

EXTRACT RESOURCES LIMITED

ACN 057 337 952

OFFER DOCUMENT

For a non-renounceable pro rata offer of New Shares at an issue price of \$[insert] each on the basis of [insert] New Share[s] for every [insert] Shares held at the Record Date to raise approximately \$[insert].

The Offer opens on [10 September 2009] and will close at 5.00 pm (AWST) on [24 September 2009]. Valid acceptances must be received before that time.

This document contains important information and requires your immediate attention. If you are in any doubt as to how to deal with this document, you should consult your broker or your legal, financial or other professional adviser as soon as possible.

Please read the instructions in this Offer and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision or about the rights attaching to the New Shares offered by this Offer Document.

IMPORTANT INFORMATION

This Offer Document is issued pursuant to section 708AA of the Corporations Act for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer was lodged with ASX on [28 August 2009].

This Offer Document is not a prospectus or any other form of disclosure document regulated by the Corporations Act and has not been lodged with ASIC. The information in this Offer Document does not constitute a securities recommendation or financial product advice.

This document is important and should be read in its entirety before deciding to participate in the Offer. The Offer does not take into account, and this Offer Document has been prepared without taking into account, the investment objectives, financial or taxation situation or particular needs of any Applicant.

Before making any investment in the Company, each Applicant should consider whether such an investment, and the information contained in this Offer Document, is appropriate to his or her particular needs, and considering his or her individual risk profile for speculative investments, investment objectives and individual financial circumstances. If you are in any doubt as to how to deal with this document, you should consult your professional adviser as soon as possible. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

By returning an Entitlement and Acceptance Form or lodging an Entitlement and Acceptance Form with your stockbroker, you acknowledge that you have received and read this Offer Document and you have acted in accordance with the terms of the Offer detailed in this Offer Document.

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Offer.

Overseas shareholders

This Offer Document does not, and is not intended to, constitute an offer or invitation in the United States, or to any person acting for the account or benefit of a person in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No offer is being made to Shareholders with a registered address outside Australia, New Zealand and [to be inserted]. The distribution of this Offer Document and the Entitlement and Acceptance Form (including electronic copies) outside Australia, New Zealand and [to be inserted] may be restricted by law and therefore persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Please refer to Section 1.7.

[Relevant foreign jurisdiction disclaimers and selling restrictions to be inserted]

No representations other than as set out in this Offer Document

No person is authorised to give any information or make any representation in connection with the Offer other than as contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document is not, and may not, be relied upon as having been authorised by the Company or any of its officers.

[Forward looking statements

This Offer Document includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risk, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements.]

Information publicly available

Information about the Company is publicly available and can be obtained from ASIC and ASX (including its web site www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Offer Document and do not constitute part of the Offer. This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to other publicly available information in relation to the Company before making a decision whether or not to invest in New Shares or the Company.

No rights trading

The Offer is non-renounceable and Entitlements cannot be traded on ASX or any other exchange, nor can they be privately transferred.

Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your investment in the Company and to provide related services to you. If you do not complete the relevant form in full, the Company may reject your Application for New Shares. The Company may disclose your personal information for purposes related to your investment, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Share Registry.

Competent Person Statement

The information in this Offer Document which relates to [Exploration Results, Mineral Resources or Ore Reserves] is based on information compiled by [insert] who is a [insert] and a [Member/Fellow] of the [Australasian Institute of Mining and Metallurgy]. [Insert] has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which [he/she] is undertaking to qualify as a Competent Person as defined in the JORC Code (2004). [Insert] consents to the inclusion of this information in this Offer Document in the form and context in which it appears.

Entire Agreement

Subject to this paragraph, the terms contained in this Offer Document constitute the entire agreement between the Company and you as to the Offer and your participation in the Offer to the exclusion of all prior representations, understandings and agreements between the Company and you.

Governing law

This Offer Document, the Offer and the contracts formed on acceptance of Applications are governed by the law applicable in Western Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

Definitions

Definitions of certain terms and abbreviations used in this Offer Document are contained in Section 6. All references to currency are to Australian dollars unless expressly specified otherwise.

SUMMARY OF KEY INFORMATION

The Offer

This Offer Document contains an Offer of New Shares in the Company. The following table summarises the key information in relation to the Offer.

Issue price	[\$[insert] per New Share is payable in full on application
Eligible Shareholder entitlements	[insert] New Share[s] for every [insert] Shares held at the Record Date
Approximate maximum amount to be raised under the Offer (before costs of the issue)	[\$[insert]
Maximum number of New Shares to be issued under the Offer	[insert]
Number of Shares on issue following the Offer if maximum number of New Shares issued under the Offer	[insert]
[insert other]	[insert other]

[Assumptions to be inserted]. Details of the Offer are set out in full in Section 1.

