

17 July 2012

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Dear Sir/Madam

UPDATE ON URANIUM TRADING

Energy Metals is pleased to advise that the China Atomic Energy Authority has issued its notice in relation to the "Statement of Peaceful Use of Uranium Concentrates" to the Australian Safeguards and Non-Proliferation Office. The Company has now received all prerequisite government approvals for its first uranium trade.

Under the Amendment to the Natural Uranium Concentrates Sales Agreement ("the Amendment"), the shipping date shall occur as soon as practicable following the execution of the Agreement, however, that in no event shall the shipping date occur after 31 October 2012.

Energy Metals is currently working with the Australian uranium producer to confirm a final shipping schedule. The Company expects the shipment will take place as agreed in the Amendment.

The Company also wishes to advise that the Australian Securities Exchange (ASX) has agreed to grant a waiver from ASX Listing Rule 10.1. The waiver has the same extent and almost the same conditions as the one which the Company announced on 12 March 2012, the only varied condition being that shipping of the concentrates will occur no later than 31 October 2012.

Yours sincerely,

A handwritten signature in black ink, consisting of the Chinese characters '向伟东' (Xiang Weidong).

WEIDONG XIANG
Managing Director