company will be deemed to have been accepted in full by the Company and will go in relief of the obligations (if any) of the Underwriter under this Agreement.

5.3 Review of applications

If there is a shortfall in Valid Applications received by the Company by the Closing Date:

- (a) the Underwriter may review applications for the Underwritten Shares which were rejected by the Company;
- (b) the Underwriter may re-lodge those applications which are or have become Valid Applications; and
- (c) the Company must accept those applications as Valid Applications.

5.4 Consents of authorities

It is the sole responsibility of the Company to obtain any Authorisation (including from ASX) which is required for the issue of any of the Underwritten Shares under any Valid Application, whether the Valid Application is lodged by the Underwriter or not.

5.5 Prompt banking of cheques

The Company undertakes that it will promptly bank for collection all cheques accompanying applications for Underwritten Shares and will otherwise observe the requirements of the Corporations Act in relation to this matter.

5.6 Retention of subscription moneys

The Company undertakes to the Underwriter that it will retain all subscription moneys in trust for the relevant applicants for Underwritten Shares, and will not permit any subscription moneys of an applicant to be withdrawn or committed other than immediately after the issue of the relevant number of Underwritten Shares to that applicant.

5.7 Records

The Company will maintain (and permit the Underwriter to inspect at any reasonable time) accurate, in all material respects, records of the receipt of applications for Underwritten Shares, the banking of subscription moneys, the processing of applications and the despatch of holding statements for the Underwritten Shares.

6. SHORTFALL SHARES

6.1 Applications

If:

- (a) the Company has complied with its obligations under this Agreement and has not breached any of the representations, warranties and undertakings made by it in this Agreement (other than a breach which

is capable of remedy and which is remedied by the Company promptly following request by the Underwriter);

- (b) this Agreement has not been terminated under clause 10;
- (c) the Company has not received Valid Applications for all of the Underwritten Shares on or before the Closing Date;
- (d) the Company has, after the Closing Date but before 5.00pm on the Shortfall Notice Deadline Date, given to the Underwriter notice in writing stating the number of Shortfall Shares, and that notice is accompanied by a Certificate made up to the date of that notice; and
- (e) provided that it has not, before that time, been shown that the Certificate is incorrect,

the Underwriter must subscribe (or cause its nominee(s) to subscribe) for the Shortfall Shares on or before 5.00pm (Perth time) on the day which is 2 Business Days after the Shortfall Notice Deadline Date accompanied by a cheque or cheques in payment of the Price for those Shortfall Shares (**Shortfall Applications**).

6.2 Issue of Shortfall Shares

As soon as practicable and, in any event, not later than 2 Business Days after the date on which the Company receives the Shortfall Applications in accordance with clause 6.1, the Company will issue the Shortfall Shares in accordance with those Shortfall Applications.

6.3 Default by Underwriter

If the Underwriter does not, in accordance with clause 6.1, lodge or cause Shortfall Applications for all of the Shortfall Shares to be lodged with the Company:

- (a) the Company is irrevocably authorised as agent and attorney of the Underwriter to apply for the Shortfall Shares for which Shortfall Applications have not been lodged (**Remaining Shortfall Shares**) on behalf of, and in the name of, the Underwriter and to instruct the Directors to issue the Remaining Shortfall Shares to the Underwriter on that basis; and
- (b) the Price for each of the Remaining Shortfall Shares issued pursuant to clause 6.3(a) will be a debt due and immediately recoverable by the Company from the Underwriter.

6.4 Priority to Shareholders

For the avoidance of doubt, the provisions of this Agreement and the terms of the Offer operate such that following the Issue, all Shareholders who submit Valid Applications for additional Shares under the Shortfall Offer will be issued those Shares in priority to the Underwriter, and the Underwriter will only be compelled and authorised to subscribe for those Shortfall Shares following the Issue and the Shortfall Offer.

7. FEES AND EXPENSES

- (a) No underwriting fee will be payable by the Company in consideration for the underwriting obligation undertaken by the Underwriter.

