



## ASX RELEASE

2 July 2009

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

Dear Sir / Madam,

### **Rossing South Zone 1 Resource Upgrade to 145 m lbs at an average Grade of 449ppm**

Please find attached a media release in relation to Rossing South Zone 1 resource upgrade.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Rance Dorrington".

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

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## MEDIA RELEASE

### ROSSING SOUTH ZONE 1 RESOURCE UPGRADE

145m.lbs at a grade of 449ppm U<sub>3</sub>O<sub>8</sub>

#### Highlights:

- Zone 1 resource increased to 145 m.lbs U<sub>3</sub>O<sub>8</sub> – a 34% increase from previous statement (108 m.lbs)
- Overall resource grade increased to 449 ppm U<sub>3</sub>O<sub>8</sub>.
- 20% of the resource metal now classified as Indicated.
- Highest grade granite-hosted uranium deposit in Namibia.
- Zone 2 maiden resource (due August 2009) expected to propel Rossing South into the top 10 global uranium deposits by contained metal.
- Zone 1 and Zone 2 mineralisation still open along-strike and down-dip.
- Extensive exploration potential still to be tested.

South Perth, Western Australia – July 2 2009 – Extract Resources (“the Company”) today announced a new resource estimate, following JORC Code guidelines, for **Zone 1 Rossing South**.

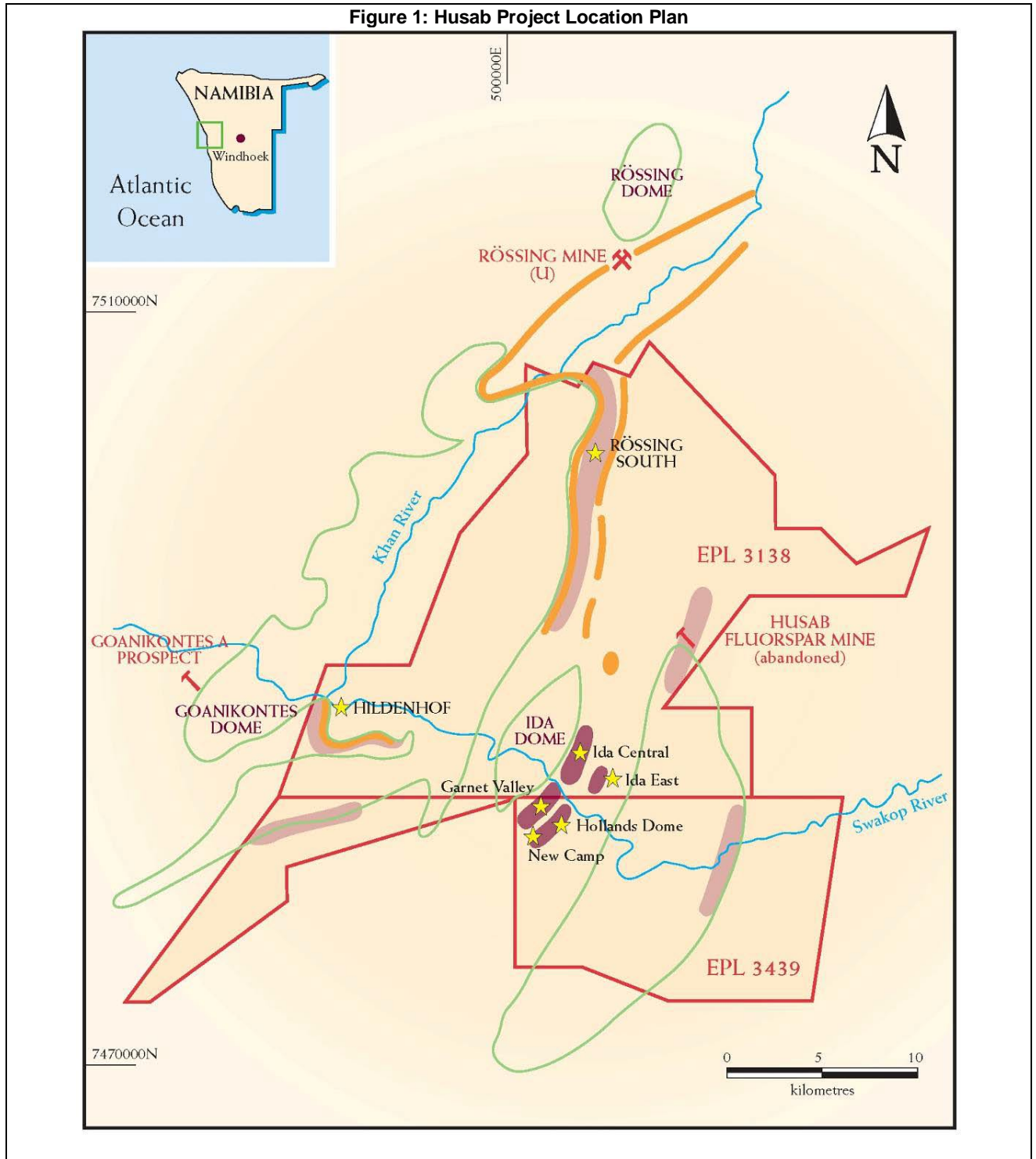
	Tonnes (Mt)	Grade (ppm U <sub>3</sub> O <sub>8</sub> )	U <sub>3</sub> O <sub>8</sub> (Mlb)
Indicated	21	527	24
Inferred	126	436	121
<b>Total</b>	<b>147</b>	<b>449</b>	<b>145</b>

