



## ASX RELEASE

27 January 2009

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

Dear Sir / Madam,

### **Rossing South – Zone 1 Initial Resource**

Please find attached a media release in relation to the initial resource estimate for Rossing South – Zone 1.

Yours sincerely

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

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



## MEDIA RELEASE

### Rossing South Zone 1 initial resource

108 million pounds U<sub>3</sub>O<sub>8</sub> at a grade of 430 ppm

#### Other Highlights:

- From discovery to a maiden resource within 12 months.
- Highest grade granite-hosted uranium deposit in Namibia.
- Potential for future resource upgrades to propel Rossing South into the top 10 global uranium deposits by contained metal.
- Zone 1 mineralisation still open along-strike and down-dip.
- Zone 2 has mineralisation defined over a strike length of two kilometres, also open along-strike and down-dip.

South Perth, Western Australia – January 27<sup>th</sup> 2009 – Extract Resources (“the Company”) today announced the initial resource estimate, following JORC Code and Canadian NI43-101 guidelines, for **Zone 1 Rossing South**.

Rossing South Zone 1 – January 2009 Inferred Resource Estimate			
Lower Cutoff (U <sub>3</sub> O <sub>8</sub> ppm)	Tonnage (Mt)	Grade (U <sub>3</sub> O <sub>8</sub> ppm)	Contained Metal (M lb U <sub>3</sub> O <sub>8</sub> )
75	115.6	430	108.4
<b>100</b>	<b>115.0</b>	<b>430</b>	<b>108.3</b>
200	102.0	460	103.7

*Note: Figures have been rounded.*

This initial Zone 1 resource (Figure 1 and 2) confirms Rossing South as one of the most significant uranium discoveries made in decades; future resource upgrades have the potential to propel Rossing South into the top 10 global uranium deposits by contained metal.

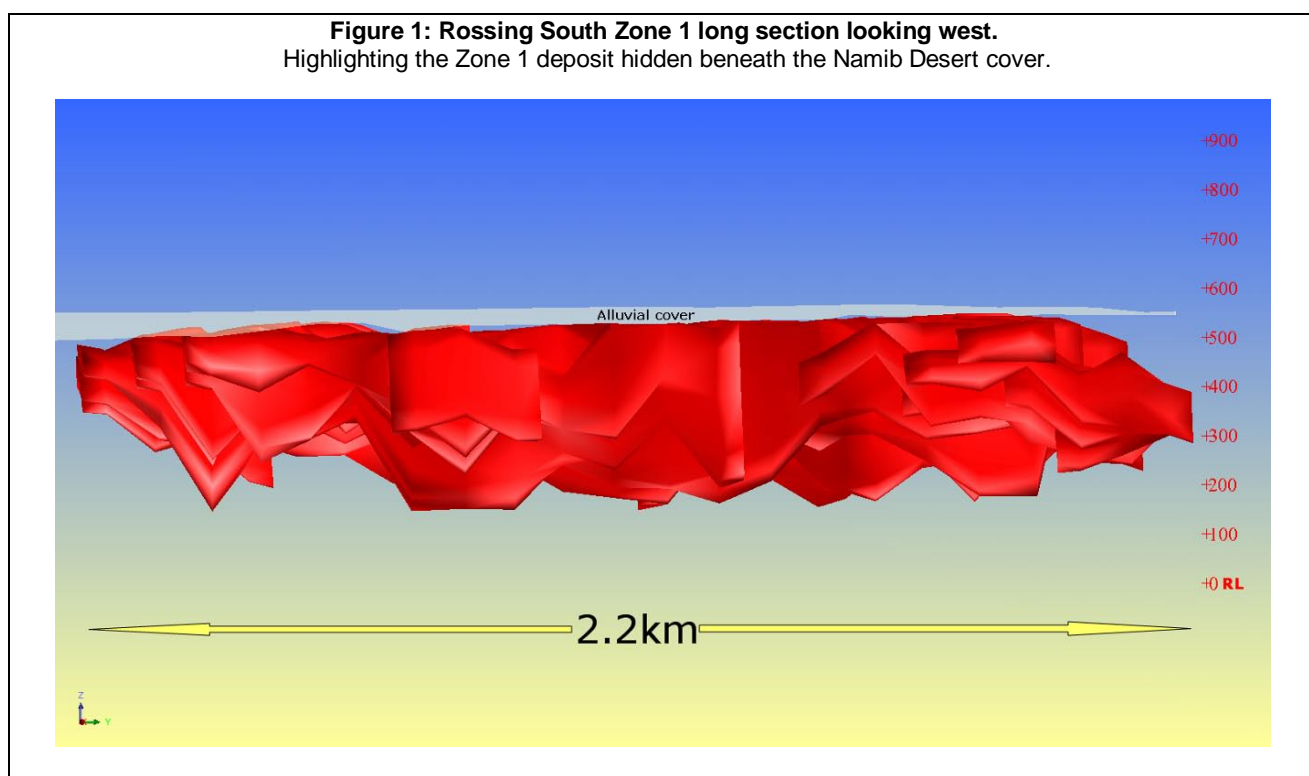
Extract's Managing Director, Peter McIntyre, said *“This maiden resource confirms Rossing South as an outstanding deposit. To go from discovery to 108 M.lbs of U<sub>3</sub>O<sub>8</sub> in 12 months, is a remarkable result. The size and grade of this resource puts it into a world-class category.”* Mr McIntyre also added *“The resource grade exceeded the exploration target expectations by a considerable margin, and the maiden resource is only the beginning for Rossing South.”*

