

19 November 2013

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Dear Shareholder

Non Renounceable Entitlement Issue

On 19 November 2013, 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 four (4) Shares for every eleven (11) Shares held on 27 November 2013 (**Record Date**).

Shares under the Entitlement Issue will be offered at \$0.168 per Share. The maximum number of Shares which may be issued under the Entitlement Issue is 55,915,550 Shares to raise approximately \$9.39 million.

An offer document relating to the Entitlement Issue (**Offer Document**) was lodged with ASX earlier today, 19 November 2013 and is available on the ASX website at www.asx.com.au.

The Offer Document will be sent to Shareholders after the Record Date.

The Entitlement Issue is fully underwritten by China Uranium Development Company Limited (**CUD**). CUD is a major shareholder of the Company having a relevant interest of 60.56% of the Company's voting Shares.

The Entitlement Issue will also contain a Shortfall Offer, enabling shareholders (other than CUD) to apply for any new Shares not subscribed for under existing shareholder entitlements. Shareholders other than CUD will have priority to subscribe under the Shortfall Offer, and CUD will only be obliged and authorised to subscribe, as underwriter, for any remaining new Shares not subscribed for under the Shortfall Offer. Further information regarding CUD, the underwriting, and the Shortfall Offer, is contained in the Offer Document.

The proposed timetable for the Entitlement Issue is as follows:

Event	Date
Announcement of Entitlement Issue and Appendix 3B and Cleansing Notice and Offer Document lodged with ASX	Tuesday, 19 November 2013
Notice sent to Security Holders	Tuesday, 19 November 2013
Ex Date (date from which securities commence trading without the entitlement to participate in the Entitlement Issue)	Thursday, 21 November 2013

Event	Date
Record Date (date for determining entitlements of eligible shareholders to participate in the Entitlement Issue)	Wednesday, 27 November 2013
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, 28 November 2013
Opening Date	Friday, 29 November 2013
Closing Date 5pm (WST)	Friday, 20 December 2013
Securities quoted on a deferred settlement basis	Monday, 23 December 2013
Entity notifies ASX of undersubscriptions	Monday, 23 December 2013
Dispatch Holding Statements and notify ASX of dispatch	Tuesday, 24 December 2013
Normal (T+3) trading starts	Friday, 27 December 2013

*Subject to the ASX 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.

** These dates are indicative only.

Use of Funds

The Company intends to apply the funds raised from the Entitlement Issue:

- advancing the Company's 53.3% interest in the Bigryi Uranium Project (Northern Territory);
- further exploration and development of the Company's 100% owned projects in both the Northern Territory and Western Australia;
- acquisition opportunities of additional uranium resource projects; and
- working capital.

Overseas Shareholders

Only eligible Shareholders registered as holders of Shares at the record date with a registered address in Australia, New Zealand or China (including Hong Kong) may participate in the Entitlement Issue.

The Company considers it unreasonable on this occasion to extend the Entitlement Issue to Shareholders with a registered address outside of Australia, or New Zealand or China (including) Hong Kong (**Ineligible Overseas Shareholders**), having regard to the costs of complying with legal and regulatory requirements in each of those jurisdictions and given the relatively small number of Shares held in those jurisdictions. Shares that would otherwise be issued to Ineligible Overseas Shareholders will be issued to Patersons Securities Limited (as **Nominee**, in accordance with Section 615 of the Corporations Act) subject to ASIC approval. The Nominee will sell these Shares on market on behalf of the Ineligible Overseas Shareholders and remit the funds recovered (net of the Nominee's expenses) to the Company. In the event that there are surplus net funds in excess of \$0.168 per Share remitted to the Company on behalf of the Ineligible Overseas Shareholders, those surplus funds will be remitted to the Ineligible Overseas Shareholders. If there are no surplus funds, the Ineligible Overseas Shareholders will not receive any payment.

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

Yours sincerely



Weidong Xiang
Managing Director
ENERGY METALS LIMITED