The new Zone 1 resource (Figure 1 and 2) reconfirms Rossing South as one of the most significant uranium discoveries ever made. Once the Zone 2 resource estimate is completed (August 2009) Rossing South is expected to be one of the top 10 global uranium deposits by contained metal.

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Extract's Managing Director, Peter McIntyre, said "This resource upgrade on Zone 1 at Rossing South is an outstanding result. The significance of the recent high grade intersections we have been reporting, are now being reflected in this major deposit."

He also added "The Zone 2 maiden resource is on track for August 2009 so the Company will establish an even larger resource base over the next two months, and position Rossing South amongst the best of the world's uranium deposits. This resource base is expected to support a long life, large scale open pit mining operation and a feasibility study is in progress to quantify this potential."



## **About Extract**

Extract Resources is an Australian-based uranium 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 deposits: Rossing South and Ida Dome. Extensive exploration potential also exists for new uranium discoveries, in addition to the already known occurrences.

Extract is listed on the ASX and the TSX under the ticker symbol "EXT". For more information on Extract visit [www.extractresources.com](http://www.extractresources.com)

**For further information, please contact**

**Peter McIntyre**  
**Managing Director**

**Richard Henning**  
**Investor Relations**

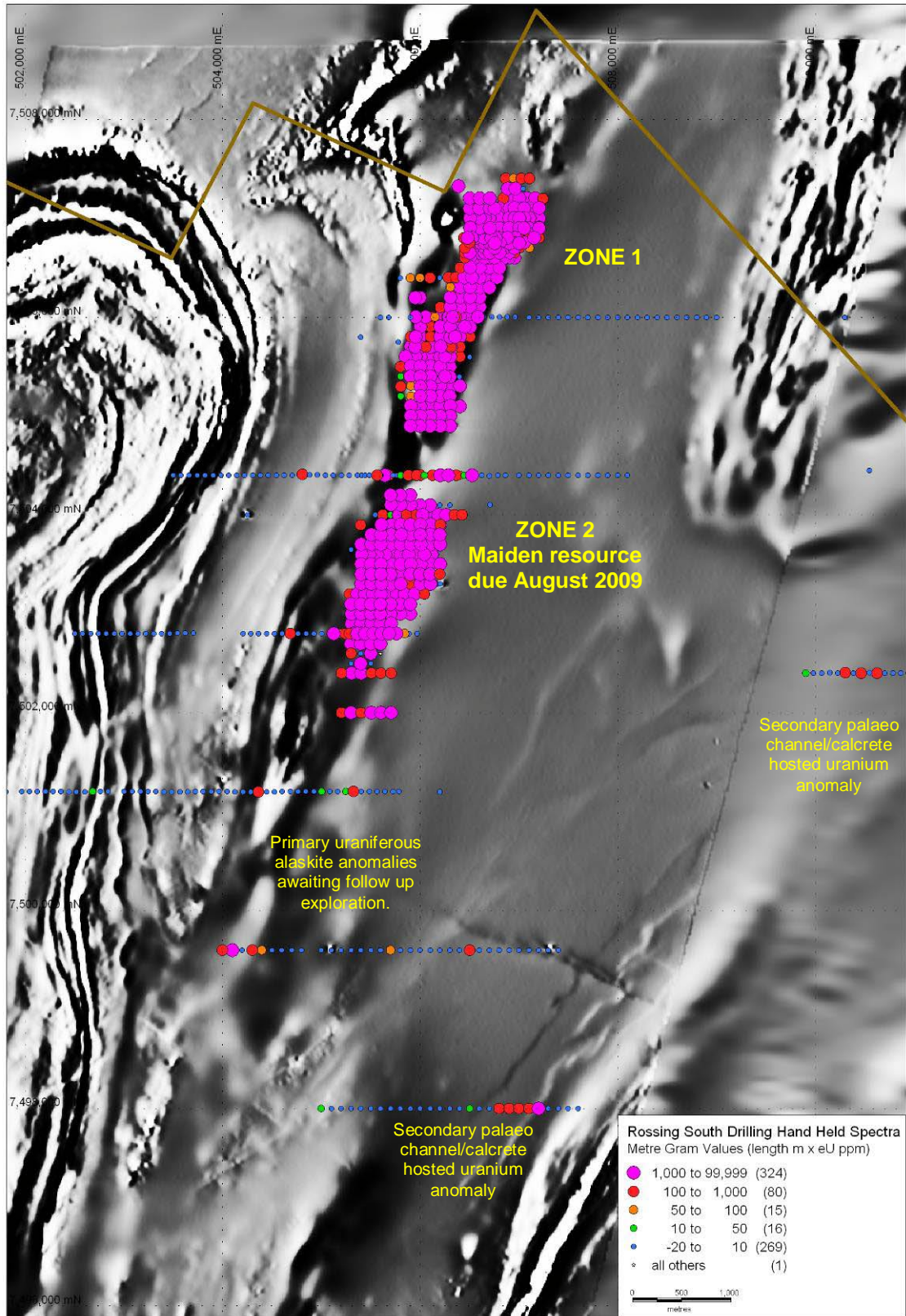