He also added “The grade of 430 ppm U<sub>3</sub>O<sub>8</sub> has confirmed Rossing South as the highest grade, granite-hosted uranium deposit in Namibia. **This resource is only on Zone 1**, and this zone is still open. We will now commence feasibility work on the Zone 1 resource and drilling out Zone 2 to establish an even larger resource base over the next 6 months.”

The resource estimate has been prepared by independent consultants, Coffey Mining. Having defined the initial resource at Rossing South Zone 1, the Company will move into the feasibility stage with formal work expected to commence in the next two months.

In addition to the resource defined on Zone 1, uranium mineralisation at Zone 2 has been defined over a strike length of two kilometres and is also open along strike and down dip. Ongoing drilling is expected to define a much larger resource with nine kilometres of the prospective 15 kilometre Rossing South trend still to be explored offering a high probability of further uranium discoveries (see Figure 2).

This initial resource estimate far exceeds the exploration target established for Zone 1 (ASX release 30 July 2008) primarily driven by much higher grade than originally anticipated. These higher grades became apparent over the past six months as the assay laboratory caught up on the backlog of chemical assays. These results were reported to the market, as they became available.



## 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 deposit areas: 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**

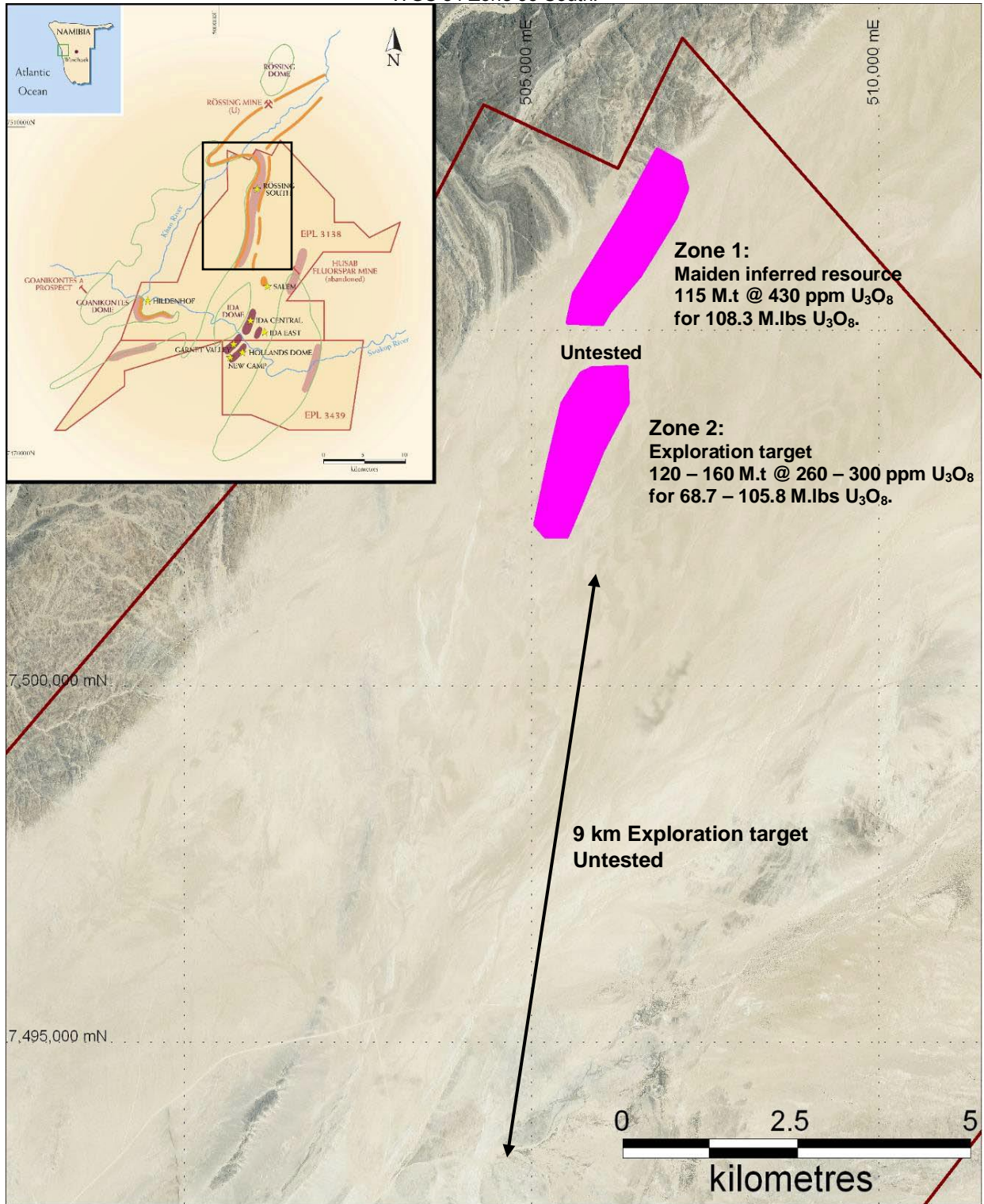
**Peter McIntyre  
Managing Director**

**Richard Henning  
Investor Relations**

**[rhening@extractresources.com](mailto:rhening@extractresources.com)**

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

Highlighting Zone 1 and Zone 2 and the extensive exploration potential that still remains to be tested. Projection: UTM WGS 84 Zone 33 South.



## ROSSING SOUTH - ZONE 1 RESOURCE DETAILS

This initial resource statement for Rossing South Zone 1 exceeds the upper metal range (M.lbs  $U_3O_8$ ) established as an exploration target (120 – 140 M. tonnes at 260 – 300 ppm  $U_3O_8$  for 57.3 – 92.5 M.lbs  $U_3O_8$  - ASX release 30 July 2008) by 17%. A summary of the resource estimation methodology follows. All figures are shown relative to a projection of UTM WGS 84 Zone 33 South.