- (b) Any sub-underwriting and selling fees to third parties will be met by the Underwriter at its own cost.

8. GST

8.1 GST payable

If GST becomes payable by a party to this Agreement (**Supplier**) on any supply it makes under or in connection with this Agreement:

- (a) any amount payable or consideration to be provided under this Agreement for that supply (**Agreed Amount**) is exclusive of GST;
- (b) an additional amount will be payable by the party providing consideration for that supply under this Agreement (**Recipient**), equal to the amount of GST payable on that supply as calculated by the Supplier in accordance with the GST law and payable at the same time and in the same manner as for the Agreed Amount; and
- (c) the supplier will provide a tax invoice (or equivalent documentation which complies with the GST law) to the Recipient in respect of that supply, no later than the time at which the Agreed Amount for that supply is to be provided under this Agreement.

8.2 Variation

If, for any reason, the GST payable by the Supplier in respect of a supply it makes under this Agreement varies from the additional amount it receives from the Recipient under clause 8.1 in respect of that supply, the Supplier will provide a refund or credit to or will be entitled to receive the amount of this variation from the Recipient (as appropriate).

8.3 Definitions

GST, GST law and other terms used in this clause have meanings used in the *A New Tax System (Goods and Services Tax) Act 1999* (as amended from time to time) or any replacement or other relevant legislation and regulations, except **GST law** also includes any applicable rulings. Any reference to GST payable by the Supplier includes any GST payable by the representative members of any GST group of which the Supplier is a member.

9. DISCHARGE OF UNDERWRITER'S OBLIGATIONS

All obligations of the Underwriter under this Agreement are discharged when any of the following events occurs:

- (a) the date on which the Company receives Valid Applications (including full payment) for all of the Underwritten Shares;
- (b) the Underwriter lodging or causing to be lodged with the Company, subscriptions for all Shortfall Shares accompanied by the Price, in accordance with clause 6.1;
- (c) the Underwriter terminating this Agreement under clause 10; or
- (d) the Company having failed to give a valid notice (accompanied by the Certificate) in accordance with clause 6.1(d) by 5.00pm (Perth time) on the Shortfall Notice Deadline Date.

10. TERMINATION BY UNDERWRITER

10.1 Notice of termination

The Underwriter may terminate this Agreement under clause 10.2 by notice in writing to the Company given on or at any time before the issue of all the Underwritten Shares, without cost or liability to itself.

10.2 Termination events

The Underwriter may terminate its obligations under this Agreement if prior to 5pm on the Closing Date:

- (a) **(Indices fall)**: the S&P ASX 200 Index is at any time after the date of this Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement;
- (b) **(Offer Document)**: the Company does not dispatch the Offer Document to Shareholders on the Dispatch Date or the Offer Document or the Offer is withdrawn by the Company;
- (c) **(No Quotation Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Shares with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation;
- (d) **(Non-compliance with requirements)**: it transpires that the Offer Document does not contain all the information required by the Corporations Act;
- (e) **(Restriction on allotment)**: the Company is prevented from allotting the Underwritten Shares within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (f) **(ASIC application)**: an order is made under Section 1324B or any other provision of the Corporations Act in relation to the Offer Document;
- (g) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (h) **(Authorisation)**: any authorisation which is material to anything referred to in the Offer Document is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (i) **(Indictable offence)**: a director of the Company is charged with an indictable offence; or
- (j) **(Termination Events)**: subject always to clause 10.3, any of the following events occurs:
 - (i) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared)

after the date of this Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union (**Specified Countries**) other than hostilities involving Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by clause 10.2(a) of this Agreement;