[rhennig@extractresources.com](mailto:rhennig@extractresources.com)

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**Figure 2: Rossing South location plan.**

Highlighting Zone 1 and Zone 2 and the extensive exploration potential that still remains to be tested. Drilling overlain on first vertical derivative total magnetic intensity image. Projection: UTM WGS 84 Zone 33 South.



## ROUTH SOUTH - ZONE 1 RESOURCE DETAILS

A summary of the resource estimation methodology follows. All figures are shown relative to a projection of UTM WGS 84 Zone 33 South. The resource was peer reviewed by Competent Persons in the employ of Extract Resources Limited and by Neil Inwood of Coffey Mining Pty Ltd.

### Deposit Geology

The Husab Project is located within the central Damara Orogenic Belt (DOB) in a zone characterised by basement domes, regional folding, faulting, and late Damaran (Proterozoic) intrusive rocks.

The Husab Project is dominated by a series of north-northeast to northeast trending regional-scale antiforms and synforms, which make up the main structural architecture of the entire Central Zone of the Damara. These meta-sedimentary folds or dome-like structures of the DOB are cored by gneissic and metasedimentary rocks of the Abbabis Formation. The basement rocks are covered to the northeast and south by stranded cover sequences of flat-lying calcrete and alluvial deposits, which are associated with a broad northeast trending valley marginal to the Khan River. Approximately 70% of the Husab Project is covered by Quaternary cover.

