

31 October 2012

Energia Secures Cornerstone Investment by Uranium Equities in \$2.3M Capital Raising

Funds to be used to expand drilling program at Nyang Uranium Project

- **Strategic 15% placement to Uranium Equities Limited (ASX: UEQ) to raise \$574,875 at \$0.035 per share.**
- **Fully underwritten 2-for-5 non-renounceable entitlement offer to be undertaken to raise \$1.76 million at \$0.035 per share, with UEQ to participate.**
- **Capital raising to underpin ongoing exploration at Energia's flagship Nyang Uranium Project in WA, including an expansion of the November drilling program to 10,000 metres.**
- **Mr Bryn Jones, Uranium Equities Limited's Managing Director and a highly experienced uranium industry executive, will be invited to join Energia's Board as a non-executive Director.**

Energia Minerals Ltd ("Energia" or "the Company") (ASX: EMX) is pleased to announce that it has secured a cornerstone investment by Uranium Equities Ltd ("Uranium Equities"; ASX: UEQ) (through its wholly owned subsidiary, UEQ Investments Pty Ltd) as part of a **\$2.3 million capital raising** to underpin the ongoing exploration and development of its flagship Nyang Uranium Project in Western Australia.

The strategic investment by Uranium Equities will enable Energia to expand the upcoming November drilling program at the Carley Bore ISR deposit, and the broader Nyang Project to 10,000 metres.

The capital raising will comprise:

- a strategic 15% share placement of 16,425,000 ordinary shares to Uranium Equities at \$0.035 per share to raise a total of \$574,875 million;
- a fully underwritten non-renounceable entitlement offer to subscribe for two (2) fully paid ordinary shares for every five (5) ordinary shares held providing all shareholders, including Uranium Equities, the opportunity to subscribe for shares at \$0.035 per share to raise a further \$1,762,950.

The Company has mandated Sydney-based Blue Ocean Equities Pty Ltd to act as Lead Manager and Underwriter of the entitlement offer. Uranium Equities has also committed to subscribe for its pro-rata entitlement (post placement) and has also agreed to partially sub-underwrite the entitlement offer on a priority basis for up to an additional \$500,000.

As part of the placement, and subject to ASX waiving the requirements of Listing Rule 6.18, Uranium Equities has been granted a right to participate in any future capital raisings conducted by Energia in the 12 months following completion of the rights issue in order to maintain its percentage holding, post entitlement offer in the Company.

ASX Code EMX

ABN 63 078 510 988

PO Box 1785
West Perth WA 6872

Level 2, 20 Kings Park Road
West Perth WA 6005

T: +61 8 9321 5000

F: +61 8 9321 7177

E:
info@energiaminerals.com
W:
www.energiaminerals.com

Board of Directors

Kim Robinson
Managing Director
Tony Iannello
Non Executive Chairman
Leigh Bettenay
Executive Director –
Exploration and
Development
Max Cozjin
Non Executive Director
Ian Walker
Non Executive Director

Company Secretary

Jamie Armes
CFO and Company
Secretary

As a result of Uranium Equities' investment in Energia, UEQ's Managing Director, Mr Bryn Jones, will be invited to join the Energia Board as a non-executive Director. Mr Jones is an Industrial Chemist who has gained an extensive understanding of the development and operation of In-Situ Recovery (ISR) uranium mines during his time with Heathgate Resources, the operator of the Beverley Uranium Mine in South Australia.

Details of the Rights Issue

New shares issued under the rights issue and placement will rank equally with all ordinary shares already on issue. Energia will issue 66,795,003 new ordinary shares, resulting in 176,295,008 fully paid ordinary shares on issue at completion of the capital raising.

The funding proposal from Uranium Equities will result in an outcome where it (together with its associates) holds between 14.27% and 22.38% of the ordinary shares in Energia (subject to the appropriate exemption under the Corporations Act). The ultimate shareholding of Uranium Equities in Energia will depend on the participation by shareholders in the rights issue and the utilisation of the sub-underwriting facility provided by Uranium Equities.

In evaluating the funding proposal developed with Uranium Equities, the Company considered the timing of required funding and the strategic benefits that can be realised through the arrangement. The placement and rights issue together provide the necessary funding to satisfy short term requirements and expand the exploration program at Nyang, while the rights issue also has the added benefit of minimising the dilutionary effect on existing shareholders.

The rights issue will contain a shortfall facility, as detailed in the schedule attached to this announcement. To the extent that there is a shortfall, this facility will provide shareholders with the opportunity to apply for a greater number of shares than their entitlement up to a maximum of an additional \$5,000 per Shareholder. Given its sub-underwriting position, Uranium Equities and its associates are not permitted to participate in the shortfall facility.

Use of Funds

The capital raised will be used to fund an expansion of the current drilling program and underpin ongoing exploration activities at the Company's flagship Nyang Uranium Project, as well as to progress investigations into its Gorno zinc/lead projects in northern Italy and for working capital purposes.