Key Dates

Announcement of Offer	[insert]
Rights Issue Notice, Offer Document and Appendix 3B lodged with ASX	[28 August 2009]
Notice to Shareholders containing information required by Appendix 3B	[31 August 2009]
Record Date	[7 September 2009] at 5.00 pm (AWST)
Offer Document and Entitlement and Acceptance Form despatched to Shareholders, and announce completion of despatch	[10 September 2009]
Opening Date of Offer	[10 September 2009]
Closing Date for acceptances and payments	[24 September 2009] at 5.00 pm (AWST)
Company to notify ASX of under-subscriptions (if any)	[29 September 2009]
Allotment of New Shares and despatch of transaction confirmation statements	[2 October 2009]
Commencement of trading of the New Shares	[6 October 2009]

The above dates are indicative only and subject to change. The Directors reserve the right to vary these dates, including the Closing Date without prior notice but subject to the Corporations Act and the Listing

Rules. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment. In that event, the relevant Application Money will be returned without interest. See Section 1.5 for further details.

Enquiries

If you have any enquiries in relation to the Entitlement and Acceptance Form or your Entitlement, please contact [the Company Secretary by telephone on +61 8 9367 2111 or] the Company's Offer Information Line on [1300 552 270] (local call cost within Australia) or [+61 39415 4000] (from outside Australia) at any time from 8:30 am to 5:00 pm (AWST) Monday to Friday prior to the Closing Date or consult your broker or other professional adviser.

LETTER FROM THE COMPANY

EXTRACT RESOURCES LIMITED

[27 August 2009]

Dear Shareholder

On behalf of the Board of Extract Resources Ltd ("Extract" or the "Company"), I am pleased to invite you to participate in this non-renounceable pro-rata offer to raise a total of up to [\$x] million ("Offer"). Participation is open to all Eligible Shareholders.

The Offer comprises a [x] for [x] pro-rata non-renounceable offer of Extract shares ("New Shares") at an issue price of [\$x] per New Share ("Issue Price"), a [x]% discount to the theoretical ex-rights price.¹

Extract is also undertaking a placement to institutional investors of special warrants on the Toronto Stock Exchange ("TSX") to raise approximately [\$x million] ("Placement"). The special warrants will convert into ordinary Shares after completion of various Canadian regulatory filings and approval from the TSX which is expected to be completed in approximately two months.

Proceeds of the Offer and the Placement will be used to accelerate exploration activities at the Rossing South project in Namibia including further infill drilling of Zone 1 in order to define the extent of economic reserves and follow up drilling in Zone 2 to increase understanding of existing uranium mineralisation. Proceeds will also be used to support the Rossing South Definitive Feasibility Study and for working capital and general corporate purposes.

Extract's major shareholders Kalahari Uranium Limited, Rio Tinto Limited and Polo Resources Limited have provided commitments to apply for their full Entitlements and be allocated Shortfall arising under the Offer. Please refer to Section 1.8 for further information.

If you are an Eligible Shareholder at the Record Date ([being 5.00 pm (AWST) on 7 September 2009]) (refer to Section 1), you have an entitlement to apply for New Shares at an Issue Price of [\$x] on the basis of [x] New Shares for every [x] Shares held at the Record Date.

The Offer is non-renounceable, which means you cannot transfer your Entitlement to anyone else and you cannot sell it. New Shares issued under the Offer will rank equally with existing ordinary Shares.

The closing date for the receipt of Entitlement and Acceptance Forms and Application Monies is 5:00 pm (AWST) on Thursday, 24 September 2009. If you decide to take this opportunity to increase your investment in Extract please ensure that, before this time, your completed Entitlement and Acceptance Form and your Application Monies are received by our share registry, Link Market Services Limited, or you have paid your Application Monies via BPAY® pursuant to the instructions set out in the enclosed Entitlement and Acceptance Form. Please refer to Section 2 for further information.

Further details of the Offer, as well as the risks associated with investing in the Offer, are set out in this Offer Document which you should read carefully. If you require further assistance, please do not hesitate

¹ Theoretical ex-rights price of [\$x] calculated using Extract's closing price on [27 August 2009] and assuming proceeds from the Offer of [\$x million].

to contact Extract's Offer Information Line on [1300 552 270] (local call cost within Australia) or [+61 39415 4000] (from outside Australia) at any time from 8:30 am to 5:00 pm (AWST) Monday to Friday prior to the Closing Date or visit Extract's website at www.extractresources.com.au.

On behalf of the Board of Extract, I thank you for your continued support of our Company.

