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19 November 2013

Company Announcements Platform  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000



**Notice Under Section 708AA(2)(f) of the Corporations Act 2001 (Cth) as Notionally Modified by ASIC Class Order 08/35**

On 19 November 2013 Energy Metals Limited (ASX: EME) ("EME" or the "Company") announced a fully written non-renounceable rights issue. Eligible shareholders will be entitled to subscribe for four ordinary shares ("New Shares") for every eleven existing shares held as at the record date being 27 November 2013, with each New Shares being issued at an issue price of \$0.168, to raise approximately \$9.39 million ("Offer"). The price represents a 5% discount to the volume weighted average of the closing price over 29 October 2013 to 18 November 2013. The New Shares will be fully underwritten by the Company's largest shareholder, China Uranium Development Company Limited ("CUD").

The Company hereby confirms that in respect of the Offer:

- (a) the Company will offer the New Shares without disclosure to investors under Part 6D.2 of the *Corporations Act 2001 (Cth)* ("*Corporations Act*") as notionally modified by ASIC Class Order 08/35;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the *Corporations Act* as notionally modified by ASIC Class Order 08/35;
- (c) as at the date of this announcement, the Company has complied with the provisions of Chapter 2M of the *Corporations Act* as they apply to EME;
- (d) as at the date of this announcement, the Company has complied with section 674 of the *Corporations Act*;
- (e) as at the date of this announcement, there is no information:
  - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or

- (B) the rights and liabilities attaching to the Shares; and
- (f) the potential effects of the Entitlement Issue on the control of the Company are set out below.

### EFFECT OF ENTITLEMENT ISSUE ON CONTROL OF ENERGY METALS

The Offer is fully underwritten by CUD. The Offer is not expected to materially impact the control of the Company. The Company is already controlled by CUD, and CUD has agreed to underwrite any shortfall that arises under the Entitlement Issue. If all Shareholders subscribe for their full entitlements under the Entitlement Issue, there will be no effect on the percentage shareholdings of Shareholders, or the control of the Company. Set out below is some information of the impact that the Offer may have on the control of the Company and on the issued capital of the Company:

Shares	Number
Shares on issue at 18 November 2013	153,767,762
Maximum Shares offered pursuant to the Offer	55,915,550
<b>Total Shares on issue upon completion of the Offer</b>	<b>209,683,312</b>

As noted elsewhere above, CUD currently has a relevant interest of 60.56% of the Company's issued voting shares. The table below demonstrates the approximate extent of the increase in the voting power of CUD as a result of underwriting the Entitlement Issue:

Event/Date	Number of Shares held by CUD	Voting Power of CUD
Date of Offer Document	93,122,835	60.56%
After issue of New Shares assuming CUD takes up its full Entitlement and there is otherwise a 100% Shortfall.	149,038,385	71.08%
After issue of New Shares assuming CUD takes up to its full Entitlement and there is otherwise a 75% Shortfall.	139,390,158	66.48%
After issue of New Shares assuming CUD takes up its full Entitlement and there is otherwise a 50% Shortfall.	135,255,203	64.50%
After issue of New Shares assuming CUD takes up its full Entitlement and there is otherwise a 25% Shortfall.	131,120,248	62.53%
After issue of New Shares assuming CUD takes up its full Entitlement and there is no Shortfall.	126,985,293	60.56%

CUD has advised the Company that it intends to take up its full entitlement under the Offer (approximately 33,862,458 Shares). The figures depicted above demonstrate the potential effect of the underwriting by CUD. In the event that Shareholders take up their entitlements and/or subscribe for New Shares under the shortfall offer, the underwriting obligation of CUD will reduce by a corresponding amount.

The figures above do not take into account the fact that the New Shares which would otherwise have been issued to Prohibited Foreign Holders will be issued to a nominee and will therefore not form part of the shortfall. See section 1.7 below. Consequently the number of Shares held by CUD and the voting power of CUD stated in the table above will be lower than stated.

In general, CUD has advised the Company that it:

- (a) has no intention of making any significant changes to the business of the Company;
- (b) does not propose to change the management and operations of the Company or to make any change to the employment of any present employee of the Company;
- (c) does not intend to redeploy any fixed assets of the Company;
- (d) does not intend to transfer any property between the Company and CUD or any person associated with it; and
- (e) has no current intention to change the Company's existing policies in relation to financial matters or dividends.

CUD has advised that its intentions in relation to Energy Metals remain the same as stated above following the Offer.

Yours sincerely

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

**WEIDONG XIANG**  
**Managing Director**