



ABN 63 111 306 533

Half Year Financial Report

30 June 2012

ENERGY METALS LIMITED

HALF YEAR FINANCIAL REPORT 30 JUNE 2012

CORPORATE DIRECTORY

DIRECTORS

Zuyuan He (Non-executive Chairman)
Weidong Xiang (Managing Director)
Lindsay Dudfield (Non-executive Director)
Geoffrey Jones (Non-executive Director)
Yu Zhong (Non-executive Director)
Yunfei Jin (Non-Executive Director)
Xinjian Peng (Non-Executive Director)

CONTACT DETAILS

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REGISTERED OFFICE

Ground Floor, 10 Kings Park Road
WEST PERTH WA 6005

COMPANY SECRETARY

Xuekun Li

POSTAL ADDRESS

PO Box 1323
WEST PERTH WA 6872

STOCK EXCHANGE LISTING

Australian Securities Exchange
ASX Code: **EME**

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

SOLICITORS

Minter Ellison
Allendale Square
77 St George's Terrace
PERTH WA 6000

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: + 61 8 9315 2333
Facsimile: + 61 8 9315 2233

BANKERS

National Australia Bank
100 St Georges Terrace
PERTH WA 6000

ENERGY METALS LIMITED

DIRECTORS' REPORT

Your Directors present the financial statements of Energy Metals Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2012.

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:

Zuyuan He

Weidong Xiang

Lindsay George Dudfield

Geoffrey Michael Jones

Yu Zhong

Yunfei Jin (Non-executive Director, appointed 16 July 2012)

Xinjian Peng (Non-executive Director, appointed 16 July 2012)

Bin Cui (Finance Director, resigned 16 July 2012)

Xiaowei Zheng (Non-executive Director, resigned 16 July 2012)

REVIEW OF OPERATIONS

The Company reported a net loss of \$120,179 for the six months ended 30 June 2012 (2011: net profit \$21,802).

Energy Metals Limited is a dedicated uranium explorer with nine 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 (7.5Mt @ 0.13% U₃O₈ & 0.24% V₂O₅ at 0.5kg/t U₃O₈ cut-off) was announced to the ASX in June 2011.

Bigrlyi Project

Validation of the existing drilling database was completed late in the June quarter with the new database being used to generate drill targets and in an updated resource estimate using all the historical and recent drilling, including the 2011 drilling. The new resource estimate is expected to be completed in the September quarter and will be used in an updated Pit Optimisation and financial analysis planned to be completed later this year. Analysis of the new model will assist in targeting future exploration.

A comparative study into the two alternatives for extracting the uranium from the ore at Bigrlyi (acid leach and alkaline leach) was performed during the period. The analysis aimed to quantify these differences at a scoping study level of accuracy. The reason for this level of accuracy is primarily due to the lack of several tests of the alkaline process. Alkaline processing was previously discounted after initial evaluation from the Pre-Feasibility study (PFS). This new study suggests that whilst the estimated operating costs of the two processes are much closer than indicated from the PFS acid leach is still favoured, although further work is required prior to excluding either process. One factor which could influence any final decision would be the mineralogy of any additional resources that may be discovered in the region as alkaline leach may be able to leach higher carbonate ore at a lower cost than acid leach.

ENERGY METALS LIMITED

DIRECTORS' REPORT

Uranium Trading

On 30 April 2012 Energy Metals announced that due to administrative delays the first uranium trading shipment could not occur by the end of April as originally scheduled.

An Amendment to the Natural Uranium Concentrates Sales Agreement was subsequently signed with the Australian uranium producer and CGNPC-URC respectively, to re-arrange a new shipping schedule. Under the Amendment, the shipping date shall occur as soon as practicable following the execution of the Amendment; however, that in no event shall the shipping date occur after 31 October 2012.

On 17 July 2012 Energy Metals announced that it had received all prerequisite government approvals for its first uranium trade. The Company expects the shipment will take place as agreed in the Amendment.