- (ii) (**Default**): default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
- (iii) (**Incorrect or untrue representation**): any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect;
- (iv) (**Contravention of constitution or Act**): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (v) (**Adverse change**): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
- (vi) (**Error in Due Diligence Results**): it transpires that any of the Due Diligence Results or any part of the Verification Material was materially false, misleading or deceptive or that there was a material omission from them;
- (vii) (**Public statements**): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Offer Document;
- (viii) (**Misleading information**): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) (**Official Quotation qualified**): the official quotation is qualified or conditional other than as set out in clause 1.3;
- (x) (**Prescribed Occurrence**): a Prescribed Occurrence occurs;
- (xi) (**Suspension of debt payments**): the Company suspends payment of its debts generally;
- (xii) (**Event of Insolvency**): an Event of Insolvency occurs in respect of a Relevant Company;

- (xiii) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xiv) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company;
- (xv) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Shares without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (xvi) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Issue, a matter disclosed in the Offer Document) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xvii) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 5 Business Days;
- (xviii) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xix) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xx) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Offer Document;
- (xxi) **(Breach of Material Contracts)**: any of the Contracts are terminated or substantially modified; or
- (xxii) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

10.3 Material Adverse Effect

The events listed in clause 10.2(j) do not entitle the Underwriter to exercise its rights under clause 10.2 unless, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act.

11. VALIDITY OF OFFER DOCUMENT AND ADVERTISING

11.1 Underwriter not responsible

The Company acknowledges that it, and not the Underwriter, is solely responsible and liable for the form and contents of the Offer Document or any advertising in respect of the Offer which accompanies or relates to the Offer Document.

11.2 Indemnity

Subject to clause 11.4, the Company will indemnify and keep indemnified the Underwriter and its directors, officers, employees and agents (**Related Parties**) and hold them harmless from and against all prosecutions, losses (including loss of profit or losses or costs incurred in connection with any investigation, enquiry or hearing by ASIC, ASX or any governmental authority or agency), penalties, actions, suits; claims, costs (including legal costs on a solicitor-and-own-client basis), demands and proceedings (whether civil or criminal) (**Liability**) arising out of or in respect of:

- (a) non-compliance by the Company with or breach of any legal requirement or the Corporations Act or Listing Rules in relation to the Offer Document;
- (b) any advertising of the Offer (notwithstanding that the Underwriter may have consented to it) or any documents in respect of the Offer which accompany the Offer Document or otherwise arising out of the Offer;
- (c) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Offer Document, any advertising of the Offer or any documents in respect of the Offer which accompany the Offer Document; or
- (d) any breach or failure by the Company to observe any of the terms of this Agreement.

11.3 Benefit of indemnity

Each Related Party shall be entitled to the benefit of this clause 11 and this clause 11 may be enforced on its behalf by the Underwriter.

11.4 Limit of indemnity

The indemnities in clauses 11.2 do not apply:

- (a) to any penalties or fines which the person claiming the benefit of the indemnity must pay in respect of any contravention of the Corporations Act by that person, the Underwriter or any Related Party;
- (b) in respect of liability which results from the wilful default, fraud or the negligence of the person claiming the indemnity, the Underwriter or any Related Party other than an act or omission of which the Company has expressly approved in writing;
- (c) to a subscription by the Underwriter for Shortfall Shares;
- (d) any other amount in respect of which the indemnities in clauses 11.2 would be illegal, void or unenforceable; or

- (e) any announcement, advertisement or publicity made or distributed by the Related Party without the written approval of the Company in relation to the Offer or the Offer Document.

However, if it is alleged that any amount to which the indemnity applies results from the wilful default, fraud or the negligence of the person claiming the benefit of the indemnity, the Underwriter or a Related Party, the Company agrees to reimburse the amount in accordance with this clause 11 until such wilful default, fraud or negligence is established by a Court of final jurisdiction, at which time such amount must be repaid to the Company by the person concerned.

11.5 No waiver of indemnity

The consent or approval of the Underwriter to any act, matter or thing will not itself constitute the waiver of or in any way prejudice the right to indemnity under clause 11.2.