Yours faithfully

Stephen Galloway
Chairman

1. Details of the Offer

1.1 The Offer

The Company is making a non-renounceable pro rata offer of New Shares to Eligible Shareholders. Eligible Shareholders who are on the Company's share register at 5.00 pm (AWST) on [7 September 2009], being the Record Date, will be entitled to apply for [insert] New Share[s] for every [insert] Shares held at an issue price of \$[insert] each per New Share. The issue price is payable in full on application.

The Company has [insert] Shares on issue as at the date of this Offer Document. A maximum of [insert] New Shares will be issued under the Offer, raising up to approximately A\$[insert] before costs [assumptions to be inserted]. The New Shares will be fully paid and will rank equally with the Company's existing Shares on issue.

The Substantial Shareholders, being the Company's three largest Shareholders, have committed to take up their full Entitlement under the Offer. The Substantial Shareholders have also made commitments in relation to taking up any Shortfall that arises under the Offer. Further details of these commitments are set out in Section 1.8 and 5.3.

In addition to the Offer, the Company announced on [insert] August 2009 that it was undertaking a placement to institutional investors of special warrants on the TSX to raise approximately [\$x million]. Participants in the Placement will not be eligible to participate in the Offer.

An indicative timetable in respect of the Offer is set out at page [insert page number].

1.2 Entitlements and acceptance

Every Shareholder who is registered as the holder of Shares at the Record Date and who is not an Excluded Shareholder is entitled to participate in the Offer. The number of Shares to which you are entitled is shown on your Entitlement and Acceptance Form accompanying this Offer Document.

You may accept all, or only part, of your Entitlement by completing the Entitlement and Acceptance Form and sending it to the Company so that it is received prior to 5.00 pm (AWST) on the Closing Date. Acceptances must not exceed your Entitlement as shown on the Entitlement and Acceptance Form. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement and any surplus Application Money will be returned to you.

As a result of this Offer, Shareholders who do not take up all of their Entitlement will have their percentage shareholding in the Company diluted.

In determining Entitlements, any fractional Entitlement will be rounded [down] to the nearest whole number of New Shares.

1.3 Opening and Closing Dates

The Offer will open for receipt of acceptances on the Opening Date, being [7 September 2009].

The Company will accept Entitlement and Acceptance Forms until 5.00 pm (AWST) on the Closing Date, being [24 September 2009], subject to the Directors, in their absolute discretion, varying the Closing Date in accordance with the Corporations Act and the Listing Rules.

1.4 No Entitlements trading

The Offer is non-renounceable. This means that Eligible Shareholders are unable to sell or transfer their Entitlements to subscribe for New Shares. Any New Shares not subscribed for

by Eligible Shareholders who take up their Entitlement will form part of the Shortfall. Further details about the allocation of any Shortfall are set out in Section 1.8.

1.5 Issue of New Shares

The Company expects that the New Shares will be issued and transaction confirmation statements despatched on the dates specified in the Timetable.

Application Money will be held in trust in a subscription account until allotment and issue of the New Shares. If necessary, Application Money will be refunded as soon as reasonably practicable, without interest. This account will be established and kept by the Company on behalf of each Applicant. The Company will be entitled to retain any interest paid on the money so held, even if the Offer does not proceed.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. The sale by Applicants of New Shares prior to receiving their holding statements is at the Applicant's own risk.

1.6 ASX Listing

The Company has made an application to ASX for Official Quotation of the New Shares. If ASX does not grant quotation for the New Shares, the Company will not allot any New Shares and will refund all Application Money without interest.

The fact that ASX may grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Offer or the New Shares under this Offer Document.

Trading of the New Shares will, subject to ASX approval, occur on or about the date specified in the Timetable.

1.7 Overseas Shareholders

The Company will not make an Offer to Shareholders with a registered address outside Australia, New Zealand or [to be inserted] (**Excluded Shareholders**). The Company has decided that it is unreasonable to extend the Offer to Excluded Shareholders having regard to:

- the number of Shareholders outside Australia, New Zealand and [to be inserted];
- the number and value of New Shares that would be offered to Shareholders outside Australia, New Zealand and [to be inserted]; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

[The Company has appointed an ASIC-approved nominee, [insert] (**Nominee**), on normal commercial terms, as nominee for the Excluded Shareholders to arrange for the sale of the New Shares which would otherwise have been offered to the Excluded Shareholders. The Company will issue the New Shares which would have been offered to the Excluded Shareholders to the Nominee who will send the net proceeds, in Australian dollars, from the sale of the New Shares (if any) to the Share Registry to distribute to those Excluded Shareholders for whose benefit the New Shares have been sold in proportion to their shareholdings. The Nominee will have the sole and absolute discretion to determine when, the price at which and the manner that the New Shares may be sold. Neither the Company nor the Nominee will be subject to any liability for failure to sell the New Shares or to sell them at a particular price.]

