

Notice of Annual General Meeting and Explanatory Statement

ENERGY METALS LIMITED
ABN 63 111 306 533

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If shareholders are in doubt as to how they should vote, they should seek advice from their
accountant, solicitor or other professional advisor without delay.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2011 Annual General Meeting of shareholders of Energy Metals Limited will be held at Pan Pacific Hotel (ex: Sheraton Perth), 207 Adelaide Terrace, Perth, Western Australia on Tuesday 19th April 2011 at 10.00am (Western Standard Time), for the purpose of transacting the following business:

BUSINESS

Annual Report

The Company's 2011 Annual Report (including the financial, directors' and auditors' reports for the six months ended 31 December 2010) will be tabled.

Resolution 1 – Adoption of the Remuneration Report for the six months ended 31 December 2010

To consider and, if thought fit, to pass the following resolution as a non-binding resolution:

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act, the Directors' Remuneration Report as contained within the Directors' Report be adopted."

Resolution 2 - Re-election of Mr Lindsay George Dudfield as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Lindsay George Dudfield, being a Director of the Company who retires in accordance with clause 13.2 of the Company's Constitution, be re-elected."

Resolution 3 – To confirm the appointment of Dr Xiang, Weidong as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purpose of section 201H(3) of the Corporations Act and all other purposes, the Company approve and confirm the appointment of Dr Xiang, Weidong as a Director of the Company on 8 December 2010."

Resolution 4 – To confirm the appointment of Mr Zhong, Yu as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purpose of section 201H(3) of the Corporations Act and all other purposes, the Company approve and confirm the appointment of Mr Zhong, Yu as a Director of the Company on 8 December 2010."

Resolution 5 – To confirm the appointment of Ms Zheng, Xiaowei as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purpose of section 201H(3) of the Corporations Act and all other purposes, the Company approve and confirm the appointment of Ms Zheng, Xiaowei as a Director of the Company on 23 February 2011."

Resolution 6 – To ratify the Share Placement

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the placement completed by the Company on 1 December 2010 of 19,472,773 Shares at an issue price of \$1.02 each to KangDe Investment Group, details of which are set out in the Explanatory Statement."

Voting exclusion statement:

In accordance with Listing Rule 7.5.6, the Company will disregard any votes cast on Resolution 6 by any person who participated in the share placement and any of their associates.

However, the Company will not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Other Business

To transact any other business which may be properly brought before the meeting in accordance with the Company's Constitution and the Corporations Act.

By Order of the Board



XUEKUN LI
Company Secretary
Energy Metals Limited

18 March 2011

Proxies

Please refer to the enclosed proxy form and the accompanying instructions for appointment of a proxy and lodging proxy forms.

If a shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the enclosed certificate of appointment of corporate representative should be completed and lodged in the manner specified.

Entitlement to Vote

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Directors have set a time to determine the identity of those entitled to attend and vote at the meeting. The time is 4.00pm (Western Standard Time) on Sunday 17th April 2011. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the AGM should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the shareholder's representative. The authority may be sent to the Company in advance of the AGM or handed in at the AGM when registering as a corporate representative. An appointment of corporate representative form is enclosed if required.

ENERGY METALS LIMITED
ABN 63 111 306 533

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in the Notice and this Explanatory Statement.

The Directors recommend shareholders read this Explanatory Statement in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice.

Financial Statements and Reports

The Corporations Act requires the Company's financial report (which includes the financial statements and the directors' declaration), the directors' report and the auditor's report for the six months ended 31 December 2010 to be laid before the annual general meeting. Shareholders will be provided with a reasonable opportunity to ask questions about the reports. There is no requirement either in the Corporations Act or the Company's Constitution that the Shareholders vote on or approve the reports.

Shareholders can access a copy of the Company's financial report, directors' report and auditor's report for the six months ended 31 December 2010 (which form part of the Company's 2011 Annual Report) on the Company's website: www.energymetals.net

Resolution 1 – To adopt the Remuneration Report for the six months ended 31 December 2010

The Corporations Act requires the Company to include in the directors' report for the six months ended 31 December 2010 a detailed remuneration report setting out certain prescribed information relating to the remuneration of the Directors and certain members of the Company's senior management and to submit this report for adoption by resolution of the shareholders at the annual general meeting of the Company. The vote on the resolution is advisory only and does not bind the Directors or the Company.