### 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. Extract have 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 and trend southwards under cover for a distance of approximately 6 kilometres, as indicated by drilling. Presumably the alaskites continue further south, but this trend has not yet been drilled. The mineralised alaskites are predominantly associated with calc-silicate and biotite schist lithologies of the Rossing Formation. 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 11 diamond drillholes (4,412m) and 174 RC (46,700m) drillholes which have all been drilled by Extract Resources Limited in 2007 and 2008. The majority of the drilling was completed in 2008.

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

The database contains a combination of chemical assaying (23,155 samples – 57%), factored radiometric data (16,952 1m composites – 41%) and factored hand-held spectrometer data (793 samples – 2%) which were used to define the mineralised zones used for resource estimation. Approximately 7,070 individual samples were used directly in the resource estimate. The Extract QAQC data was reviewed and showed acceptable levels of precision and accuracy.

A density value of  $2.65t/m^3$  was used for the mineralised zones. This value was chosen after analysis of the 95 density samples obtained by Extract to date.

The Extract drillhole samples were prepared by Genalysis Laboratory Services (Genalysis) in Johannesburg and analysed in Perth by Genalysis. Genalysis is a reputable laboratory and independent audits have been completed by Coffey at the Johannesburg preparation facility. The uranium samples were analysed for U by Inductively Coupled Plasma Mass Spectrometry (ICPMS) after multi-acid digest and by pressed pellet XRF.

The down-hole radiometric data was sourced from a GRS42 downhole spectrometer tool. Based upon a comparison of matching chemical and total count radiometric data, the original radiometric  $eU_3O_8$  grades were factored using a linear regression. This had the overall effect of decreasing the original  $eU_3O_8$  grades by approximately 40%. The resulting factored  $eU_3O_8$  grades were considered appropriate for use in the resource estimate.