[Insert any additional details of nominee arrangement]

This Offer Document does not, and is not intended to, constitute an offer or invitation in the United States, or to any person acting for the account or benefit of a person in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of this Offer Document and the Entitlement and Acceptance Form (including electronic copies) outside Australia, New Zealand and [to be inserted] may be restricted by law and therefore persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.8 Allocation of Shortfall

To the extent that Eligible Shareholders elect not to take up their Entitlement, there will be a Shortfall.

The Offer is not underwritten.

The Substantial Shareholders, being the Company's three largest Shareholders, have committed to take up their full Entitlement under the Offer. The Substantial Shareholders have also committed to take up any Shortfall which arises under the Offer on the following basis:

- [insert]

Any Shortfall not subscribed for by the Substantial Shareholders by [insert date] may be allotted and issued by the Directors to other investors in their absolute discretion.

Details of the potential effect of the commitments by the Substantial Shareholders on the voting power and control of the Company are contained in Section 5.3.

1.9 Risk factors

An investment in the Company involves many risks and should be regarded as being a speculative investment. The risks associated with an investment in the Company are set out throughout this Offer Document and, in particular, in Section 3 of this Offer Document. Before making an investment decision, potential Applicants should read the Offer Document in its entirety and consult their professional advisers.

1.10 Taxation considerations

You should be aware that there may be taxation implications associated with participating in the Offer and receiving New Shares. The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document or the disposal of any New Shares allotted and issued under this Offer Document.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences. The Directors recommend that all Eligible Shareholders should consult their own professional tax advisers in connection with subscribing for, and disposal of, New Shares allotted and issued under this Offer Document.

2. Action required by Eligible Shareholders

2.1 Entitlement and Acceptance Form

The number of New Shares to which you are entitled is shown on the Entitlement and Acceptance Form accompanying this Offer Document. All Applications for New Shares must be made on the Entitlement and Acceptance Form. By returning the Entitlement and Acceptance Form you offer to acquire the New Shares on the terms and conditions set out in this Offer Document. The Directors reserve the right to reject any Applications for New Shares that are not made in accordance with the terms of this Offer Document or the instructions on the Entitlement and Acceptance Form.

2.2 Taking up all of your Entitlement

If you wish to take up all of your Entitlement, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of the Entitlement and Acceptance Form and arrange for payment of the applicable Application Money in accordance with section 2.5.

2.3 Allow all or part of your Entitlement to lapse

If you decide not to accept all your Entitlement, or fail to accept by the Closing Date, your Entitlement will lapse. The Offer is non-renounceable, which means that Eligible Shareholders who do not wish to accept some or all of their Entitlement may not sell or trade all or part of their rights to subscribe for New Shares.

The New Shares not subscribed for will form part of the Shortfall. If you do nothing, although you will continue to own the same number of Shares, your shareholding in the Company will be diluted.

2.4 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement and allow the balance to lapse, please complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up in accordance with the instructions set out on the reverse of the Entitlement and Acceptance Form and arrange for payment of the applicable amount of Application Money in accordance with Section 2.5.

2.5 Payment and return of Entitlement and Acceptance Form

The consideration for the New Shares is payable in full on application by a payment of [extract_itex]x] per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order for the Application Monies. Payment will only be accepted in Australian currency and cheques, bank drafts and money orders must be drawn on or payable at an Australian bank. Cheques should be made payable to ['**Extract Resources Ltd –Offer Account**'] and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

2.6 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. The Entitlement and Acceptance Form does not need to be signed to be binding.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

3. Risk Factors

3.1 General

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance and position of the Company and the outcome of an investment in the Company. Some of these risks can be adequately mitigated by the use of safeguards and appropriate systems but many are beyond the control of the Company and its Directors and cannot be mitigated.

The Directors consider that the following summary represents the principal risk factors of which Shareholders need to be aware in evaluating the Company and deciding whether to increase their investment in the Company, but is not intended to be an exhaustive list.

Prior to deciding whether to take up their Entitlement, Shareholders should read the entire Offer Document and, in particular, should consider the risk factors that could affect the operating and financial performance or position of the Company. You should carefully consider these factors in light of your personal circumstances and seek professional advice before deciding whether to apply for New Shares pursuant to this Offer.

3.2 Risk factors

[Further factors to be inserted]

Sovereign risk

While Australia and Namibia are regarded as politically stable, it may nevertheless be subject to social and economic uncertainty. The laws pertaining to tenure of title may change which could slow the activities of the Company or render them uneconomical, or affect its financial performance and the value of its assets. [Further details to be inserted]

Uranium prices and exchange rates

Movements in uranium prices may have a positive or negative effect on the Company's exploration and project development plans and activities, together with the ability to fund those plans and activities. Movements in exchange rates can have a similar impact, as international prices of uranium are denominated in US dollars and the operational expenditure of the Company is largely incurred in Australian and Namibian local currencies.