The Rossing South prospect represents a 15 kilometre target zone, most of which is covered by the Namib Desert with the prospective target zone defined by a magnetic trend that can be verified in outcrop and then traced beneath the desert sands. The Company has confirmed the potential of the prospective stratigraphic trend, defined by the magnetic data, to host uraniferous leucogranites (alaskites). Drilling completed to date at Rossing South has followed a zone of uraniferous alaskites that crop out at the northern end of EPL 3138 (Figure 3) and trend southwest under cover for a distance of approximately 8 kilometres, as indicated by drilling. Presumably the alaskites continue further south, but this trend has not yet been drilled. The mineralised alaskites have predominantly intruded dilational sites within the Rossing Formation and are most concentrated around zones of folding. Few occurrences of Rossing Formation marble are present at Rossing South with calcsilicate and biotite schist being the dominant lithologies. Khan Formation schist and gneiss are the dominant footwall unit.

### Resource Database

The drillhole database in the immediate vicinity of the Zone 1 resource estimate consists of 237 drill holes, 33 diamond drillholes (13,200m) and 204 RC (60,094m) drillholes which have all been drilled by Extract Resources Limited in between November 2007, and June 2009. The majority of the drilling was completed in 2008 and 2009.

The drillholes were typically drilled due west (Projection: UTM WG84 Zone 33 South) with a dip of -60°.

The database contains predominantly chemical assay data (62,984 samples – 99.99%), and minor factored hand-held spectrometer data (48 samples – <0.01%) which were used to define the mineralised zones used for resource estimation. Approximately 11,085 individual samples were used directly in the resource estimate. The QAQC data was reviewed and showed acceptable levels of precision and accuracy.

The Extract drillhole samples were prepared by Genalysis Laboratory Services (Genalysis) in Johannesburg and analysed in Perth by Genalysis. The uranium samples were analysed for U by Inductively Coupled Plasma Mass Spectrometry (ICPMS) after multi-acid digest and by pressed pellet XRF.

A total of 1,114 density samples obtained by Extract were used to determine representative density values for each lithology. These density values were coded into the resource model and used to convert the mineralised zones volume to tonnage. Average density values, as coded into the resource model, for the main lithologies at Rossing South, are shown in the following table.

Lithology	Number of samples	Average Density (t/m <sup>3</sup> )
Alaskite	442	2.63
Calcsilicate	102	2.84

Sediment	159	2.77
Gneiss	100	2.73
Marble	15	2.75
Schist	296	2.71

### Geological Modelling

To establish appropriate geological continuity a lithological model was defined for the dominant units, namely: alaskite (leucogranite); calcsilicate; biotite schist and gneiss. The majority of the uranium mineralisation at Rossing South is hosted within alaskite with some mineralisation in the calcsilicates and biotite schist, generally proximal to alaskite contacts. In determining grade continuity, the mineralisation model for the Rossing South deposit was based upon a nominal 75 ppm  $U_3O_8$  mineralisation halo. The geological and mineralisation constraints were generated based upon sectional interpretation and three dimensional analyses of the available drilling data. Structural data collected from orientated core holes was used to help guide the geological model, along with recently acquired, detailed, first vertical derivative total magnetic intensity data. The main lithological contacts (e.g. alaskite and sediments) were considered at the time of grade modelling and used to guide wire framing of mineralisation shapes. Unless a strong geological model could be established, mineralised zones which did not have more than two drillhole intersections, on two consecutive sections were not reported.

The Rossing South deposit (Figure 4) was modeled as 23 distinct zones (3m to 114m downhole thickness, averaging 19m) with a NNE trend. Individual zones were modelled to extend for up to 2,000m along strike. The deepest zone of mineralisation defined thus far is 478m below surface. Due to the geometries of the mineralisation, the true thickness of the mineralisation ranges from 60% to 100% of the down hole thickness. Figure 5 shows a typical sectional interpretation with the drillholes coloured by assay grade. The uranium mineralisation is still open along strike to the south and down dip.

The mineralised domains at Zone 1 are generally conformable to the structure of the host rocks (Figure 3). These zones strike N to NE and have a moderate to steep easterly dip.