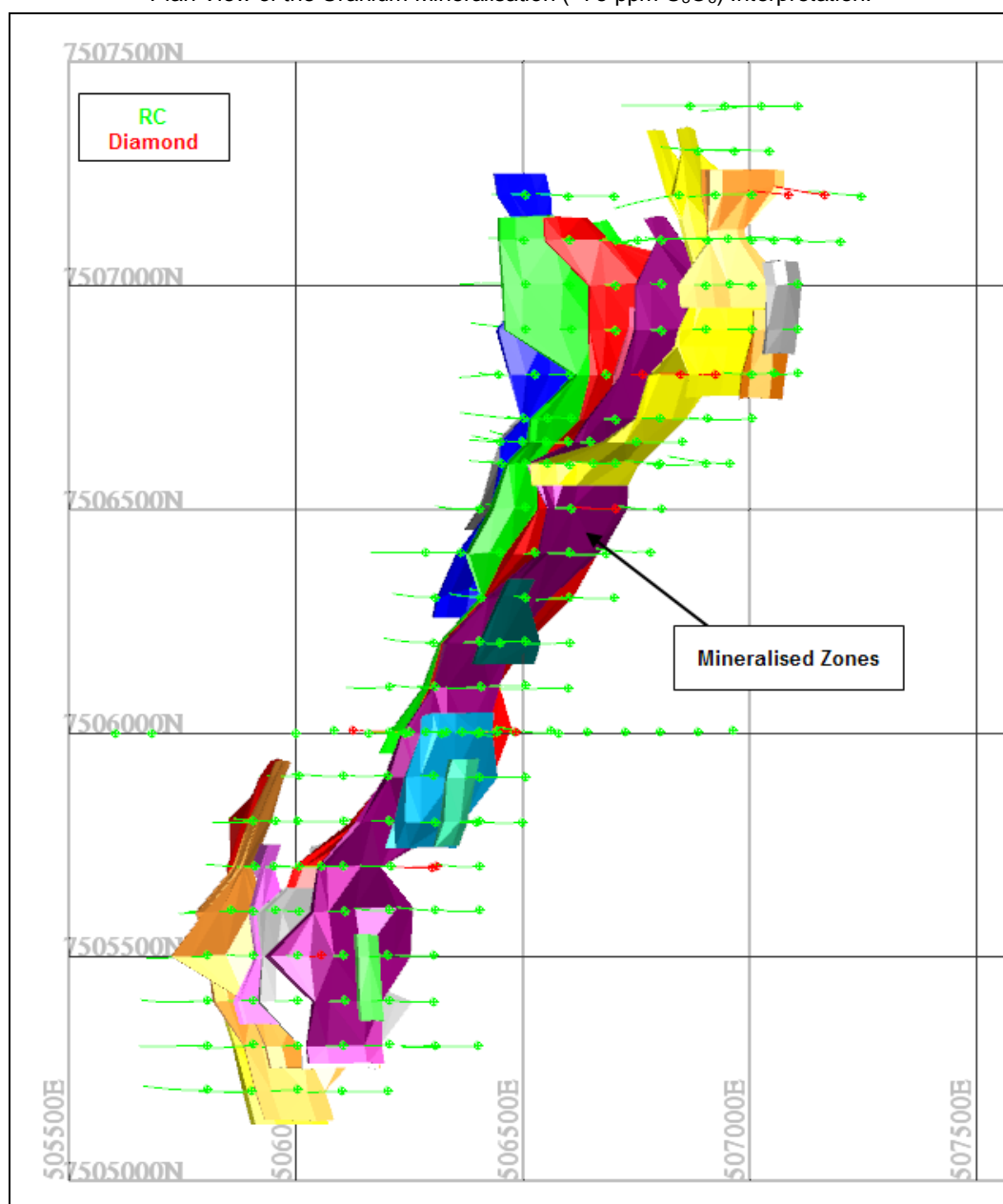


## Geological Modelling

To establish appropriate grade continuity, the mineralisation model for the Rossing South deposit was based upon a nominal 75 ppm  $U_3O_8$  mineralisation halo. The mineralisation constraints were generated based upon sectional interpretation and three dimensional analyses of the available drilling data. The main lithological contacts (e.g. alaskite and sediments) were considered at the time of modelling and used to guide modelling 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.

