



## ASX RELEASE

15 January 2008

Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge St  
SYDNEY NSW 2000

Dear Sir / Madam,

### **Letter Circulated to shareholders by Mr Bob Buchan**

Please find attached correspondence being sent to shareholders in relation to the general meeting called for 2<sup>nd</sup> February 2009.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Rance Dorrington", is positioned above the printed name.

**Rance Dorrington**  
**COMPANY SECRETARY**



Dear Shareholder

The Chairman of Extract Resources Limited ("Extract"), Mr. Bob Buchan, submits the attached statement to shareholders given in accordance with Section 203D of the Corporations Act in relation to the upcoming Meeting to be held on 2 February 2009.

In relation to the Meeting, due to there being some confusion amongst shareholders regarding a pre-completed proxy form accompanying a recently posted statement from Kalahari Minerals plc ("Kalahari"), **it should be noted that Extract did not issue or endorse the pre-completed Kalahari proxy form.** Extract is not able to solicit votes or to recommend any particular voting instruction to its shareholders. The pre-completed proxy form as issued with the letter from Kalahari was prepared by or on behalf of Kalahari in respect of its own purposes in relation to the voting for the Meeting.

For the avoidance of confusion enclosed is a fresh 'blank' proxy form which shareholders who have not already completed and lodged an appropriate proxy form may use to complete and return either:

By Facsimile: +61 (0) 8 9367 2144

By Post to: Extract Resources Limited  
PO Box 752  
South Perth 6951  
Western Australia

Yours Sincerely

A handwritten signature in black ink, appearing to read "Peter McIntyre", enclosed in a circular scribble.

Peter McIntyre

MANAGING DIRECTOR

**R. M. Buchan**

January 15, 2009

**Dear fellow shareholder,**

You have been asked by Kalahari Minerals Limited, to vote to remove me from the Board of Extract Resources Limited (Extract or Company). Kalahari's motivation for doing this is difficult to understand, but from reading the correspondence of Mark Hohnen (Chairman of Kalahari Minerals Plc) to the Board of Extract, and Kalahari's public announcements, there appears to be two reasons for having me removed. First, I had already agreed to step down on the completion of the previously announced merger, and second, the strategy of having the company listed on the Toronto Stock Exchange had been a failure, and the listing should be abandoned, thus eliminating the need for my services.

With the regard to this first point, I had agreed to step down, along with Mr Peter Meagher, and Mr Neil McLachlan. I did so, because the elimination of the Kalahari shareholding block has been one of my stated goals. A shareholding block of this size is considered an 'overhang' in the market, and is rarely seen as a positive development. Its elimination would undoubtedly have been positive for the value of Extract shares and, if the merger required me to step down, I was happy to acquiesce to that demand. The situation now however is different. The merger is not moving forward since **Kalahari has called it off**, and my willingness to step down has also been called off. I believe that an independent Chair is necessary until the Kalahari/Extract relationship is resolved permanently. Mr Hohnen initially sought to join the Board of Extract, something we were prepared to consider if he replaced one of the existing nominees of Kalahari, namely Mr McLachlan, or Mr Galloway. We have been told that this is not acceptable.

The management of Extract have made it clear to both the Board of Extract and the Chairman of Kalahari, that my presence on the board is valuable to the management of your Company. This support is based on my extensive background in building global mining companies, and my successful track record in negotiating with large multi-national companies. These attributes, are otherwise lacking on the Board, and would be expected to be valuable as Extract moves into the next phase of its growth.

The second concern, namely the effectiveness and value of a Toronto Listing, is equally difficult to understand. The majority of the world's independent uranium producers are listed on The Toronto Exchange, including all the key independent Namibian developing companies. However, I have to agree with Mr Hohnen; to date there has been very little trading of the Extract shares on this exchange. Usually a

listing is followed up by a local financing that puts liquidity into that market. With this new liquidity, a good story (and Extract certainly is that), it would be expected to see shares migrate from Australia to the powerful North American market. To accomplish this goal, it was the company's intention to have a Toronto broker participate in the most recent financing of \$30 Million, in June of last year. **Kalahari vetoed that proposal**, insisting that they be allowed to maintain their ownership level, thus thwarting our desire to gain from this listing.

I am currently on the board of an Australian, American, Canadian, and a Russian company, and have been asked to join the board of an African company. I understand the obligations of an independent director, and the corporate governance responsibilities of a Chairman. The request to remove me, however, is puzzling, since it is difficult to understand in what way I have failed the shareholders of Extract. It appears that Mr Hohnen's request is more a personal attack than a reasoned position. While that does not trouble me, in itself, the result of my removal does. It would remove an independent director and it would effectively pass control of the Extract board to Kalahari. Neither of these events is a good thing.

As I have said, the management of Extract has asked me to stay on the Board and defend myself from this personal attack. To accomplish this, I need your support, and as such, I ask you, as fellow shareholders, to vote in favour of my continuing to be a director of your company. I ask that you refrain from using the pre-completed form as sent to you by Kalahari and use instead the blank proxy form forwarded previously with the notice of meeting or as now re-included for this purpose. If you have previously completed a valid proxy form to vote as intended then there is no need to re-submit a new form.

Yours Sincerely

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

**Robert M. Buchan**

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Toronto, Ontario  
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