Uranium prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world-wide and regional supply and demand for uranium, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. Similarly demand and supply of capital and currencies, forward trading activities, relative interest rates and exchange rates and relative economic conditions can impact exchange rates.

These factors may have a positive or negative effect on the Company's project development and production plans and activities together with the ability to fund those plans and activities.

Exploration and operational risk

The Company's primary business is exploration for, and commercial development of mineral deposits and mines, which are activities that carry significant risks. The Company's projects are still in the exploration phase.

Current and future operations of the Company such as exploration, appraisal and possible production activities may be affected by a range of factors, including the following:

- adverse weather conditions over a prolonged period which might adversely affect exploration, mining and development activities;
- operational and technical difficulties encountered during exploration and mining activities;
- inability for whatever reason to secure and maintain title to tenements and comply with the terms of those tenements;
- failure to obtain all consents and approvals necessary for the conduct of exploration, drilling, mining and processing;
- inability to successfully conclude a bankable feasibility study and secure adequate capital on acceptable terms for project development;
- failure to design and construct mining and transport infrastructure within capital expenditure budgets;
- difficulties in commissioning, and operating, plant and equipment;
- mechanical failure or breakdown of operating plant and equipment;
- unanticipated metallurgical problems which may affect extraction costs;
- industrial and environmental accidents, industrial disputes or other force majeure events;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- financial failure or default by a participant in any joint ventures or other contractual relationships to which the Company is, or may become, a party; and
- limited access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration depends on identifying economically viable mineral deposits, securing necessary mining and other approvals, the development of mine and transport infrastructure and the establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades, commodity prices and exchange rates all affect the commercial success of a project.

[No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its mining tenements. Until the Company is able to realise value from its projects it is likely to incur ongoing operating losses.]

Operating history

While members of the Company's management team possess significant experience and have previously carried out or been exposed to exploration and production activities, the Company has a limited operating history with respect to uranium projects. Its ability to achieve its objectives depends on the ability of its Directors and officers to implement current plans and respond to any unforeseen circumstances that require changes to those plans.

Resource estimates

Resource estimates (including those contained in this Offer Document) are expressions of judgement based on knowledge, experience and industry practice. These estimates were

appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates, including that the uranium deposits may be of a different quality from the resource estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resources could affect the Company's future plans and ultimately its financial performance and value.

Economic factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position.

Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters.

The Company's future possible revenues and securities prices can be affected by these factors, which are beyond the control of the Company.

Market conditions

As with all stock market investments, there are risks associated with an investment in the Company. The market price of Shares and New Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. These factors may include movements on international stock markets, interests rates and exchange rates, together with domestic and international economic conditions, inflation rates, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism. The past performance of the Company is not necessarily an indication as to future performance of the Company as the trading price of Shares can go up or down. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Liquidity risk

There can be no guarantee that there will continue to be an active market in the Shares or that the price of the Shares will increase. There may be relatively few buyers or sellers of the Shares on the ASX at any given time. This may affect the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offer.

Competition

The Company will compete with other companies, including major mining companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

Reliance on Key Personnel

A number of key personnel are important to attaining the business goals of the Company. One or more of these key employees could leave their employment, and this may adversely affect

the ability of the Company to conduct its business and, accordingly, affect the financial performance of the Company and its Share price.

Environmental

[To be confirmed]

[The operations of the Company are subject to laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds.

The Company seeks to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Areas disturbed by the Company's activities may need to be rehabilitated as required by applicable laws and regulations.

The Company may require approval from the relevant authorities before it can undertake activities including exploration or mine infrastructure development which are likely to impact on the environment. Failure to obtain such approvals will prevent the Company from undertaking the desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have material adverse effect on the Company's business, financial condition and performance.]

Tenement title risk

[To be confirmed]

[Interests in tenements in Namibia are governed by the respective Namibian legislation and are evidenced by the granting of [licences or leases]. Each [licence or lease] is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. A failure to comply with expenditure or other conditions on which the tenements are held exposes the tenements to forfeiture. Consequently the Company could lose title to, or its interest in, tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

All of the tenements in which the Company has an interest will be subject to application for renewal from time to time. The renewal of the term of each tenement is subject to applicable legislation. If a tenement is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to discover and develop any mineral resources on that tenement. However, the Directors are not aware of any reason why the renewal of the term of any tenement should not be granted.]

Insurance risks

The Company will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of risks associated with minerals exploration and production is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage which is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for the Company's needs and circumstances.