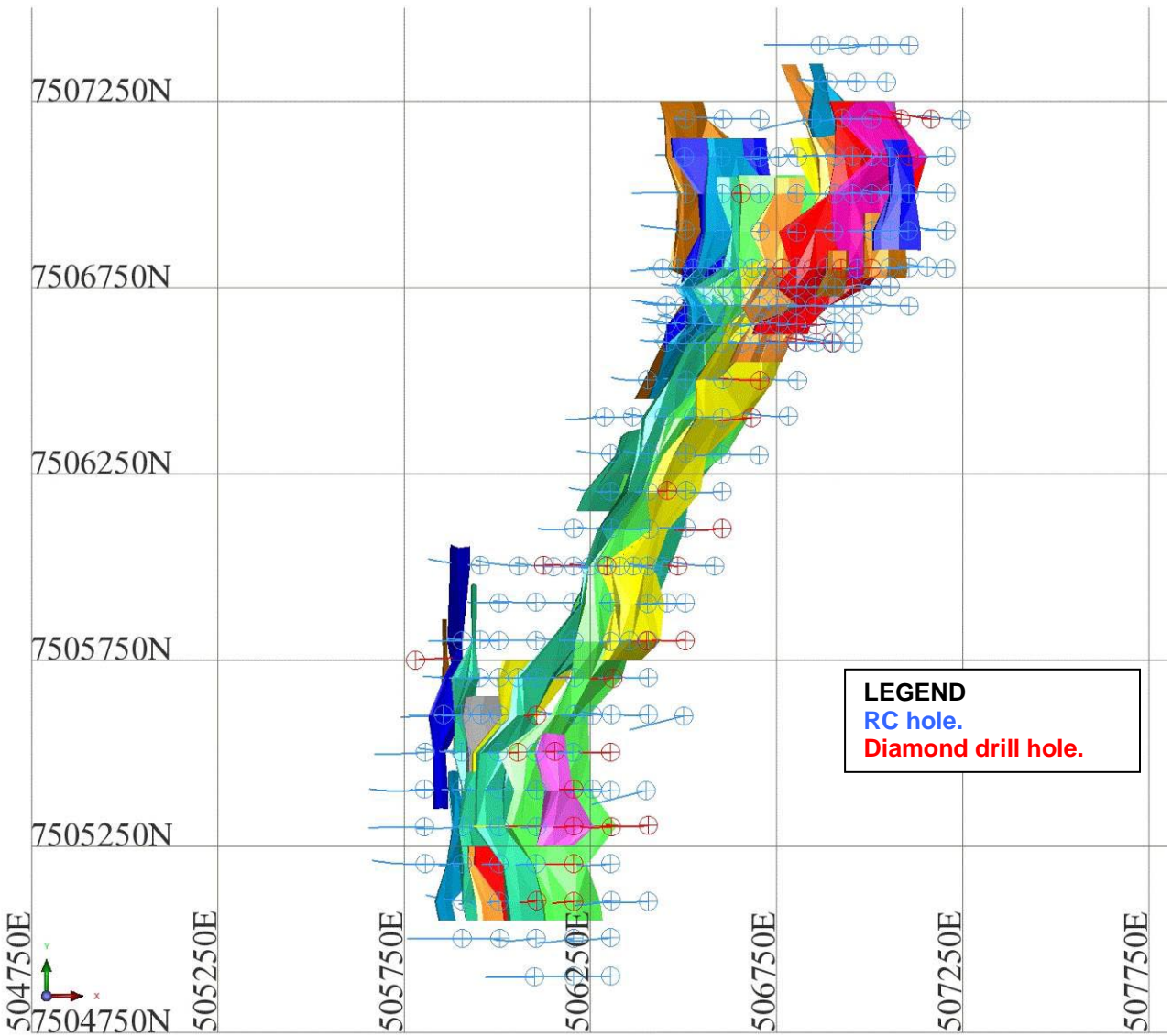
**Figure 3: Rossing South Outcrop, immediately North of the Zone 1 resource (Photo looking South).**  
White alaskite hosted within and conformable to biotite schist fabric.