11.6 Underwriter to notify Company

If the Underwriter receives notice of any act, matter or thing which might give rise to an action, proceeding, enquiry or investigation against it or a Related Party in relation to which the Company would be required to indemnify the Underwriter or the Related Party under clause 11.2, then the Underwriter must notify the Company of the act, matter or thing, giving full details as soon as is reasonably practicable after coming to its attention. Failure of the Underwriter to notify the Company as required does not affect the right of the Underwriter to be indemnified under clause 11.2 except where the failure to notify results in:

- (a) a complete defence no longer being available to the Company; or
- (b) a material increase in the amount payable by the Company under the indemnity, in which case the Company will only be liable to indemnify the Underwriter or the Related Party for the amount that would have been payable if the Underwriter had given notice pursuant to this clause 11.6.

11.7 Indemnity survives termination

Each indemnity in this Agreement is a continuing obligation, separate and independent from all the other obligations of the parties and survives termination of this Agreement for whatever cause, including without limitation, termination by the Underwriter under clause 10.

11.8 Company release

The Company agrees that no claim may be made by it against the Underwriter or any of the Related Parties and the Company unconditionally and irrevocably releases and discharges the Underwriter and the Related Parties from any claim that may be made by it to recover from the Underwriter or any of the Related Parties any losses, costs, expenses or damages suffered or incurred by the Company arising directly or indirectly as a result of the participation of the Underwriter or the Related Parties in the preparation of the Offer Document or any of the Offer documents or in relation to the making of the Offer, except in relation to matters where those losses, costs, expenses or damages result primarily from any fraud, wilful misconduct, wilful default, negligence or recklessness on the part of the Underwriter or any Related Party.

11.9 Contribution

In the event that the indemnity in clause 11.2 is held invalid in whole or in part, the Underwriter and the Company will share the Liability on a proportional basis.

12. INQUIRIES BY UNDERWRITER

12.1 Additional information

The Company will if so requested by the Underwriter at any time during the continuance of this Agreement, promptly provide to the Underwriter any information concerning the business, assets, liabilities, financial position, performance, profits and losses and prospects of any Relevant Company, as the Underwriter reasonably requires for the purpose of the Offer and this Agreement.

12.2 Access

At all times until the Offer is fully subscribed or the Underwriter fulfils its obligations under clause 6, the Company will procure that the Underwriter and its professional advisers are entitled to full and free access to the premises, books and records of any Relevant Company at all reasonable times, and are entitled to make any examinations and inquiries of and concerning the business, assets, liabilities, books and accounts of any Relevant Company as the Underwriter reasonably requires for the purposes of the Issue and this Agreement.

12.3 Retention of Documents

The Company agrees to retain and securely store for a period of seven years from the date of issue of the Offer Document the materials relating to preparation of the Offer Document including the Due Diligence Results, the Verification Material and all other documentation collected, produced or prepared by a Relevant Company in connection with the Offer Document and the Offer subject to any obligation of the Company to return to the Underwriter any material in the event that the Issue does not occur. The Company must notify the Underwriter of where the documentation is kept and give it free and unfettered access to the documentation at all reasonable times and enable it to make any copies of the documentation it reasonably requires.

12.4 Confidentiality

The Underwriter must not, and must ensure that all its related entities, associates, employees, agents and advisers do not, disclose any information or document provided or made available under clauses 12.1 or 12.2, and to maintain confidentiality in relation to them, except to the extent that the information or document is available to the public generally or the Underwriter is required to disclose the information or document in accordance with its obligations under the law.

13. NOTIFICATIONS

The Company undertakes to comply with the terms and conditions of this Agreement in all material respects and immediately give notice to the Underwriter of:

- (a) any material breach of this Agreement, including the representations, warranties and undertakings contained in this Agreement; and

- (b) the occurrence of any event which will, or which with the giving of notice or lapse of time will, give the Underwriter the right to terminate its obligations under this Agreement.