Furthermore, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

Future capital requirements

The Company may require further financing in the future, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Offer price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse affect on the Company's activities and could affect the Company's ability to continue as a going concern.

4. Overview of the Company and use of proceeds of the Offer

4.1 Overview

The Company is an Australian based uranium mine development and exploration company whose primary focus is in the African nation of Namibia. The Company's principal asset is its 100% owned Husab Uranium Project which contains two known uranium deposit areas: Rossing South and Ida Dome. Extensive exploration potential also exists for new uranium discoveries, in addition to the already known occurrences.

The Company's recent focus has been on exploration and resource definition of the Rossing South project, and it recently announced an upgrade for the Rossing South Zone 1 resource and the maiden resource estimate for Rossing South Zone 2.

The Inferred and Indicated Mineral Resource for Rossing South (Zones 1 & 2) (following JORC Code guidelines) is 249 Mt @487 ppm for 267 M.lbs @ 487 ppm U3O8, including 122 M.lbs @ 543 ppm U3O8. This estimate positions Rossing South as the highest grade primary granite hosted uranium deposit in Namibia and one of the world's largest uranium deposits.

The Company has commenced a feasibility study on the Rossing South project and recently announced the preliminary capital and operating costs estimates for the project. Work completed to date on the feasibility study has incorporated a preliminary level of design and cost estimation to establish the general economic viability of a new development, with work continuing on the resource definition programme and the metallurgical characteristics of the uranium mineralization.

4.2 Board and Management

The Company announced on 16 June 2009, that Mr Peter McIntyre had advised his intention to resign from his position as Managing Director of Extract with effect from the 15th September 2009. The Board is currently undertaking a search for a suitably qualified replacement to ensure a smooth transition during the Company's next phase of growth [and an announcement is expected to be made to the ASX shortly].

The Company is also well advanced in the process for appointing a CEO of the Company's Namibian subsidiary Swakop Uranium and a local executive team to accelerate the development of the Rossing South deposit.

Extract's current Board is comprised as follows:

[insert]

4.3 ASX Announcements

The Company is listed on ASX and the TSX and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise as well as the lodgement of yearly and half-yearly financial statements and audit or review reports, and quarterly reports.

The Company has recently lodged a number of announcements with the ASX including its June Quarterly Cashflow and Activities Reports on 29 July 2009, its Preliminary Costs Estimates for Rossing South on 3 August 2009, the announcement of the Offer and Placement on [x August 2009] and [xx] on [x August 2009].

These announcements and financial reports of the Company are available for inspection at ASX and may be viewed on the ASX website at www.asx.com.au or on the Company's website at www.extractresources.com.

4.4 Proposed use of the proceeds of the Offer

Proceeds of the Offer and the Placement will be used to accelerate exploration activities at the Rossing South project including:

- Further infill drilling of Zone 1 to increase the known dimensions of uranium mineralisation and upgrade resource confidence levels in order to define the extent of economic reserves;
- Follow up drilling in Zone 2 to increase understanding of existing uranium mineralisation, which is expected to increase both the resource size and confidence levels; and
- Further exploration drilling over the remaining 9km of strike length at Rossing South as well as other targets identified on the Husab project.

Proceeds will also be used to undertake extended heap leach testing as a processing option, support the Rossing South Definitive Feasibility Study and for working capital and general corporate purposes.

5. Effects of the Offer on the Company

5.1 Financial effects of Offer

The unaudited pro-forma balance sheets have been prepared to provide Shareholders with information on the pro-forma assets and liabilities of the Company. The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The accounting policies upon which the pro forma information in this Section has been prepared are set out in the Company's audited financial statements for the year ended [30 June 2008] which can be viewed on the ASX website at www.asx.com.au or on the Company's website at www.extractresources.com.au.

The unaudited pro forma balance sheets set out below have been prepared for illustrative purposes to show the pro forma impact on the Company's audited consolidated balance sheet as at [31 December 2008] of:

- Gross proceeds of the Offer of [\$x] million; and
- Gross proceeds of the Placement of [\$x] million.

The pro forma balance sheet is not represented as being indicative of the Company's views on its future financial position. The pro forma balance sheet is presented on the assumption, after adjusting for the impact of changes set out above, that the Offer and the Placement took place on [31 December 2008] and, except as stated in the pro forma adjustments, does not take account of the financial performance, cash flows or other movements in balance sheet items of the Company for the period from [31 December 2008] to the date of this Offer Document.