Energia's Managing Director, Kim Robinson, said the Company was delighted to have attracted Uranium Equities as a cornerstone investor and was looking forward to working with them to progress the Nyang Project.

"This strategic investment confirms the high quality of the Nyang Project and the potential for resource expansion. It is also with great pleasure that we welcome Bryn Jones with his experience in the in-situ recovery of uranium from sandstone hosted deposits to the board of Energia. This will be extremely valuable as the Nyang Project is advanced to production."

ENDS



Kim Robinson
Managing Director
+61 8 9321 5000
info@energiaminerals.com

For media enquiries contact:
Nicholas Read
Read Corporate
+61 8 9388 1474
info@readcorporate.com.au

Schedule – Summary of the Rights Issue

SUMMARY OF KEY TERMS

Amount to be raised	Up to \$1,762,950 (before costs of the Rights Issue).
Issue Price	\$0.035 per share offered under the Rights Issue which represents a 7.8% per cent discount to the closing price of the Company's shares on Wednesday, 24 October 2012 of A\$0.038.
Entitlement	<p>Two new ordinary shares for every five existing ordinary shares held at 5pm (AWST) on the register on the Record Date. The Rights Issue will be available to all Energia shareholders (which at the date of this document is those with registered addresses in Australia, New Zealand, United Kingdom, Hong Kong, Singapore and Monaco).</p> <p>Each new ordinary share will be issued on the same terms as those ordinary shares already issued by the Company.</p> <p>Fractions will be rounded up to the nearest whole number.</p>
Record Date	5pm (AWST), 9 November 2012
Non-renounceable	The Rights Issue is non-renounceable and rights will not be tradeable on ASX or otherwise transferrable. Shareholders who do not take up their entitlements in full will not receive any value in respect of those entitlements that they do not take up.
Underwriting	The rights issue is fully underwritten by Sydney-based Blue Ocean Equities. Further details regarding the terms of the underwriting are set out in the offer document released to ASX at the same time as this announcement.
Shortfall facility	If there is any shortfall, shareholders (other than Uranium Equities) may subscribe for additional shares up to a maximum of \$5,000 per shareholder over their pro rata entitlement with the balance of the shares going to the underwriter.
New shares to be issued (maximum)	50,370,003
Capital structure after Rights Issue (maximum including shares issued under placement)	176,295,008

As detailed above, the funding proposal from Uranium Equities could result in an outcome where it (together with its associates) hold the voting power in 22.38% of the ordinary shares in Energia (in reliance on section 611 (item 10) of the *Corporations Act 2001*). This scenario could occur where the participation by shareholders is at a level that requires maximum utilisation of the sub-underwriting facility provided by Uranium Equities. The potential for control is set out in more detail in the section 708AA 'cleansing announcement' made by the Company today and will also be set out in the offer document for the rights issue.

The Rights Issue is being made in accordance with section 708AA of the *Corporations Act 2001* without the need for a prospectus. Prospective investors should have regard to the Company's previous ASX announcements as the Company is required to comply with continuous disclosure obligations.

An offer document setting out the procedural details of the Rights Issue has been today lodged with ASX and will be despatched to shareholders in accordance with the timetable set out below. This will be accompanied by a personalised entitlement and acceptance form and instructions on how eligible shareholders may accept their entitlement. Any eligible shareholder who wishes to acquire new shares under the Rights Issue will need to complete the personalised entitlement and acceptance form that will accompany the Rights Issue offer document.

An Appendix 3B and Section 708AA notice will be lodged separately with ASX today.

PROPOSED TIMETABLE

The current indicative timetable for the Rights Issue and Placement is as follows:

Event	Date
Rights Issue announced	31 October 2012
Shares quoted on an "ex" basis	2 November 2012
Expected date for settlement of Placement	2 November 2012
Record Date	5.00pm (Perth time), 9 November 2012
Offer document and entitlement and acceptance forms despatched to eligible shareholders	13 November 2012
Closing date for acceptance and payment	28 November 2012
Issue of new shares and dispatch of holding statements	5 December 2012
New shares commence trading on ASX	6 December 2012

Subject to the Corporations Act and the ASX Listing Rules, the directors of the Company reserve the right to vary these dates, including the closing date of the Offer, without prior notice. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment.

The information provided in this announcement is not investment advice. You should read the entire release in relation to the Rights Issue and any materials lodged with ASX which you consider relevant and consider all of the risk factors that could affect the performance of the Company and the new shares in light of your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stock broker, lawyer or other professional adviser before deciding whether to invest in new shares. Specifically, shareholders should seek advice on the taxation implications of participating in the Rights Issue and have regard to the risks of investing in the Company highlighted in the Company's prospectus dated 17 November 2009.