Ngalia Regional Project

Exploration activities conducted within the Ngalia Regional project during the period included re-evaluation of Camel Flat and Anomaly 15 East in light of the mineralisation models from the recent Bigrlyi studies, and initial prioritisation of the various regional prospects within the basin.

Drilling at the Camel Flat prospect (located within E24453) during 2010 intersected significant high grade mineralisation within a specific stratigraphic horizon concealed beneath 3 to 5m of transported sand. Further work in 2011 intersected sporadic mineralisation along a significant strike length.

Exploration drilling within the Anomaly 15 East prospect during 2011 targeted the strike extensions to the mineralised unit that hosts most of the mineralisation at Bigrlyi. Significant gamma probe intersections have been returned including 6m @ 1,940ppm eU3O8 in B11012, 2.95m @ 1,089ppm eU3O8 in B11039 and 1.45m @ 315ppm eU3O8 in B11035.

The significance of the Camel Flat and Anomaly 15 East prospects is currently being evaluated with further drilling around the mineralisation intersected in 2010 and 2011 planned for the 2012 field season. It is expected that a drilling program will commence during the September quarter.

ENERGY METALS LIMITED

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 18 to this half-year financial 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:



Weidong Xiang
Managing Director

PERTH

13 September 2012

ENERGY METALS LIMITED

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) The financial statements, and notes set out on pages 6 to 17 are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standard AASB 134 Interim Financial Reporting, 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 30 June 2012 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 by the Chief Executive Officer and Chief Financial Officer in accordance with Sec 295A, the Corporations Act 2001 and by a resolution of the Board of Directors:



WEIDONG XIANG
Managing Director

13 September 2012

ENERGY METALS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the half-year ended 30 June 2012

	Note	30/06/2012 \$	30/06/2011 \$
Revenue from continuing operations	3a	872,073	1,052,906
Depreciation expenses	3b	(60,057)	(46,874)
Employee benefits expenses	3c	(483,307)	(520,496)
Corporate and regulatory expenses		(4,731)	(5,193)
Administration expenses	3d	<u>(444,157)</u>	<u>(458,541)</u>
Profit /(loss) before income tax		(120,179)	21,802
Income tax benefit		<u>-</u>	<u>-</u>
(Loss)/Profit for the half-year		<u>(120,179)</u>	<u>21,802</u>
Total comprehensive (expenses)/income for the half year		<u>(120,179)</u>	<u>21,802</u>
(Loss)/Profit and comprehensive (expenses)/income attributable to owners of Energy Metals Limited.		<u>(120,179)</u>	<u>21,802</u>
(Loss)/earnings per share for (loss)/profit attributable to the ordinary equity holders of the company			
Basic (loss)/earnings per share (cents)		(0.08)	0.01
Diluted (loss)/earnings per share (cents)		N/A	N/A

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

ENERGY METALS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2012

	Note	30/06/2012 \$	31/12/2011 \$
CURRENT ASSETS			
Cash and cash equivalents	5	23,887,664	24,299,014
Trade and other receivables		590,792	1,302,427
TOTAL CURRENT ASSETS		24,478,456	25,601,441
NON CURRENT ASSETS			
Receivables		155,574	165,380
Property, plant & equipment	6	565,454	551,241
Exploration and evaluation expenditure	7	22,245,386	20,980,625
TOTAL NON CURRENT ASSETS		22,966,414	21,697,246
TOTAL ASSETS		47,444,870	47,298,687
CURRENT LIABILITIES			
Trade and other payables		810,306	562,554
Provisions		75,897	57,287
TOTAL CURRENT LIABILITIES		886,203	619,841
TOTAL LIABILITIES		886,203	619,841
NET ASSETS		46,558,667	46,678,846
EQUITY			
Contributed equity	8	49,677,832	49,677,832
Accumulated losses		(3,119,165)	(2,998,986)
TOTAL EQUITY		46,558,667	46,678,846

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ENERGY METALS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the half-year ended 30 June 2012

