



ABN 63 111 306 533

Half Year Financial Report

30 June 2013

**HALF YEAR FINANCIAL REPORT
30 JUNE 2013**

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)
Zhenshu Cui (Non-Executive Director)

CONTACT DETAILS

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REGISTERED OFFICE

Level 2, 8 Colin Street
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

Deloitte Touche Tohmatsu
240 St Georges Terrace
Level 14 Woodside Plaza
PERTH WA 6000

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

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 2013.

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 (Chairman)

Weidong Xiang (Managing Director)

Lindsay George Dudfield (Non-executive Director)

Geoffrey Michael Jones (Non-executive Director)

Yu Zhong (Non-executive Director)

Yunfei Jin (Non-executive Director)

Zhenshu Cui (Non-executive Director, appointed 24 April 2013)

Xinjian Peng (Non-executive Director, resigned 24 April 2013)

REVIEW OF OPERATIONS

The Company reported a net loss of \$318,724 for the six months ended 30 June 2013 (2012: net loss \$120,179).

Energy Metals Limited is a dedicated uranium explorer with eight projects located in the Northern Territory (NT) and Western Australia (WA) covering over 4,000 km². Most of the projects contain uranium mineralisation discovered by major companies in the 1970's. The Company's main focus is the advanced Bigrlyi project (NT), which is characterised by relatively high uranium grades (with vanadium credits) and excellent metallurgical recoveries. A JORC compliant uranium and vanadium resource estimate (7.5Mt @ 0.13% U₃O₈ & 0.24% V₂O₅ at 0.5kg/t U₃O₈ cut-off) was announced to the ASX in June 2011.

Bigrlyi Project

Work performed at the Bigrlyi Project during the period dominated by rehabilitation, with other activities including baseline Flora and Fauna studies, aboriginal consultation and heritage surveys also planned and carried out.

The Company has acknowledged that a substantial increase in the resource base is necessary to improve the economics of the Bigrlyi project.

Ngalia Regional Project

Exploration activities conducted within the Ngalia Regional project during the period included geophysical surveys, rehabilitation of previous exploration, preparation for RC drilling (expected to commence in the second half of the year) and a review and validation of various regional prospects within the Ngalia Basin.

The Company continued to use Induced Polarisation (IP) geophysical surveys over the extensions of the potentially mineralised stratigraphy under thin transported cover. Results from both the 2012 and initial 2013 surveys have shown the technique successfully maps the prospective horizons.

The geophysical surveys will be ongoing with targets developed prior to drill testing in the second half of the year.

DIRECTORS' REPORT

Uranium Trading

On 5 April 2013 Energy Metals announced that the Australian Safeguards and Non-Proliferation Office (ASNO) had approved an extension to the Company's Permit to Possess Nuclear Material to 31 March 2018.

The Company continued to seek further uranium trading opportunities during the period. It is believed that the Company's uranium trading business has the potential to generate sufficient profit and positive cashflow to support its exploration activities.

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 of 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

12 September 2013

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) The financial statements, and notes set out on pages 6 to 15 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 2013 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

12 September 2013

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
For the half-year ended 30 June 2013

	Note	30/06/2013 \$	30/06/2012 \$
Revenue from continuing operations	5a	482,800	872,073
Depreciation expenses	5b	(59,194)	(60,057)
Employee benefits expenses	5c	(352,219)	(483,307)
Corporate and regulatory expenses		(47,672)	(4,731)
Administration expenses	6	<u>(342,439)</u>	<u>(444,157)</u>
Loss before income tax		(318,724)	(120,179)
Income tax benefit		<u>-</u>	<u>-</u>
Loss for the half-year		<u>(318,724)</u>	<u>(120,179)</u>
Total comprehensive expenses for the half year		<u>(318,724)</u>	<u>(120,179)</u>
Loss and comprehensive expenses attributable to owners of Energy Metals Limited.		<u>(318,724)</u>	<u>(120,179)</u>
Earnings per share for profit attributable to the ordinary equity holders of the company			
Basic loss per share (cents)		(0.21)	(0.08)
Diluted loss per share (cents)		(0.21)	(0.08)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2013

