

5 February 2010

(Name)
(Address)
(Address)

Dear Optionholder

NOTICE OF NON RENOUNCEABLE ENTITLEMENTS ISSUE

Energy Metals Ltd
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Western Australia
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We are writing to you in relation to your option holding in Energy Metals Limited (**Company**).

On 5 February 2010, Energy Metals Limited (ASX: EME) (**Company**) announced that it will be offering eligible shareholders the opportunity to acquire additional fully paid ordinary shares in the capital of the Company (**Shares**) via a non renounceable rights issue (**Entitlement Issue**) on the basis of one (1) Share for every nine (9) Shares held on 16 February 2010 (**Record Date**).

Shares under the Entitlement Issue will be offered at \$0.90 per Share. The maximum number of Shares which may be issued under the Entitlement Issue is 13,429,499 Shares to raise approximately \$12 million.

Pursuant to the terms of the options issued to you, the Company is required to notify you of your right to participate in any issue of securities if you exercise your options prior to the record date for the Entitlement Issue.

Accordingly, take notice that in order to participate in the Entitlement Issue, you will need to exercise your options prior to the Record Date for the Entitlement Issue, being **16 February 2010**.

The proposed timetable for the Entitlement Issue is as follows:

Event	Date
Announcement of Entitlement Issue and Appendix 3B Cleansing Notice and Offer Document lodged with ASX/Notice sent to Optionholders	Friday, 5 February 2010
Notice sent to Security Holders	Tuesday, 9 February 2010
Ex Date (date from which securities commence trading without the entitlement to participate in the Entitlement Issue)	Wednesday, 10 February 2010
Record Date (date for determining entitlements of eligible shareholders to participate in the Entitlement Issue)	Tuesday, 16 February 2010

Offer Document Dispatched to Shareholders (Company to announce to ASX that the dispatch of the offer documents and the entitlement and acceptance forms has been completed)	Thursday, 18 February 2010
Opening Date	Friday, 19 February 2010
Closing Date 5pm (WST)	Friday, 12 March 2010
Securities quoted on a deferred settlement basis	Monday, 15 March 2010
Entity notifies ASX of undersubscriptions	Wednesday, 17 March 2010
Dispatch Holding Statements and notify ASX of dispatch	Monday, 22 March 2010
Normal (T+3) trading starts	Thursday, 23 March 2010

*Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Entitlement Issue at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Shares.

The document relating to the Entitlement Issue (Offer Document) was lodged with ASX on Friday 5 February 2010 and is available at www.asx.com.au.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Entitlement Issue carefully and, if in doubt, consult your professional advisor.

Should you have any queries in relation to this matter, please contact the Company secretary, Ms Trish Farr on (+61 8) 9322 6904.

Yours sincerely



Lindsay Dudfield
Executive Director
ENERGY METALS LIMITED