14. NOTICES

14.1 Requirements for Notice

Each notice authorised or required to be given to a Party shall be in writing and may be delivered personally or sent by properly addressed and prepaid mail or facsimile in each case addressed to the Party at its address set out in clause 14.2, or as the case may be to such other address as it may from time to time notify to the other Parties pursuant to clause 14.3.

14.2 Address of Parties

The initial address of the Parties shall be as follows:

In the case of the Underwriter:

Room 1901, C C Wu Building
302 Hennessy Road
Wanchai
Hong Kong
Facsimile: +86 10 8435 1200
Attention: Mr Yu Zhiping

In the case of the Company:

Level 2
18 Kings Park Road
WEST PERTH WA 6005
Facsimile: + 61 8 9321 7950
Attention: Mr Lindsay Dudfield

14.3 Change of Address

Each Party may from time to time change its address by giving notice pursuant to clause 14.1 to the other Parties.

14.4 Receipt of Notice

Any notice given pursuant to clause 14.1 will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery if delivered prior to 5 pm (Perth time) on a Business Day or on the next following Business Day if delivered after 5 pm (Perth time) on a Business Day or on a day other than a Business Day;
- (b) if sent by mail, on the second clear Business Day after the day of posting; or
- (c) if sent by facsimile, on the day the facsimile was sent by clear transmission.

15. GENERAL

15.1 Governing Law and Jurisdiction

- (a) This Agreement is governed by and is to be construed according to the laws of Western Australia.
- (b) Each of the parties irrevocably:
 - (i) submits to and accepts generally and unconditionally the non-exclusive jurisdiction of the courts and appellate courts of Western Australia with respect to any legal action or proceedings which may be brought at any time relating in any way to this Agreement; and
 - (ii) waives any objection it may now or in the future have to the venue of any action or proceedings, and any claim it may now or in the future have that the action or proceeding has been brought in an inconvenient forum.

15.2 Approvals

Subject to any law to the contrary and unless this Agreement expressly provides otherwise, where the doing or execution of any act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party.

15.3 Merger

- (a) **(No merger):** The rights and obligations of the parties in respect of representations, warranties, undertakings and indemnities in this Agreement will be continuing representations, warranties, undertakings and indemnities and accordingly will not be merged or extinguished by or on completion of the Issue, or be prejudiced or affected by any investigation or examination made by or on behalf of the Underwriter or by the payment of the whole or any part of the Price.
- (b) **(Continuing nature of agreement):** Notwithstanding completion of the Issue, the provisions of this Agreement will remain in full force and effect as to the obligations of the parties remaining to be performed after completion.

15.4 Power of attorney

- (a) **(No notice of revocation):** Each attorney who signs this Agreement on behalf of a party declares that the attorney has no notice from the party who appointed him that the power of attorney granted to him, under whom the attorney signs this Agreement, has been revoked or suspended in any way.
- (b) **(Due authorisation):** Each party represents and warrants to each other that its respective attorney or authorised officer who signs this Agreement on behalf of that party has been duly authorised by that party to sign this Agreement on its behalf and that authorisation has not been revoked.

15.5 Exercise of rights

- (a) A party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy. A single or partial exercise of a right, power or remedy by a party does not prevent a further exercise of that or any other right, power or remedy. Failure by a party to exercise or delay in exercising a right, power or remedy does not prevent its subsequent exercise.
- (b) The exercise by the Underwriter of any of its termination rights under clause 10 does not prejudice any rights the Underwriter may have under clause 7 or any rights the Underwriter may have to seek damages for loss caused to the Underwriter as a result of a breach by the Company of this Agreement.

15.6 Remedies cumulative

The rights, powers and remedies provided in this Agreement are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this Agreement.

15.7 Enforcement of indemnities

It is not necessary for a party to make payment before enforcing a right of indemnity conferred by this Agreement.

15.8 Assignment

The rights and obligations of a party under this Agreement cannot be assigned without the prior written consent of the other party which consent must not be unreasonably withheld.

15.9 Severance

If any provision of this Agreement is invalid and not enforceable in accordance with its terms, all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms.