	Note	30/06/2013 \$	31/12/2012 \$
CURRENT ASSETS			
Cash and cash equivalents		3,295,657	11,153,132
Term deposit		16,309,356	10,134,685
Trade and other receivables		63,668	1,840,851
TOTAL CURRENT ASSETS		19,668,681	23,128,668
NON CURRENT ASSETS			
Receivables		175,817	82,554
Property, plant & equipment	9	527,154	564,654
Exploration and evaluation expenditure	10	26,524,231	25,025,482
TOTAL NON CURRENT ASSETS		27,227,202	25,672,690
TOTAL ASSETS		46,895,883	48,801,358
CURRENT LIABILITIES			
Trade and other payables		377,201	1,963,952
Provisions		100,998	100,998
TOTAL CURRENT LIABILITIES		478,199	2,064,950
TOTAL LIABILITIES		478,199	2,064,950
NET ASSETS		46,417,684	46,736,408
EQUITY			
Contributed equity	11	49,677,832	49,677,832
Accumulated losses		(3,260,148)	(2,941,424)
TOTAL EQUITY		46,417,684	46,736,408

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 30 June 2013

	Contributed Equity	Accumulated Losses	Total Equity
	\$	\$	\$
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
At 1 January 2013	49,677,832	(2,941,424)	46,736,408
Total comprehensive expenses for the half year			
Loss for the half year	-	(318,724)	(318,724)
Total comprehensive expenses for the half year	-	(318,724)	(318,724)
At 30 June 2013	49,677,832	(3,260,148)	46,417,684

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 30 June 2013

	30/06/2013	30/06/2012
	\$	\$
Cash flows from operating activities		
Interest Received	404,469	963,048
Income Received from Customers	681,268	-
Payments to suppliers and employees	(2,329,081)	(656,289)
Payments received from Joint Venture	1,053,344	582,179
Grant and rebate received	27,639	38,743
	(162,361)	927,681
Cash flows from investing activities		
Payments for property, plant & equipment	(21,694)	(74,270)
Payment for exploration, evaluation and development expenditure	(1,498,749)	(1,264,761)
Transfer to term deposits at bank	(6,174,671)	-
Receipt from term deposits at bank	-	3,173,576
	(7,695,114)	1,834,545
Net (decrease)/increase in cash and cash equivalents	(7,857,475)	2,762,226
Cash and cash equivalents at the beginning of the half year	11,153,132	4,578,436
Cash and cash equivalents at the end of the half year	3,295,657	7,340,662

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR REPORT

These general purpose financial statements for the interim half-year reporting period ended 30 June 2013 has 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 30 June 2013 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 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.

NOTE 3: COMPARATIVES

Where necessary, comparative information has been reclassified and restated to achieve consistency in disclosure with current financial year information and other disclosures.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

NOTE 4: SEGMENT INFORMATION

Management has determined that the Group has two reportable segments, being uranium exploration in Western Australia and the Northern Territory 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 2012 and 30 June 2013 is as follows:

	Uranium Exploration	Uranium trading	Unallocated	Total
Half year				
30 June 2012				
Total segment revenue	169,999	-	702,074	872,073
Segment result	163,681	(70,728)	(213,132)	(120,179)
Depreciation	49,759	-	10,298	60,057
Total segment assets	23,191,790	100	24,252,980	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
Half year				
30 June 2013				
Total segment revenue	37,589	-	445,211	482,800
Segment result	(14,530)	-	(304,194)	(318,724)
Depreciation	52,119	-	7,075	59,194
Total segment assets	27,051,385	-	19,844,498	46,895,883
Total assets includes:				
Additions to non-current assets (other than financial assets)	702,971	-	-	702,971
Fixed assets	496,274	-	-	496,274
Total segment liabilities	377,201	-	100,998	478,199

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

5. REVENUES AND EXPENSES

	30 June 2013	30 June 2012
	\$	\$
(a) Revenue from continuing operations includes the following revenue items:		
Interest received from other parties	445,211	702,074
Joint Venture revenue received	9,950	160,279
Fuel rebate	27,639	9,720
	482,800	872,073
(b) Loss/Profit includes the following specific expenses:		
Depreciation	59,194	60,057
	59,194	60,057
(c) Employee benefit expenses:		
Wages & superannuation	254,256	360,735
Directors fees	36,468	48,968
Consultants	61,495	51,155
Others	-	22,449
	352,219	483,307