The Directors recommend that the shareholders vote in favour of adopting the Remuneration Report. The Chairman intends to vote undirected proxies in favour of the resolution.

Resolution 2 - Re-election of Mr Lindsay George Dudfield as a Director

Resolution 2 seeks approval for the re-election of Mr Dudfield as a Director with effect from the end of the meeting.

Mr Dudfield is required to retire in accordance with Listing Rule 14.4 and pursuant to the rotation of directors rule in clause 13.2 the Company's Constitution. Clause 13.2 provides that at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three then the number nearest to but not more than one-third of the Directors, must retire from office to ensure that no Director other than alternate Directors and the Managing Director holds office for more than 3 years. A retiring Director is eligible for re-election.

Mr Dudfield retires from office in accordance with this requirement and, being eligible, has offered himself for re-election as a Director of the Company.

The Directors, other than Mr Dudfield, recommend that shareholders vote in favour of this resolution. The Chairman intends to vote undirected proxies in favour of the resolution.

Details of this candidate are as follows:

Lindsay George Dudfield
Non-Executive Director

About Mr Lindsay George Dudfield

Mr Dudfield is a qualified geologist with 29 years experience exploring for gold and base metals in Australia and overseas, including close involvement with a number of greenfields discoveries. Mr Dudfield is a Member of the AusIMM, SEG, AIG and GSA and is currently the Managing Director of Jindalee Resources Ltd. Mr Dudfield currently holds one other Australian company directorship with Jindalee Resources Limited. Age 54.

Resolution 3 – To confirm the appointment of Dr Xiang, Weidong as a Director

Pursuant to section 201H(3) of the Corporations Act, if a person is appointed by the Directors as a director of the Company, the Company must confirm the appointment by resolution at the Company's next AGM. If the appointment is not confirmed, the person ceases to be a director of the Company at the end of the AGM.

On 8 December 2010, the Directors appointed Dr Xiang as a Director of the Company. Section 201H(3) of the Corporations Act requires the appointment of Dr Xiang as a Director to be confirmed by ordinary resolution. If such resolution is not obtained, Dr Xiang's appointment will cease at the end of the AGM.

The Directors, other than Dr Xiang, recommend that shareholders vote in favour of the resolution. The Chairman intends to vote undirected proxies in favour of the resolution.

About Dr Xiang, Weidong

Dr Xiang was appointed as a Director of the Company on 8 December 2010 and holds a doctor degree in Exploration and Prospecting Mineral Resources. Dr Xiang is a qualified engineer and has over 15 years' experience in geology and uranium exploration. Dr Xiang worked for the CNNC Beijing Research Institution of Uranium Exploration for approximately twelve years before he joined CGNPC-Uranium Resources Co., Ltd, a subsidiary of China Guangdong Nuclear Power Holding Co. Ltd., as a senior executive.

Dr Xiang has extensive experience in uranium exploration and is a member of the Nuclear Geology and Mineral Committee, China Mining Association and a member of Geochemistry Committee, Geological Society of China Dr Xiang does not currently hold any other Australian company directorships. Age 41.

Resolution 4 – To confirm the appointment of Mr Zhong, Yu as a Director

Pursuant to section 201H(3) of the Corporations Act, if a person is appointed by the other Directors as a director of the Company, the Company must confirm the appointment by resolution at the Company's next AGM. If the appointment is not confirmed, the person ceases to be a director of the Company at the end of the AGM.

On 8 December 2010, the Directors appointed Mr Zhong as a Director of the Company. Section 201H(3) of the Corporations Act requires the appointment of Mr Zhong as a Director to be confirmed by ordinary resolution. If such resolution is not obtained, Mr Zhong's appointment will cease at the end of the AGM.

The Directors, other than Mr Zhong, recommend that shareholders vote in favour of this resolution. The Chairman intends to vote undirected proxies in favour of the resolution.