Pro-forma Balance Sheets – Economic Entity

	Reviewed as at 31 December 2008	Unaudited as at 30 June 2009	Pro-forma Adjustments for the Offer	Pro- forma 30 June 2009	Pro-forma Adjustment s for the Offer and the Placement	Pro- forma 30 June 2009
ASSETS						
Current assets						
Cash and cash equivalents	20,598,555					
Trade and other receivables	1,894,155					
Total current assets	22,492,710					
Non-current assets						
Available for sale financial assets	1,582,933					
Other financial assets	271,809					
Property, plant and equipment	952,476					
Exploration, evaluation and development expenditures	99,539,330					
Total non-current assets	10,346,548					

Total assets	124,839,258
LIABILITIES	
Current liabilities	
Trade and other payables	1,843,312
Provisions	220,433
Total current liabilities	2,063,745
Non-current liabilities	
Deferred tax liabilities	37,231,752
Rehabilitation provision	313,313
Total non-current liabilities	37,545,065
Total liabilities	39,608,810
Net assets	85,230,448
EQUITY	
Contributed equity	175,294,938
Reserves	3,250,415
Accumulated losses	(93,314,905)
Total equity	85,230,448

Notes to the pro forma balance sheet

The unaudited pro forma balance sheet has been prepared on the basis of the published balance sheet for the year ended [31 December 2008] and adjusted for the following transactions as if they occurred at [31 December 2008]:

1. Offer: Offer to raise [\$x] million and Offer Costs estimated at [\$x] million; and
2. Offer plus Placement: Offer to raise [\$x] million, Placement to raise [\$x] million and Offer Costs estimated at [\$x] million.

5.2 Effects of the Offer on the capital structure of the Company

The capital structure of Extract following the issue of New Shares under the Offer, will be as follows²:

Shares on issue as at [27 August 2009]	229.1 million
New Shares to be issued under the Offer	[x] million
Shares on issue after the Offer	[x] million
Shares to be issued under the Placement ³	[x] million
Shares on issue following completion of the Offer and Placement	[x] million

² Excluding options. Actual numbers may differ due to rounding. Assuming the maximum number of New Shares are issued under the Offer.

³ [Shares to be issued under the Placement are subject to approval from Canadian regulatory authorities]

No new Options will be issued under the Offer. The Company currently has the following Options on issue.

Class	Number
Employee Share Options expiring 11 June 2010 (Exercisable @ A\$1.00)	200,000
Employee Share Options expiring 1 November 2010 (Exercisable @ A\$1.00)	75,000
Employee Share Options expiring 9 December 2010 (Exercisable @ A\$1.05)	26,000
Employee Share Options expiring 30 April 2011 (Exercisable @ A\$1.25)	1,170,000
Contractors Options expiring 1 July 2010 (Exercisable @ A\$1.00)	250,000
Director's incentive options expiring 7 August 2010 (Exercisable @ A\$1.00)	1,000,000

5.3 Effects of the Offer on control of the Company

The Offer is not expected to materially impact the control of the Company. Below is some information on the impact that the Offer may have on the control of the Company.

The current relevant interests of the Substantial Shareholders, being the three largest Shareholders of the Company, are as follows:

Shareholder	Shares	% of Total Shares
Kalahari and its associates	[91,487,455]	[39.94]%
Rio Tinto and its associates	[34,621,402]	[15.11]%
Polo Resources and its associates	[23,217,700]	[10.14]%

* As at the date of the Offer Document

The Substantial Shareholders have each committed to take up all their Entitlements as Eligible Shareholders with respect to their combined Entitlement to [insert] New Shares. Further, the Substantial Shareholders have provided the Company with the Shortfall Commitments.

In addition to the Offer, the Company announced on [insert] August 2009 that it was undertaking a Placement of special warrants on the TSX. The special warrants will be converted into ordinary Shares after Shares after completion of various Canadian regulatory filings and approval from the TSX which is expected to be completed in approximately two months. The Substantial Shareholders will not participate in the Placement.

An analysis of the potential changes in control of the Company has been undertaken to indicate the effect on the total relevant interests of the Substantial Shareholders and their respective associates in the Company under various scenarios following completion of the Offer and the Placement. The results are detailed below.

(a) Following completion of the Offer

Shareholder	% of Total Shares				
	Before Offer	Take up of Entitlements by Eligible Shareholders other than the Substantial Shareholders			
		100%	75%	50%	0%

Kalahari and associates	[39.94]%	[39.97]%	[40.13]%	[40.28] %]	[40.60] %
Rio Tinto and associates	[15.11]%	[15.12]%	[15.18]%	[15.24] %]	[15.36] %
Polo Resources and associates	[9.21]%	[9.22]%	[9.26]%	[9.29] %	[9.37]%]
Total	[65.19%]	[64.31%]	[64.57%]	[64.82] %]	[65.33] %

(b) **Following completion of the Offer and the Placement**

Shareholder	% of Total Shares				
	Before Offer	Take up of Entitlements by Eligible Shareholders other than the Substantial Shareholders			
		100%	75%	50%	0%
Kalahari and associates	[39.94]%	[39.04]%	[39.2]%	[39.35] %]	[39.66] %
Rio Tinto and associates	[15.11]%	[14.77]%	[14.83]%	[14.89] %]	[15.01] %
Polo Resources and associates	[9.21]%	[9.01]%	[9.04]%	[9.08] %	[9.15]%]
Total	[65.19%]	[62.83%]	[63.07%]	[63.32] %]	[63.82] %

[Tables to be updated depending on outcome of shortfall arrangements.]

