



ABN 63 111 306 533

HALF YEAR FINANCIAL REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2015

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)
Jianhua Xing (Non-Executive Director)
Zimin Zhang (Non-Executive Director)

REGISTERED OFFICE

Level 2, 8 Colin Street
WEST PERTH WA 6005

POSTAL ADDRESS

PO Box 1323
WEST PERTH WA 6872

AUDITORS

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

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
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CONTACT DETAILS

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Email enquiry@energymetals.net
Telephone: + 61 8 9322 6904
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COMPANY SECRETARY

Xuekun Li

STOCK EXCHANGE LISTING

Australian Securities Exchange
ASX Code: **EME**

SOLICITORS

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

BANKERS

National Australia Bank
100 St Georges Terrace
PERTH WA 6000

DIRECTORS' REPORT

Your Directors present the financial statements of Energy Metals Limited and its controlled entities at the end of, or during, the half-year ended 30 June 2015.

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)
Jianhua Xing (Non-executive Director)
Zimin Zhang (Non-executive Director)

REVIEW OF OPERATIONS

The Company reported a net loss of \$601,539 for the half-year ended 30 June 2015 (2014: a net loss of \$269,645). During the period, the Company wrote off \$283,751 (2014: nil) exploration and evaluation expenditure after it surrendered certain tenements with low prospects.

Energy Metals is a dedicated uranium exploration company with eight projects located in the Northern Territory (NT) and Western Australia covering over 4,000 km². Most of the projects contain uranium mineralisation discovered by major companies in the 1970's, including the advanced Bigrlyi Project (NT), which is characterised by relatively high uranium grades (with vanadium credits) and excellent metallurgical recoveries.

Exploration activities performed during the period were to a sufficient level to maintain the tenements in good standing.

Bigrlyi Joint Venture (EME 53.3%)

A maiden uranium resource estimate of 691 tonnes U₃O₈ at 556ppm average grade (200ppm cut-off) was obtained for the historical Karins deposit. Karins deposit is located approximately 260km northwest of Alice Springs in the Ngalia Basin. The inferred deposit lies on tenement applications MLN1952 and MCS318-328, which form part of the Bigrlyi Joint Venture. The resource estimate was based on digitised and re-processed gamma logs for 110 historical drill holes.

Walbiri Joint Venture (EME 41.9%)

The project is a joint venture with Paladin Energy Ltd (58.1%), with Energy Metals Ltd as the operator. Work during the period included digitisation and reprocessing of historical gamma logs, continuation of core re-logging and historical data compilation and verification in conjunction with regional Ngalia Basin studies to better understand this historic deposit.

Malawiri Joint Venture (EME 52.1%)

The project is a joint venture with Paladin Energy Ltd (47.9%), with Energy Metals Ltd as the operator. A program of digitisation and reprocessing of historical gamma logs, core re-logging, and historical data compilation and verification was completed during the period. A new geological model has been developed for Malawiri area.

DIRECTORS' REPORT

Ngalia Regional Project (EME 100%)

A high-resolution, 50m line-spaced magnetic and radiometric survey was flown over four target areas (Dingo's Rest, Coonega, Walbiri South and Malawiri) in the Ngalia Basin late last year. Final data products were delivered by an external consultant in March 2015 with a final report completed in June 2015.

Exploration targeting work continued throughout the Company's tenure in the Ngalia Basin and four key target areas have been identified.

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 13 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

10 September 2015

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) The financial statements, and notes set out on pages 4 to 12 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 2015 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

10 September 2015

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2015**

	Notes	30/06/2015 \$	30/06/2014 \$
Revenue from continuing operations	4	373,526	483,634
Employee benefits expense	4	(312,377)	(330,970)
Exploration expense	4	(328,599)	-
Corporate and regulatory expense		(89,713)	(38,174)
Depreciation expense	4	(57,096)	(52,453)
Administration expense	4	(187,280)	(331,682)
Loss before income tax		(601,539)	(269,645)
Income tax expense		-	-
Loss for the half-year		(601,539)	(269,645)
Other comprehensive income		-	-
Total comprehensive expense for the half-year		(601,539)	(269,645)
Loss attributable to owners of the Company		(601,539)	(269,645)
Total comprehensive expense attributable to owners of the Company		(601,539)	(269,645)
Basic loss per share (cents)		(0.29)	(0.13)
Diluted loss per share (cents)		(0.29)	(0.13)

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 2015

	Notes	30/06/2015 \$	31/12/2014 \$
Current Assets			
Cash and cash equivalents		302,022	11,609,364
Term deposits	6	21,870,667	11,307,540
Trade and other receivables		263,365	232,579
Total Current Assets		22,436,054	23,149,483
Non-current Assets			
Receivables		147,517	143,910
Plant and equipment	7	350,302	405,783
Exploration and evaluation expenditure	8	32,276,063	32,127,774
Total Non-current Assets		32,773,882	32,677,467
Total Assets		55,209,936	55,826,950
Current Liabilities			
Trade and other payables		135,289	132,234
Provisions		74,781	93,311
Total Current Liabilities		210,070	225,545
Total Liabilities		210,070	225,545
Net Assets		54,999,866	55,601,405
Contributed equity	9	59,051,644	59,051,644
Accumulated losses		(4,051,778)	(3,450,239)
Capital and reserves attributable to owners of the Company		54,999,866	55,601,405
Total Equity		54,999,866	55,601,405