6. ADMINISTRATION EXPENSES

	30 June 2013	30 June 2012
	\$	\$
Loss/Profit includes the following specific expenses:		
Rental	125,382	113,612
Professional services	64,505	50,093
Membership and conferences	35,329	31,913
Others	117,223	248,539
	342,439	444,157

7. DIVIDENDS

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

8. TERM DEPOSITS

As at 30 June 2013, the Company had approximately total \$16.3 million deposits with maturities from 4 months to 6 months with various financial institutions earning interest income at an average rate of 4.12%.

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

	30 June 2013	31 December 2012		
	\$	\$		
Plant and equipment - at cost	843,357	821,663		
Less accumulated depreciation	(438,096)	(394,088)		
	<u>405,261</u>	<u>427,575</u>		
Motor vehicle – at cost	200,807	200,807		
Less accumulated depreciation	(78,914)	(63,728)		
	<u>121,893</u>	<u>137,079</u>		
Total	<u><u>527,154</u></u>	<u><u>564,654</u></u>		
Reconciliation of the carrying amount of property, plant and equipment:	Plant & equipment	Motor vehicle	Total	
	\$	\$	\$	
Carrying amount at 1 January 2012	431,566	119,675	551,241	
Additions	74,270	-	74,270	
Depreciation expense	(47,121)	(12,936)	(60,057)	
Carrying amount at 30 June 2012	<u>458,715</u>	<u>106,739</u>	<u>565,454</u>	
Carrying amount at 1 January 2013	427,575	137,079	564,654	
Additions	21,694	-	21,694	
Depreciation expense	(44,008)	(15,186)	(59,194)	
Carrying amount at 30 June 2013	<u><u>405,261</u></u>	<u><u>121,893</u></u>	<u><u>527,154</u></u>	

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

10. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2013	31 December 2012
	\$	\$
Balance at the beginning of the period	25,025,482	20,980,625
Exploration expenditure incurred	1,498,749	4,044,857
Balance at the end of the period	<u>26,524,231</u>	<u>25,025,482</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

11. CONTRIBUTED EQUITY

Share capital	30 June 2013	31 December 2012
	\$	\$
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.

12. 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.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

13. COMMITMENTS

	30 June 2013	31 December 2012
	\$	\$
Tenement Expenditure Commitments:		
The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2013/2014. 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 2013/2014.	2,239,500	2,501,610
*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 2013.

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	121,180	11,638
Later than one year but not later than five years	217,115	-
	338,295	11,638

14. RELATED PARTY TRANSACTIONS

During the period the Company made payments of a total of \$12,500 to Western Geological Services. The fees were for the provision of technical and consulting services provided to the Company by Mr. Lindsay Dudfield.

The Board of Directors
Energy Metals Limited
Level 2, 8 Colin Street
West Perth WA 6005

12 September 2013

Dear Board Members

Energy Metals Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Energy Metals Limited.

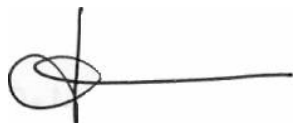
As lead audit partner for the review of the financial statements of Energy Metals Limited for the half-year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Leanne Karamfiles
Partner
Chartered Accountants

Independent Auditor's Review Report to the members of Energy Metals Limited

We have reviewed the accompanying half-year financial report of Energy Metals Limited, which comprises the condensed statement of financial position as at 30 June 2013, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration as set out on pages 5 to 15. The consolidated entity comprises the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 Energy Metals Limited's financial position as at 30 June 2013 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.

Auditor's Independence Declaration

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.

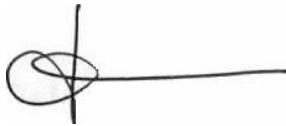
Conclusion

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 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Leanne Karamfiles
Partner
Chartered Accountants
Perth 12 September 2013