Additional Information

5.4 Costs of the Offer

If the Offer proceeds, the total estimated costs of the Offer, including processing fees, legal fees, fees for other advisers, Offer Document design, printing, postage and other miscellaneous expenses, will be approximately A\$[insert] (excluding GST).

5.5 [Other?]

6. Definitions and Interpretation

6.1 Definitions

In this Offer Document [and in the Entitlement and Acceptance Form], unless the context otherwise requires:

Applicant means a person who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form.

Application refers to the submission of an Entitlement and Acceptance Form.

Application Money means the aggregate amount of money payable for New Shares applied for in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASTC Settlement Rules means the operating rules of the settlement facility operated by ASTC.

ASX means ASX Limited ACN 008 624 691 trading as the Australian Securities Exchange.

AWST means Australian Western Standard Time.

Board means the Directors meeting as a board.

Business Day has the same meaning as in the Listing Rules.

CHESS means the ASX Clearing House Electronic Sub-register System.

Closing Date means the last day for payment and return of Entitlement and Acceptance Forms, being [24 September 2009].

Company means Extract Resources Limited ACN 057 337 952.

[**Company Secretary** means the company secretary of the Company.]

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder as at the Record Date who is not an Excluded Shareholder.

Entitlement means the entitlement to subscribe for New Shares pursuant to the Offer.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Excluded Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or [to be inserted].

GST has the meaning given under the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Issuer Sponsored refers to securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESSE.

Kalahari means Kalahari Uranium Limited, a company incorporated in the Isle of Man, whose principal office is at 15-19 Athol Street, Douglas, Isle of Man and a wholly owned subsidiary of Kalahari Minerals plc.

Listing Rules means the official listing rules of ASX.

New Share means a new Share to be issued under the Offer.

Offer means a non-renounceable pro rata offer to the Shareholders to subscribe for New Shares on the basis of [insert] New Share[s] for every [insert] Shares of which the Shareholder is the registered holder as at the Record Date at an issue price of A\$[insert] per New Share pursuant to the Offer Document.

Offer Document means this offer document and, where applicable, includes any supplementary offer document or replacement offer document issued by the Company in relation to the Offer and the Application to subscribe for the New Shares.

Official Quotation means the grant by ASX of "Official Quotation" (as that term is used in the Listing Rules) of all of the New Shares when allotted which if conditional may only be conditional on customary pre-quotation conditions.

Opening Date means [10 September 2009] or such other date as may be determined by the Directors.

Placement means the placement the Company is proposing to conduct to institutional investors of special warrants on the TSX to raise a total of up to [\$x million].

Polo means Polo Resources Limited (Registered number 1406187), a company incorporated in the British Virgin Islands whose principal office is at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

Record Date means 5.00 pm (AWST) on [7 September 2009] or such other date as may be determined by the Directors.

Rights Issue Notice means the notice given to ASX in accordance with section 708AA of the Corporations Act.

Rio means Rio Tinto Limited ACN 004 458 404.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Link Market Services Limited ACN 083 214 537.

Shareholder means a holder of Shares in the Company.

Shortfall means the number of New Shares offered under the Offer for which Applications have not been received before 5.00 pm (AWST) on the Closing Date.

Shortfall Commitments means the commitments provided by the Substantial Shareholders to take up Shortfall as described in Section 1.8.

Substantial Shareholders means Kalahari, Rio and Polo.

Timetable means the indicative timetable set out on page iv of the Offer Document.

TSX means the Toronto Stock Exchange.

6.2 Interpretation

In this Offer Document [and in the Entitlement and Acceptance Form], unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) as given to them by the Corporations Act;
- (b) words importing one gender include other genders;
- (c) words (including defined terms) importing the plural include the singular and vice versa;
- (d) a reference to a person includes a reference to a corporation;
- (e) headings are for ease of reference only and do not affect the interpretation of this Offer Document;
- (f) reference to Sections are to Sections of this Offer Document;
- (g) all references to currency are references to Australian currency (unless otherwise stated); and
- (h) all references to time in this Offer Document are to Australian Western Standard Time (AWST) unless expressly specified otherwise.

[Entitlement and Acceptance Form to be inserted]