15.10 Entire Agreement

This Agreement shall constitute the sole understanding of the Parties with respect to the subject matter and replaces all other agreements with respect thereto.

15.11 Counterparts

- (a) This Agreement may be executed in any number of counterparts (including by way of facsimile) each of which shall be deemed for all purposes to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.
- (b) This Agreement is binding on the parties on the exchange of counterparts. A copy of a counterpart sent by facsimile machine or in electronic Portable Document Format:
 - (i) must be treated as an original counterpart;
 - (ii) is sufficient evidence of the execution of the original; and

(iii) may be produced in evidence for the purposes in place of original.

15.12 Time

Time shall be of the essence in this Agreement in all respects.

EXECUTED by the Parties as an agreement.

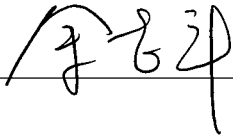
EXECUTED BY)
ENERGY METALS LIMITED)
ABN 63 111 306 533)
in accordance with the Corporations Act:)

Director

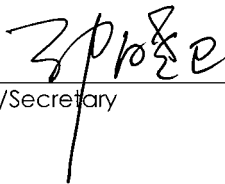
Director/Secretary

EXECUTED BY)
CHINA URANIUM DEVELOPMENT COMPANY)
LIMITED in accordance with its constituent)
documents and place of incorporation:)

Director




Director/Secretary

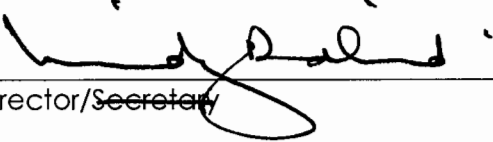


EXECUTED by the Parties as an agreement.

EXECUTED BY)
ENERGY METALS LIMITED)
ABN 63 111 306 533)
in accordance with the Corporations Act:)



Director



Director/Secretary

EXECUTED BY)
CHINA URANIUM DEVELOPMENT COMPANY)
LIMITED in accordance with its constituent)
documents and place of incorporation:)

Director

Director/Secretary


EXECUTED by the Parties to an agreement


EXECUTED BY
ENERGY METALS LIMITED
AHN 43 11 204 433
in accordance with the Corporations Act

Director

Director/Secretary

EXECUTED BY
CHINA URANIUM DEVELOPMENT COMPANY
LIMITED in accordance with its constituent
documents and place of incorporation

Director 

Director/Secretary 

ANNEXURE

FORM OF CERTIFICATE

To: **CHINA URANIUM DEVELOPMENT COMPANY LIMITED**

Attention: **Mr Yu Zhiping**

We hereby certify on behalf of the Company that the following statements are, to the best of our knowledge having made due inquiries of all of the directors of the Company, true and not misleading:

- (a) the Company has complied in all material respects with all of its obligations in respect of the Offer, whether arising under the Underwriting Agreement, the Corporations Act, the Listing Rules, the Offer Document, statute, law or otherwise;
- (b) the Company is not in material default under the Underwriting Agreement and there has not been any material breach of any of the terms, conditions and warranties in clauses 3, 4 and 5 of that agreement; and
- (c) the representations and warranties contained in clause 4 of the Underwriting Agreement are true and correct in every material respect as at the date of this certificate in respect of the facts and circumstances existing as at the date of this certificate.

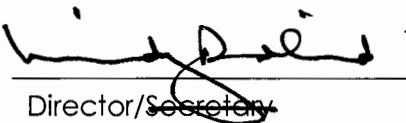
For the purposes of this Certificate:

- (a) **Underwriting Agreement** means the underwriting agreement dated on or about 4 February 2010 between the Company and the Underwriter; and
- (b) words and expressions used shall have the meanings ascribed to them in the Underwriting Agreement.

DATED:



Director
For and on behalf of
ENERGY METALS LIMITED



Director/Secretary
For and on behalf of
ENERGY METALS LIMITED