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 2015**

	Attributable to Owners of the Company		Total Equity
	Contributed Equity \$	Accumulated Losses \$	
At 1 January 2014	49,677,832	(2,898,165)	46,779,667
Loss for the half year	-	(269,645)	(269,645)
Total comprehensive expense for the half year	-	(269,645)	(269,645)
Issue of shares, net of transaction costs	9,373,813	-	9,373,813
At 30 June 2014	<u>59,051,645</u>	<u>(3,167,810)</u>	<u>55,883,835</u>
At 1 January 2015	59,051,644	(3,450,239)	55,601,405
Loss for the half year	-	(601,539)	(601,539)
Total comprehensive expense for the half year	-	(601,539)	(601,539)
At 30 June 2015	<u>59,051,644</u>	<u>(4,051,778)</u>	<u>54,999,866</u>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2015**

	30/06/2015 \$	30/06/2014 \$
Cash flows from operating activities		
Interest received	405,527	405,019
Income received from customers	-	146,236
Income received from the Joint Venture	1,771	3,341
Payments to suppliers and employees	(699,759)	(958,436)
Fuel rebate received	-	30,028
Net cash used in operating activities	(292,461)	(373,812)
Cash flows from investing activities		
Payments for plant and equipment	(1,615)	(40,669)
Payments for exploration and expenditure	(446,533)	(856,000)
Investments in term deposits	(10,566,733)	(486,890)
Net cash used in investing activities	(11,014,881)	(1,383,559)
Cash flows from financing activities		
Return of share application fund	-	(27,559)
Net cash used in financing activities	-	(27,559)
Net decrease in cash and cash equivalents	(11,307,342)	(1,784,930)
Cash and cash equivalents at the beginning of the half-year	11,609,364	13,968,911
Cash and cash equivalents at the end of the half-year	302,022	12,183,981

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 HALF YEAR ENDED 30 JUNE 2015**

NOTE 1: BASIS OF PREPARATION OF HALF-YEAR REPORT

These general purpose financial statements for the interim half-year reporting period ended 30 June 2015 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

At the date of authorisation of the Financial Statements, the Standards applicable to the Company and its controlled entities’ business listed below were in issue but not yet effective. The potential effect of the revised Standards on the Company’s financial statements has not yet been determined.

AASB 9 ‘Financial Instruments’ and the relevant amending standards, effective for annual reporting periods beginning on or after 1 January 2018, expected to be initially applied in the financial year ending 30 June 2019;

AASB 2014-3 ‘Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations’, effective for annual reporting periods beginning on or after 1 January 2016, expected to be initially applied in the financial year ending 30 June 2017;

AASB 2014-4 ‘Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation’, effective for annual reporting periods beginning on or after 1 January 2016, expected to be initially applied in the financial year ending 30 June 2017;

AASB 2014-9 ‘Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements’, effective for annual reporting periods beginning on or after 1 January 2016, expected to be initially applied in the financial year ending 30 June 2017;

AASB 2014-10 ‘Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’, effective for annual reporting periods beginning on or after 1 January 2016, expected to be initially applied in the financial year ending 30 June 2017;

AASB 2015-1 ‘Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle’, effective for annual reporting periods beginning on or after 1 January 2016, expected to be initially applied in the financial year ending 30 June 2017;

AASB 2015-2 ‘Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101’, effective for annual reporting periods beginning on or after 1 January 2016, expected to be initially applied in the financial year ending 30 June 2017;

AASB 2015-3 ‘Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality’, effective for annual reporting periods beginning on or after 1 January 2015, expected to be initially applied in the financial year ending 30 June 2016;

AASB 2015-4 ‘Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent’, effective for annual reporting periods beginning on or after 1 July 2015, expected to be initially applied in the financial year ending 30 June 2016; and

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2015**

AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception', effective for annual reporting periods beginning on or after 1 January 2015, expected to be initially applied in the financial year ending 30 June 2016.

AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', effective for annual reporting periods beginning on or after 1 January 2017, expected to be initially applied in the financial year ending 30 June 2018.