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**Figure 4: Rossing South Zone 1.**

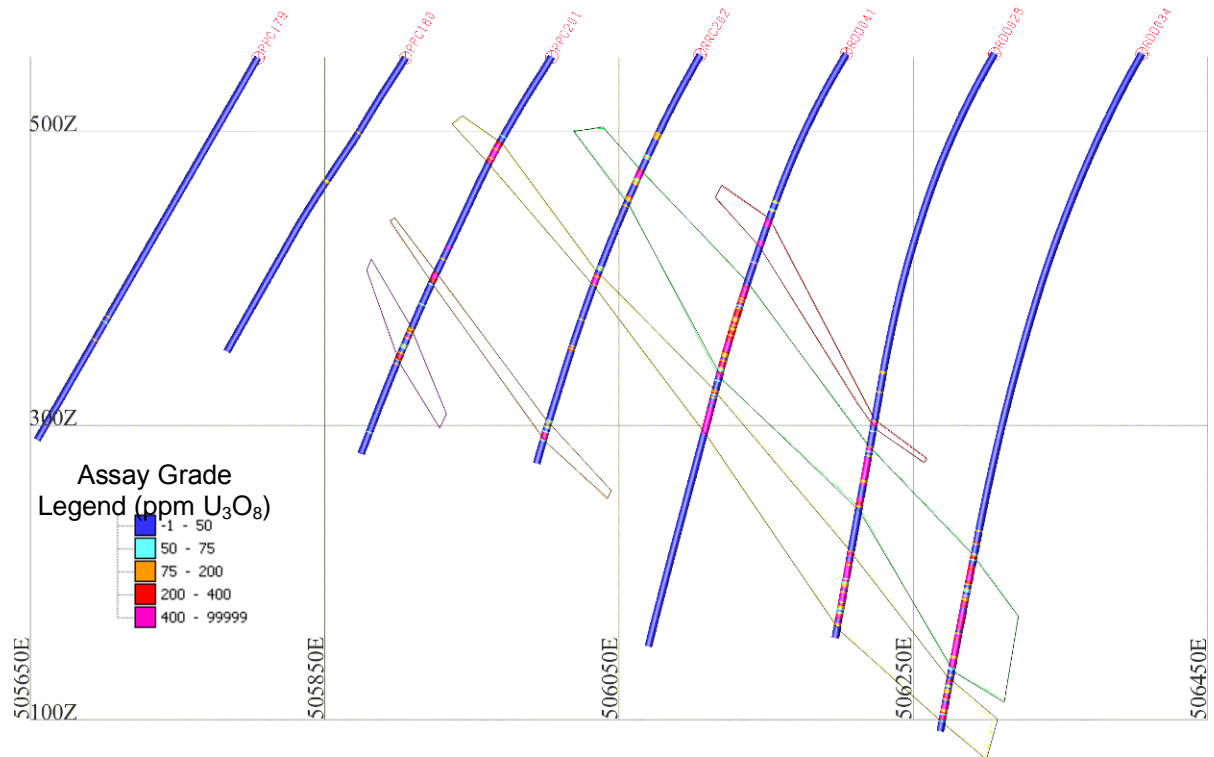
Plan View of the Uranium Mineralisation (>75 ppm U<sub>3</sub>O<sub>8</sub>) Interpretation.





**Figure 5: Rossing South Zone 1**

Sectional Interpretation (7505300mN) looking North. Note the moderate easterly dip, of the stacked mineralised zones. Drill hole intersection grades are colour coded by ppm  $U_3O_8$ .



### Grade Estimation

The data captured within the mineralisation model was composited to a regular 3m downhole composite length.

Based on the 3m composite data, a statistical and geostatistical investigation was completed to derive appropriate estimation parameters such as high-grade cuts, variogram model parameters, and search ranges. High grade cuts were used to limit the undue influence of high-grade outliers. The high grade cuts ranged from 1200 ppm  $U_3O_8$  to 3500 ppm  $U_3O_8$ . 11 of the 23 mineralised domains defined had no high-grade cutting applied. The effect of applying high-grade cuts to the 3m composite data was to reduce the overall mean grade of composites by 7%.

A three dimensional block model was constructed for the purposes of grade estimation. A parent block size of 50m N by 25m E by 10m RL was selected as the appropriate block size based on the current average data spacing.

The modelled zones were well defined by the existing drilling.

Ordinary Kriging ('OK') was chosen as the appropriate method for estimating grade using the cut 3m composites. An anisotropic variogram model was used as input into the estimation, with ellipsoid orientations validated against known structural trends. A two pass estimation regime was used with the first pass covering 80m radius and the second pass of 200m radius.

