



ASX ANNOUNCEMENT

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Energy Metals Limited

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ONGOING URANIUM TRADING AND ASX WAIVER

On 22 October 2012 Energy Metals (ASX: EME, "EME" or "the Company") announced that NT Energy Pty Ltd ("NT Energy"), its fully owned subsidiary, had conducted its trial uranium trading transaction with CGNPC-Uranium Resources Co., Ltd ("CGNPC-URC"), a wholly owned subsidiary of China General Nuclear Power Group (formerly China Guangdong Nuclear Power Holding Company)("CGNPC").

The completion of the trial transaction has demonstrated the commercial viability of the trading model. The Company now wishes to progress the uranium trading business on an ongoing basis. It also wishes to confirm that EME's main undertaking as a uranium explorer remains unchanged and the profit generated from the uranium trading will be applied to its exploration projects.

With regards to its ongoing uranium trading business, the Company is pleased to announce that it has been granted a waiver from the ASX from Listing Rule 10.1 ("Waiver"), which is subject to certain conditions and to the extent necessary to permit NT Energy to enter into agreements with CGNPC-URC to sell up to 2,500,000 pounds of uranium concentrates per year.

The ongoing business will be based on a framework materially similar to terms and conditions of the first trial transaction ("Ongoing Framework"). On an annual basis the Company will obtain shareholders' approval for the Ongoing Framework which will form a standard set of terms and conditions (Standard URC T&C) based on which agreements between, the Company, NT Energy and CGNPC-URC will be entered into for the 12 months following the date of shareholders' approval. During the 12-month period NT Energy will use the approved Ongoing Framework and the Standard URC T&C to prepare, negotiate and finalise each agreement with CGNPC-URC.

Under the Ongoing Framework, the price to be paid by CGNPC-URC for the uranium concentrates is to be based on the published price indicators for uranium, subject to certain maximum and minimum amounts, and is to be calculated on a basis that is materially the same as the basis on which the price paid by NT Energy to the supplier is calculated.

The Ongoing Framework and the Standard URC T&C will be released to the market once they are approved by shareholders. Any subsequent material changes to the Ongoing Framework will require shareholders' further approval and will be disclosed to the market immediately.

The Company will also disclose the Ongoing Framework and the Standard T&C in its Annual Report. The Annual Report will provide information regarding each URC Agreement, including but not limited to the progress of any shipment and its status, a relevant price range, the number of shipments in the reporting period, the total trading revenue and the total trading profit of the reporting period. Where the number of trading transactions in the reporting period is greater than 3, the Company will also report the total quantity of concentrate traded within the reporting period.

Energy Metals' Managing Director, Dr. Weidong Xiang confirms that the Company will continue to focus on its Bigrlyi and Ngalia projects.

"The unique relationship with CGNPC has given the Company an excellent commercial opportunity to enter into the uranium trading market. It is expected the ongoing trading business will generate profits and provide funds to strongly support EME's exploration programs. Although the uranium price has been depressed for several years, we still believe that uranium has a bright future as a long term source of base load energy. We are confident that we will continuous to make progress and be successful."

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