About Mr Zhong, Yu

Mr Zhong was appointed a Director of the Company on 8 December 2010 and holds a master degree in Management. Mr Zhong has over 30 years' experience in engineering and specialises in research and development of new engineering technology. Mr Zhong controls and is currently the Managing Director and Chairman of KangDe Investment Group, a substantial shareholder of the Company. Mr Zhong indirectly holds 19,472,773 shares of the Company through KangDe Investment Group. Mr Zhong does not currently hold any other Australian company directorships. Age 61.

Resolution 5 – To confirm the appointment of Ms Zheng, Xiaowei as a Director

Pursuant to section 201H(3) of the Corporations Act, if a person is appointed by the other Directors as a director of the Company, the Company must confirm the appointment by resolution at the Company's next AGM. If the appointment is not confirmed, the person ceases to be a director of the Company at the end of the AGM.

On 23 February 2011, the Directors appointed Ms Zheng as a Director of the Company. Section 201H(3) of the Corporations Act requires the appointment of Ms Zheng as a Director to be confirmed by ordinary resolution. If such resolution is not obtained, Ms Zheng's appointment will cease at the end of the AGM.

The Directors, other than Ms Zheng, recommend that shareholders vote in favour of this resolution. The Chairman intends to vote undirected proxies in favour of the resolution.

About Ms Zheng, Xiaowei

Ms Zheng was appointed a Director of the Company on 23 February 2011 and holds a master degree in Information System Technology. Ms Zheng is a qualified accountant and has over 15 years' experience in project investment and financial management. Ms Zheng also has extensive experience in corporate governance and she is currently a Director of China Uranium Development Company Limited ("CUD"), the largest shareholder of EME, and the Company Secretary of CGNPC-Uranium Resources Co., Ltd, the parent company of CUD. Ms Zheng does not currently hold any other Australian company directorships. Age 45.

Resolution 6 – To ratify the Share Placement

On 1 December 2010, the Company completed a share placement of 19,472,773 Shares at a subscription price of \$1.02 each to KangDe Investment Group to raise \$19,862,228 in additional working capital.

Listing Rule 7.1 provides that, in general, a company must not issue more than 15% of its issued capital in any 12 month period without shareholder approval (subject to the qualifications and adjustments that are set out in the Listing Rule). The issue of the Shares detailed in Resolution 6 (**Share Placement**) was below the 15% threshold. Therefore, while Shareholder approval of the share placement was not required at the time of issue, the effect of the placement is to reduce the Company's capacity to issue additional securities in the future without Shareholder approval.

Whilst the Company currently has no plan to issue new securities without Shareholder approval pursuant to Listing Rule 7.1, the Company seeks to restore its ability to issue new securities up to the 15% threshold without requiring further Shareholder approval. This can be done under Listing Rule 7.4 by seeking shareholder ratification of the Share Placement, and will allow the Company to respond quickly to any need or opportunity to issue shares in the future. If Resolution 6 is not passed, in the following months the Company may be required to incur the cost and delay of holding a further general meeting before proceeding with any future prospective capital raising. In accordance with Listing Rule 7.5, the following information is provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of securities issued was 19,472,773 Shares;
- (b) the issue price of the securities was \$1.02 per Share;
- (c) the Shares were allotted and credited as fully paid and rank equally with the existing Shares on issue;
- (d) the Shares were allotted and issued to KangDe Investment Group; and
- (e) the funds raised were/will be used as general working capital for the Company.

Board recommendation: For the reasons noted above, the Directors, other than Mr Zhong, recommend that Shareholders vote in favour of Resolution 6. The Chairman intends to vote undirected proxies in favour of the resolution.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

"**AGM**" means the annual general meeting of the Company;

"**ASX**" means the Australian Securities Exchange Limited;

"**Board**" means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors;

"**Company**" or "**Energy Metals**" means Energy Metals Limited ABN 63 111 306 533;

"**Constitution**" means the constitution of the Company as amended from time to time;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Corporations Regulations**" means the Corporations Regulations 2001 (Cth);

"**Director**" means a Director of the Company;

"**Listing Rules**" means the Official Listing Rules of the ASX as they apply to the Company from time to time; and

"**Notice**" means the notice of AGM accompanying this Explanatory Statement.