### Resource

Categorisation of the grade estimate was undertaken on the basis of the criteria laid out in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). An Indicated and Inferred Resource was defined using the criteria determined during the validation of the grade estimates, with detailed consideration of the JORC Code reporting guidelines.

Blocks were classified as Indicated based upon a combination of geological-grade continuity and within a nominal 50m by 50m drillhole spacing.

Blocks were classified as Inferred based upon a combination of geological-grade continuity and within a nominal 100m by 100m drillhole spacing.

An insitu bulk density value was assigned to each lithological unit in the resource model. When reporting the resource this information was used to convert volume to tonnage. The average bulk density value of the resource reported was 2.67t/m<sup>3</sup>

The reported resource for the Rossing South Zone 1 deposit, reported above selected cut-offs is summarised below.

Lower Cut U <sub>3</sub> O <sub>8</sub> (ppm)	Indicated			Inferred		
	Tonnes Above Cutoff (Mt)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (M lb)	Tonnes Above Cutoff (Mt)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (M lb)
<b>Rossing South Zone 1</b>						
100	20.7	527	24.0	126.3	436	121.3
200	19.7	546	23.7	113.4	466	116.5
300	16.2	608	21.7	81.2	552	98.8
400	12.5	684	18.8	54.8	650	78.5
500	8.8	782	15.2	36.7	751	60.7

The total resource inventory for the Company, at a 100 ppm U<sub>3</sub>O<sub>8</sub> bottom cut, is shown in the following table. The Ida Dome figures have been previously released to the market (ASX release 7 August 2008).

Lower Cut U <sub>3</sub> O <sub>8</sub> (ppm)	Indicated			Inferred		
	Tonnes Above Cutoff (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (M lb)	Tonnes Above Cutoff (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (M lb)
<b>Garnet Valley</b>						
100	0.6	246	0.31	43.5	224	21.4
200	0.5	259	0.26	25.6	263	14.8
<b>New Camp</b>						
100				4.0	156	1.4
200				0.4	234	0.2
<b>Ida Central</b>						
100				5.2	170	2.0
200				1.1	238	0.6
<b>Rossing South Zone 1</b>						
100	21	527	24.00	126.3	436	121.3
200	20	564	23.65	113.4	466	116.5
<b>Total</b>						
100	<b>21.2</b>	<b>520</b>	<b>24.35</b>	<b>179.0</b>	<b>370</b>	<b>146.1</b>
200	<b>21.6</b>	<b>539</b>	<b>23.92</b>	<b>140.4</b>	<b>426</b>	<b>132.0</b>

The information in this report that relates to Exploration on the Husab Project is based on information compiled by Mr Martin Spivey, who is a Member of The Australasian Institute of Mining and Metallurgy and Mr Andrew Penkethman who is a Member of the Australian Institute of Geoscientists. Mr Spivey and Mr Penkethman are both full time employees of the Company. Mr Spivey and Mr Penkethman have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of

*Exploration Results, Mineral Resources and Ore Reserves'. Mr Spivey and Mr Penkethman consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.*

*The information in this report that relates to Mineral Resources at Rossing South Zone 1 and Ida Dome is based on information compiled by Mr Neal Culpán, who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of the Company. Mr Culpán has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Culpán consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*Information in this report relating to Mineral Resources has been reviewed by Mr Neil Inwood. Mr Inwood is a Specialist Resource Consultant with Coffey Mining Pty Ltd, (independent resource consultants engaged by Extract Resources Limited). Mr Inwood is a member of The Australasian Institute of Mining and Metallurgy. Mr Inwood has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the JORC Code. Mr Inwood consents to the inclusion of the data in the form and context in which it appears.*

*Reference to hand held spectrometer results refers to use of a Company owned Exploranium, GR-135 Plus or Terraplus RS-125, hand held spectrometer. The uranium values are recorded by placing the unit on the bulk RC sample bags or individual trays of drill core and expressed as parts per million (ppm) eU which is equivalent to ppm U. Results from these units provide an indication of uranium mineralisation; they may also be affected by uranium mobility and disequilibrium. These factors should be considered when interpreting eU information whilst waiting for confirmation chemical assay results.*

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