NOTE 3: SEGMENT INFORMATION

Management has determined that the Company and its controlled entities have two reportable segments, being uranium exploration and uranium trading. As the Company and its controlled entities are focused on uranium exploration, the Board periodically monitors the Company and its controlled entities 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 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 half-year ended 30 June 2014 and 30 June 2015 is as follows:

	Uranium Exploration	Uranium Trading	Unallocated	Total
30 June 2015				
Total segment revenue	1,771	-	371,755	373,526
Segment result	(381,103)	-	(220,436)	(601,539)
Depreciation	54,276	-	2,820	57,096
Total segment assets	32,608,183	-	22,601,753	55,209,936
Total segment assets include: Additions to non-current assets	432,040	-	1,615	433,655
Total segment liabilities	18,940	-	191,130	210,070
30 June 2014				
Total segment revenue	33,369	-	450,265	483,634
Segment result	(2,177)	-	(267,468)	(269,645)
Depreciation	47,425	-	5,028	52,453
Total segment assets	31,730,727	-	24,396,929	56,127,656
Total segment assets include: Additions to non-current assets	856,000	-	-	856,000
Total segment liabilities	162,234	-	81,587	243,821

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2015**

NOTE 4: REVENUES AND EXPENSES

	30 June 2015	30 June 2014
	\$	\$
(a) Revenue from continuing operations includes the following revenue items:		
Interest received from other parties	371,755	450,265
Joint Venture revenue received	1,771	3,341
Fuel rebate	-	30,028
	373,526	483,634
(b) Loss includes the following specific expenses:		
Depreciation	57,096	52,453
(c) Employee benefit expense:		
Wages & superannuation	257,224	265,614
Directors' fee	23,916	23,942
Others	31,237	41,414
	312,377	330,970
(d) Administration expense		
Rental	109,495	103,739
Professional services	536	14,973
Membership and conferences	14,845	16,546
Others	62,404	196,424
	187,280	331,682

(e) Exploration expense

The expense included a written-off exploration and evaluation expenditure of \$283,751 since the Group had surrendered certain tenements during the period (2014: nil).

NOTE 5: DIVIDENDS

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

NOTE 6: TERM DEPOSITS

As at 30 June 2015, the Company had approximately \$21.87 million deposits with maturities from 3 months to 6 months with various financial institutions earning interest income at an average rate of 2.95%.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2015**

NOTE 7: PLANT AND EQUIPMENT

	30 June 2015	31 December 2014
	\$	\$
Plant and equipment - at cost	893,269	891,654
Less accumulated depreciation	(616,573)	(568,538)
	<u>276,696</u>	<u>323,116</u>
Motor vehicle – at cost	200,807	200,807
Less accumulated depreciation	(127,201)	(118,140)
	<u>73,606</u>	<u>82,667</u>
Total	<u>350,302</u>	<u>405,783</u>
Reconciliation of the carrying amount of Plant and Equipment:		
	Plant and Equipment	Motor Vehicle
	\$	\$
Carrying amount at 1 January 2014	366,798	106,369
Additions	40,669	-
Depreciation expense	(40,732)	(11,721)
Carrying amount at 30 June 2014	<u>366,735</u>	<u>94,648</u>
Carrying amount at 1 January 2015	323,116	82,667
Additions	1,615	-
Depreciation expense	(48,035)	(9,061)
Carrying amount at 30 June 2015	<u>276,696</u>	<u>73,606</u>

NOTE 8: EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2015	30 June 2014
	\$	\$
Balance at the beginning of the half-year	32,127,774	30,103,590
Additions of exploration assets	432,040	856,000
Written-off of exploration assets	(283,751)	-
Balance at the end of the half-year	<u>32,276,063</u>	<u>30,959,590</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.

NOTE 9: CONTRIBUTED EQUITY

	Number of Shares	\$
As at 1 January 2015 and 30 June 2015	<u>209,683,312</u>	<u>59,051,644</u>

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.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2015**

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

NOTE 10: 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.

NOTE 11: COMMITMENTS

	30 June 2015	31 December 2014
	\$	\$
Tenement Expenditure Commitments:		
The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2015/2016. 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 2015/2016	1,337,848	1,879,357

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 2015.

Lease Commitments: group as lessee

The Company leases its office under non-cancellable operating leases expiring within one year.

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

Within one year	95,935	121,180
Later than one year but not later than five years	-	35,345
	95,935	156,525

NOTE 12: KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

NOTE 13: SUBSEQUENT EVENTS

There were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Company and its controlled entities and the results of those operations or the state of the affairs of the Company and its controlled entities in the financial period subsequent to 30 June 2015.

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

10 September 2015

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.

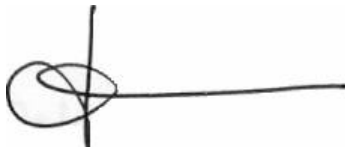
As lead audit partner for the review of the financial statements of Energy Metals Limited for the half-year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Energy Metals Limited which comprises the condensed consolidated statement of financial position as at 30 June 2015, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 3 to 12.

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 gives a true and fair view and 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 2015 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.

Deloitte.

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.

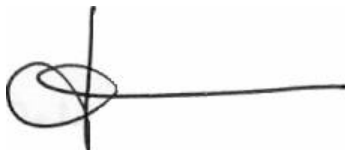
Conclusion

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 2015 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

A handwritten signature in black ink, consisting of a circular loop followed by a horizontal line extending to the right.

Leanne Karamfiles

Partner

Chartered Accountants

Perth, 10 September 2015