	Contributed Equity	Accumulated Losses	Option reserve	Total equity
	\$	\$	\$	\$
At 1 January 2011	49,677,832	(5,792,494)	2,419,100	46,304,438
Total comprehensive income for the half year				
Profit for the half year	-	21,802	-	21,802
Total comprehensive income for the half year	-	21,802	-	21,802
At 30 June 2011	49,677,832	(5,770,692)	2,419,100	46,326,240
At 1 January 2012	49,677,832	(2,998,986)	-	46,678,846
Total comprehensive expenses for the half year				
Loss for the half year	-	(120,179)	-	(120,179)
Total comprehensive expenses for the half year	-	(120,179)	-	(120,179)
At 30 June 2012	49,677,832	(3,119,165)	-	46,558,667

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

ENERGY METALS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS For the half-year ended 30 June 2012

	30/06/2012	30/06/2011
	\$	\$
Cash flows from operating activities		
Interest Received	963,048	747,742
Payments to suppliers and consultants	(656,289)	(375,415)
Payments received from Joint Venture	582,179	219,792
Grant and rebate received	38,743	5,089
Net cash inflow from operating activities	<u>927,681</u>	<u>597,208</u>
Cash flows from investing activities		
Payments for property, plant & equipment	(74,270)	(178,371)
Payment for exploration, evaluation and development expenditure	(1,264,761)	(1,986,050)
Net cash inflow/(outflow) from investing activities	<u>(1,339,031)</u>	<u>(2,164,421)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(411,350)</u>	<u>(1,567,213)</u>
Cash and cash equivalents at the beginning of the half year	<u>24,299,014</u>	<u>29,722,660</u>
Cash and cash equivalents at the end of the half year	<u><u>23,887,664</u></u>	<u><u>28,155,447</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

ENERGY METALS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR REPORT

These general purpose financial statements for the interim half-year reporting period ended 30 June 2012 have been prepared in accordance with Accounting Standard AASB 134 “Interim Financial Reporting” and the Corporations Act 2001.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statement 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.

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 31 June 2012 reporting periods. The Group’s assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments (effective from 1 July 2015)

AASB 9 addresses the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. It also requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability’s credit risk are recognised in other comprehensive income.

Adoption of AASB 9 is only mandatory for the year ending 30 June 2016. The Company has not yet made an assessment of the impact of these amendments.

AASB 10 Consolidated Financial Statements (effective from 1 July 2013)

AASB 10 introduces a single ‘control model’ for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present:

- Power over investee (whether or not power used in practice)
- Exposure, or rights, to variable returns from investee
- Ability to use power over investee to affect the Company’s returns from investee.

Introduces the concept of ‘defacto’ control for entities with less than 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders. This could result in more instances of control and more entities being consolidated.

When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the Company] does not have any special purpose entities. The Company does not have ‘defacto’ control of any entities with less than 50% ownership interest in an entity.

ENERGY METALS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (Cont'd)

AASB 11 Joint Arrangements (effective from 1 July 2013)

AASB 11 addresses Joint arrangements will be classified as either ‘joint operations’ (where parties with joint control have rights to assets and obligations for liabilities) or ‘joint ventures’ (where parties with joint control have rights to the net assets of the arrangement).

When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements.

AASB 12 Disclosure of interests in other entities (effective from 1 July 2013)

AASB 12 combines existing disclosures from AASB 127 *Consolidated and Separate Financial Statements*, AASB 128 *Investments in Associates* and AASB 131 *Interests in Joint Ventures*. It introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities.

As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.

AASB 13 Fair Value Measurement (effective from 1 July 2013)

AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements.

Additional disclosures required for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements.

Extensive additional disclosure requirements for items measured at fair value that are ‘level 3’ valuations in the fair value hierarchy that are not financial instruments.

When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values.

AASB 119 Employee benefits (effective from 1 July 2013)

Under AASB 119, employee benefits expected to be settled (as opposed to due to settled under current standard) wholly within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used wholly within 12 months of end of reporting period will in future be discounted when calculating leave liability.

When this standard is first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012 as long-term benefits because they are not expected to be settled wholly within 12 months after the end of the reporting period. This will result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date.

