



ASX ANNOUNCEMENT

12 March 2012

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ASX WAIVER

On 3 January 2012 Energy Metals (ASX: EME, “EME” or “the Company”) announced that NT Energy Pty Ltd (“NT Energy”), its fully owned subsidiary, had entered into a binding Sales Agreement (“Initial Agreement”) with CGNPC-Uranium Resources Co., Ltd (“CGNPC-URC”), a wholly owned subsidiary of China Guangdong Nuclear Power Holding Company (“CGNPC”).

Under the Initial Agreement NT Energy may have a back-to-back trade selling 150,000 pounds of Natural Uranium Concentrates (“Concentrates”) that will be purchased from a leading Australian uranium producer (“Supplier”). The Concentrates will be shipped from the Port of Adelaide to the Port of Shanghai. After a visual inspection is completed and a certificate of receipt is executed at the Port of Shanghai, NT Energy will receive the title to the Concentrates from the Supplier and immediately pass the title to CGNPC-URC.

Both the purchase price and the selling price of the Concentrates are made via reference to the U₃O₈ spot price indicator, as published by TradeTech LLC, Denver, Colorado, USA, in the *Nuclear Clear Market Review*, and the U₃O₈ spot price, as published by the Ux Consulting Company LLC, Roswell, Georgia, USA, in the *Ux Weekly*.

NT Energy is entitled to receive a substantial portion of the payment from CGNPC-URC no later than 30 calendar days after execution of the certificate of receipt. The remaining balance will be due and receivable after the final results of the weighing, assaying and qualitative analysis of the uranium content of the Concentrates.

The Company will provide the market with periodical updates on the execution of the Initial Agreement and the progress of the transaction.

The Company wishes to advise that the Australian Securities Exchange (ASX) has agreed to grant the Company a waiver from ASX Listing Rule 10.1 to the extent necessary to permit the NT Energy to sell the Concentrates which NT Energy has acquired from the Supplier to CGNPC-URC, without obtaining shareholder approval, on the following conditions:

1. Material terms of the Initial Agreement are disclosed to the market immediately and in the next Annual Report of the Company;
2. Material changes to the Initial Agreement are subject to the approval of the Company's shareholders;
3. The price to be paid by CGNPC-URC for the Concentrates is to be based on the published spot price indicators for uranium, subject to maximum and minimum amounts, as set out in the Initial Agreement;
4. The price to be paid by CGNPC-URC for the Concentrates is to be calculated on a basis that is materially the same as the basis on which the price to be paid by NT Energy to the Supplier;
5. Confirmation that the shipping of the Concentrates to CGNPC-URC under the Initial Agreement will occur no later than 30 April 2012.

- ENDS -

Discussion

China represents a significant potential market for Australia's uranium. China currently has 14 nuclear reactors in operation and, in order to satisfy rapidly growing demand for electricity and reduce reliance on fossil fuels, China plans to increase this capacity dramatically over the coming decades and has 27 reactors currently under construction.

To date sales of Australian uranium to China have been modest with only 3% of Australia's 2009 uranium exports purchased by China. However the unique relationship between Energy Metals and CGNPC presents a significant opportunity for Australia to capitalise on this rapidly growing and increasingly important market. In that context this trial shipment of uranium to CGNPC, if successful, is expected to have positive implications for the future of the Australian uranium industry.

An increase in uranium exports to China has the potential to provide extensive commercial benefits to both Australia and the individual Australian States and Territory involved in the form of increased economic activity, government revenues and export earnings. This potential future growth has the possibility of taking the form of construction projects, investments in plant and equipment and community infrastructure. Such projects and developments offer particular benefits to regional Australia (including Indigenous Australian groups) where these projects are predominantly located.

About CGNPC

CGNPC has more than 30 subsidiaries and is the only clean energy corporation in China with nuclear power as its core business. All uranium sourced by CGNPC is used solely for civil use in operating nuclear power stations supplying electricity to Chinese domestic and commercial end-users. CGNPC currently imports uranium from Europe, central Asia (Kazakhstan and Uzbekistan) and Africa. CGNPC also has a joint venture with AREVA (France) related to technology supply for nuclear plants.

CGNPC's stated strategy is aimed at constructing a world-class clean energy enterprise and becoming the world's leading clean energy supplier and service provider.