

\$12.16 MILLION CAPITAL RAISING

Highlights

- \$9.16m placement of ordinary shares at \$0.21 per share
- Up to \$3.0m Share Purchase Plan offered at \$0.21 per share to shareholders
- Participants in the Placement and Share Purchase Plan will receive one free option for each new share subscribed
- Funding to continue the development of EMA's Mulga Rock Uranium deposits and to provide working capital

Energy and Minerals Australia Limited (ASX: **EMA**), a Western Australian focused uranium company, is pleased to advise that it has secured commitments for a two tranche Placement to deliver gross proceeds of \$9.16 million from institutional and sophisticated investors.

The Company also intends to raise up to an additional \$3.0 million by implementing a Share Purchase Plan ('SPP') which provides eligible shareholders with the opportunity, subject to obtaining the necessary ASX waivers, to subscribe for EMA shares and options on the same terms offered under the Placement.

The Placement, lead-managed by Austock Corporate Finance, was strongly supported and has seen the introduction of a number of new domestic and offshore institutional shareholders to EMA's register.

Use of Funds

As noted above, the net proceeds from the capital raising will be applied to advance the development of the Mulga Rock Uranium deposits. Specifically the proceeds will be used for:

- metallurgical drilling and test work
- drilling and resource upgrade of the Mulga Rock Uranium deposits
- a Scoping Study on the Ambassador Deposit
- working capital requirements and tenement package maintenance

EMA Managing Director, Chris Davis commented that 'funds from the raising will allow EMA to continue development of the Mulga Rock uranium deposits and reach project milestones. Achievement of these milestones will place the Company in a strong position to engage with uranium end-users'.

Placement

The Placement has been made to institutional and sophisticated investors. The issue price of shares under the Placement is \$0.21 each, representing a 21% discount to the five day volume weighted average price prior to the Company entering a trading halt on 13 July 2009.

For each share subscribed under the Placement, the Company will grant one free option to acquire one fully paid EMA share at an exercise price of \$0.33 per share and an expiry date of 31 July 2011. The Placement will be completed in two tranches:

- Tranche 1 – comprising 21.8 million shares and 21.8 million options, will be placed immediately using the Company's 15% (share and option) placement capacity under Listing Rule 7.1, raising gross proceeds of approximately \$4.58 million; and
- Tranche 2 – comprising 21.8 million shares and 21.8 million options, will be placed, subject to receiving shareholder approval, to raise gross proceeds of approximately \$4.58 million.

The Company's major shareholder, Sumico (WA) Pty Ltd as trustee for the Busani Family Trust, has informed the Company that it intends to vote its shareholding in favour of the issue of Tranche 2 of the proposed Placement.

A General Meeting of shareholders will be called to approve the issue of these shares and options under the Placement, and a Notice of Meeting will be dispatched shortly.

Share Purchase Plan ('SPP')

To ensure that existing eligible shareholders have the opportunity to participate in this capital raising on the same terms as the Placement, the Company intends to implement a SPP to raise up to \$3.0 million with the issue of approximately 14.29 million shares and 14.29 million options. The SPP will not be underwritten.

Under the SPP, each eligible shareholder will be entitled to subscribe for EMA shares at a price of \$0.21 per share. For each share subscribed under the SPP, the Company will grant one free option, with an exercise price of \$0.33 per share and an expiry date of 31 July 2011. As noted above, the issue price represents approximately a 21% discount to the five day volume weighted average price prior to the Company entering a trading halt on 13 July 2009.

The Company has applied for a waiver of certain ASX Listing Rules to offer shareholders the opportunity to subscribe up to the maximum participation limit of \$15,000 of new EMA shares, to allow the SPP to be offered at the same price as under the Placement, and to allow EMA's directors to participate. The Company reserves the right to scale back applications to remain within the \$3.0 million limit for the SPP. The terms and conditions of the SPP will be set out in the SPP offer documents.

The Company will prepare and issue a prospectus for the options offered under the SPP. Subject to meeting regulatory requirements and being granted approval from ASX, the Company will apply to list the options on the ASX following lodgment of the prospectus.

The proposed record date for the SPP will be Wednesday 22 July 2009. Documentation on the SPP will be sent to shareholders shortly.



Chris Davis
Managing Director
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For further information:

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