ENERGY METALS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (Cont'd)

AASB 2011-4 Amendments to Australian Accounting Standards to remove individual key management personnel disclosure requirements (effective from 1 July 2013)

Under AASB 2011-4, there are amendments to remove individual key management personnel (KMP) disclosure requirements from AASB 124 to eliminate duplicated information required under the *Corporation Act 2001*.

When this standard is first adopted for the year ended 30 June 2014 the Company will show reduced disclosures under Key Management Personnel note to the financial statements

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of items of other comprehensive income (effective from 1 July 2012)

There are amendments to align the presentation of items of other comprehensive income (OCI) with US GAAP.

Various name changes of statements in AASB 101 as follows:

- 1 statement of comprehensive income – to be referred to as ‘statement of profit or loss and other comprehensive income’
- 2 statements – to be referred to as ‘statement of profit or loss’ and ‘statement of comprehensive income’.
- OCI items must be grouped together into two sections: those that could subsequently be reclassified into profit or loss and those that cannot.

When this standard is first adopted for the year ended 30 June 2014, there will be no impact on amounts recognised for transactions and balances for 30 June 2014 (and comparatives).

ENERGY METALS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

NOTE 2: SEGMENT INFORMATION

Management has determined that the Group has three reportable segments, being uranium exploration in Western Australia and the Northern Territory, Corporate and Uranium Trading. As the group is focused on uranium exploration, the Board periodically monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration programmes and activities, while also taking into consideration the results of exploration work that has been performed to date.

The segment information provided to the board for the reportable segments for the six months ended 30 June 2011 and 30 June 2012 is as follows:

	Uranium Exploration \$	Corporate \$	Uranium trading \$	Unallocated \$	Total \$
Half-year 30 June 2011					
Total segment revenue	187,565	865,341	-	-	1,052,906
Segment result	159,982	(117,750)	(20,430)	-	21,802
Depreciation	29,737	17,137	-	-	46,874
Total segment assets	18,636,496	28,665,753	-	-	47,302,249
Total assets includes: Additions to non-current assets (other than financial assets)	1,986,050	178,371	-	-	2,164,421
Total segment liabilities	866,471	109,538	-	-	976,009
Half year 30 June 2012					
Total segment revenue	169,999	702,074	-	-	872,073
Segment result	163,681	(213,132)	(70,728)	-	(120,179)
Depreciation	49,759	10,298	-	-	60,057
Total segment assets	23,191,790	24,252,980	100	-	47,444,870
Total assets includes: Additions to non-current assets (other than financial assets)	1,264,761	-	-	-	1,264,761
Fixed assets	74,270	-	-	-	74,270
Total segment liabilities	681,304	204,899	-	-	886,203

ENERGY METALS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

3. REVENUES AND EXPENSES

	<u>30 June 2012</u>	<u>30 June 2011</u>
	\$	\$
(a) Revenue from continuing operations includes the following revenue items:		
Interest received from other parties	702,074	865,341
Joint Venture revenue received	160,279	158,329
Fuel rebate	9,720	29,236
	<u>872,073</u>	<u>1,052,906</u>
(b) Loss/Profit includes the following specific expenses:		
Depreciation	60,057	46,874
	<u>60,057</u>	<u>46,874</u>
(c) Employee benefit expenses:		
Wages & superannuation	360,735	296,460
Directors fees	48,968	45,382
Consultants	51,155	50,560
Others	22,449	128,094
	<u>483,307</u>	<u>520,496</u>
(d) Administrative expenses:		
Rental	113,612	107,897
Professional services	50,093	88,679
Membership and conferences	31,913	36,261
Others	245,539	225,704
	<u>441,157</u>	<u>458,541</u>

4. DIVIDENDS

There were no dividends paid or declared by the Company during the period.

ENERGY METALS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

5. CASH AND CASH EQUIVALENTS

As at 30 June 2012, the Company had approximately total \$16.5 million in term deposits included in its cash and cash equivalents. The term deposits have maturities from 4 months to 6 months in various financial situations earning interest income at an average rate of 5.43%.

6. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	30 June 2012	31 December 2011
	\$	\$
Plant and equipment - at cost	816,698	742,247
Less accumulated depreciation	(357,983)	(310,861)
	458,715	431,566
Motor vehicle – at cost	160,675	160,675
Less accumulated depreciation	(53,936)	(41,000)
	106,739	119,675
Total	565,454	551,241
Reconciliation of the carrying amount of property, plant and equipment:	Plant and Equipment	Motor Vehicle
	\$	\$
Carrying amount at 1 January 2011	334,085	75,888
Additions	115,199	63,172
Depreciation expenses	(38,241)	(8,632)
Carrying amount at 30 June 2011	411,043	130,428
Carrying amount at 1 January	431,566	119,675
Additions	74,270	-
Depreciation expense	(47,121)	(12,936)
Carrying amount at 30 June	458,715	106,739

ENERGY METALS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

7. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2012	31 December 2011
	\$	\$
Balance at the beginning of 1 January	20,980,625	15,711,237
Exploration expenditure incurred	1,264,761	5,269,388
Balance at the end of the period	<u>22,245,386</u>	<u>20,980,625</u>

The balance carried forward represents projects in the exploration and evaluation phase.

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas

8. CONTRIBUTED EQUITY

Share capital	30 June 2012	31 December 2011
	\$	\$
153,767,762 ordinary shares, fully paid	<u>49,677,832</u>	<u>49,677,832</u>

There were no movements of share capital during the period.

Ordinary Shares

Ordinary shares entitled the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

9. CONTINGENCIES

Contingent Liabilities

Claims of Native Title

To date the Company has been notified by the Native Title Tribunal of native title claims which cover some of the Company's licence holdings. Until further information arises in relation to the claims and its likelihood of success, the Company is unable to assess the likely effect, if any, of the claims.

ENERGY METALS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

10. COMMITMENTS

	<u>30 June 2012</u>	<u>31 December 2011</u>
	\$	\$

Tenement Expenditure Commitments:

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2012/2013. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.

Estimated expenditure on mining, exploration and prospecting leases for 2012/2013.

547,000*	2,244,000*
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*Including the BJV tenements expenditure commitments which are calculated based on the holding interest ratio.

Capital Commitments

There are no capital expenditure commitments for the Group as at 30 June 2012.

Lease Commitments: group as lessee

The Group leases its office under non-cancellable operating leases expiring within three years.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	145,470	134,280
Later than one year but not later than five years	-	145,470
	<u>145,470</u>	<u>279,750</u>

11. RELATED PARTY TRANSACTIONS

During the period the Company made purchases of a total of \$13,500 to Western Geological Services. The fees were for the provision of technical and consulting services provided to the Company by Mr. Lindsay Dudfield.

12. EVENTS OCCURRING AFTER REPORTING DATE

Uranium Trading

On 17 July 2012 Energy Metals announced that it had received all prerequisite government approvals for its first uranium trade. The Company also announced that the ASX had agreed to grant a waiver from ASX Listing Rule 10.1 under the new shipping schedule.

Board Restructure

On 17 July 2012 Energy Metals announced that Dr Xinjian Peng and Ms Yunfei Jin had been appointed Non-executive Directors following the resignations of Mr Bin Cui and Ms Xiaowei Zheng. Mr Bin Cui will remain with the Company as the Chief Financial Officer.

13 September 2012

The Board of Directors
Energy Metals Limited
Ground Floor, 10 Kings Park Road
WEST PERTH, WA 6005

Dear Sirs,

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF ENERGY METALS LIMITED

As lead auditor for the review of Energy Metals Limited for the half-year ended 30 June 2012, 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
- no contraventions of 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.



Glyn O'Brien
Director

BDO Audit (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 consolidated statement of financial position as at 30 June 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of summary of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Energy Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



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 30 June 2012 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 Audit (WA) Pty Ltd

A handwritten signature in blue ink, consisting of the letters 'BDO' above a stylized signature that appears to read 'Glyn O'Brien'.

Glyn O'Brien
Director

Perth, Western Australia
Dated this 13th day of September 2012