Shareholder/Corporate Proxy Details

This is to certify that by a resolution of the Directors of:

..... **(Company)**
Insert name of shareholder company / corporate proxy

the Company has appointed:

..... ,
Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that company at the meeting of the members of Energy Metals Limited to be held on Tuesday 19th April 2011 and at any adjournments of that meeting/all meetings of the members of Energy Metals Limited.

DATED 2011

Please sign here

Executed by the Company)
In accordance with its constituent documents)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointor company and the name or position of the appointee (eg. "John Smith" or "each director of the company").
2. Execute the certificate following the procedure required by your constitution or other constituent documents.
3. Print the name and position (eg. Director) of each company officer who signs this certificate on behalf of the Company.
4. Insert the date of execution where indicated.
5. Send or deliver the certificate to Energy Metals Limited registered office at Ground Floor, 10 Kings Park Road, West Perth WA 6005, or fax the certificate to the registered office at 61 8 9321 5240.



PROXY FORM

The Company Secretary
 Energy Metals Limited
 Registered Office Address: Ground Floor, 10 Kings Park Road, West Perth, WA 6005
 Postal Address: PO Box 1323 West Perth WA 6872
 Telephone: (08) 9322 6904
 Facsimile: (08) 9321 5240

I/We (name of shareholder)
 of (address)

being a member/members of Energy Metals Limited ("Company") holding shares in the Company.

HEREBY APPOINT

(proxy's name)

of (proxy's address)

and/or failing him (name)

of (address)

or failing that person then the Chairman of the Annual General Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Pan Pacific Hotel (ex: Sheraton Perth), 207 Adelaide Terrace, Perth, Western Australia on 19th April 2011 at 10:00am Western Standard Time and at any adjournment of the meeting.

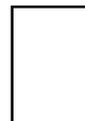
PROXY INSTRUCTIONS

If you wish to instruct your proxy how to vote, insert "X" in the appropriate column against the item of business set out below.

*If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote in respect of a resolution, please place a mark in the box. By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by him other than as a proxy holder will be disregarded because of that interest.*

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chairman has advised that his intention is to vote in favour of the resolutions.



Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:

I/We direct my/our Proxy to vote in the following manner:	For	Against	Abstain
Resolution 1 – Adoption of the Remuneration Report for the six months ended 31 December 2010	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr Lindsay George Dudfield as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – To confirm the appointment of Dr Xiang, Weidong as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – To confirm the appointment of Mr Zhong, Yu as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – To confirm the appointment of Ms Zheng, Xiaowei as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – To ratify the Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This Proxy is appointed to represent _____% of my voting right, or if 2 proxies are appointed Proxy 1 represents _____% and Proxy 2 represents _____% of my total votes. My total voting right is _____ shares.

SIGNATURE OF SECURITY HOLDERS – THIS MUST BE COMPLETED

If the Shareholder is an individual:

Name: _____

Signed: _____

If the Shareholder acts as a Trustee or Superfund

Name: _____

Signed: _____

Name: _____

Signed: _____

Dated: _____ 2011.

If the Shareholder is a Company:

Affix common seal (if required by constitution)

Name: _____

Signed: _____

Sole Director/Director

Name: _____

Signed: _____

Director/Secretary

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote may appoint a person as the shareholder's proxy to attend and vote for the shareholder at the AGM. A shareholder who is entitled to cast two or more votes at the AGM may appoint no more than two proxies to attend and vote at this AGM as the shareholder's proxy. A proxy may but need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions will be disregarded.
3. The proxy form must be signed personally by the shareholder or his or her attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer or officers of the company (as the case may be) or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by each of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies (together with any relevant power of attorney or a certified copy of the relevant power of attorney as described above) must be received by the Company no later than 4.00pm (WST) on Sunday, 17 April 2011 by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - a. the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
 - b. if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
 - c. if the proxy is the Chairman, the proxy must vote on a poll and must vote that way; and
 - d. if the proxy is not the Chairman, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.