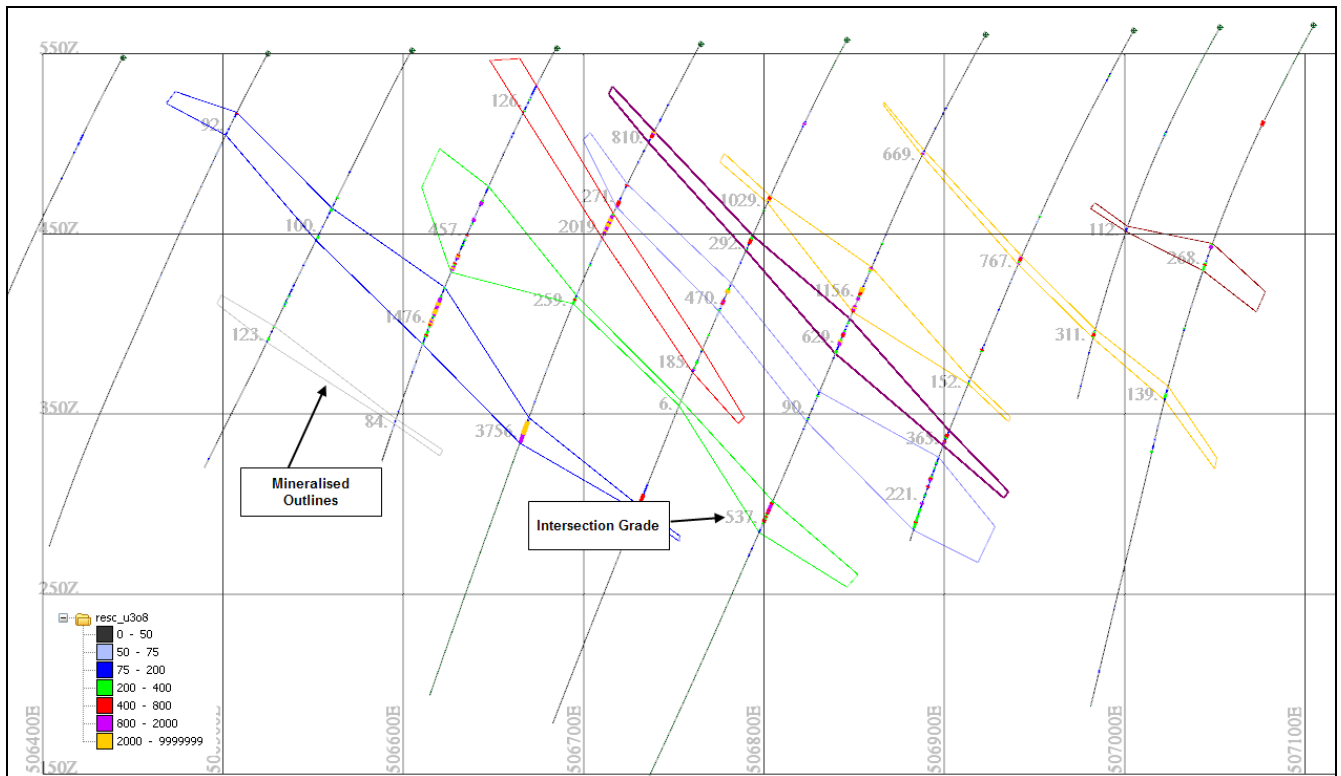
The Rossing South deposit (Figure 3) was modelled as 19 distinct zones (3m to 103m downhole thickness, averaging 19m) with a NNE trend. Individual zones were modelled to extend for up to 2,020m along strike and 400m down-dip. Due to the geometries of the mineralisation, the true thickness of the mineralisation ranges from 60% to 100% of the down hole thickness. Figure 4 shows a typical sectional interpretation with the drillholes coloured by assay grade.

**Figure 3: Rossing South Zone 1.**  
Plan View of the Uranium Mineralisation (>75 ppm  $U_3O_8$ ) Interpretation.



**Figure 4: Rossing South Zone 1**

Sectional Interpretation (750680mN) looking North. Note the moderate easterly dip, of the stacked mineralised zones. Intersection grades are listed as ppm  $U_3O_8$ .



## Grade Estimation

The data captured within the mineralisation model was composited to a regular 3m downhole composite length. As the composite database comprised chemical and factored radiometric data, the combined dataset is referred to as  $combU_3O_8$ .

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 900ppm  $combU_3O_8$  to 5,200ppm  $combU_3O_8$ . Six zones had no high-grade cutting applied. The effect of applying high-grade cuts to the 3m composite data was to reduce the mean grade of the zones affected, typically by between 2% and 10%.

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

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. A combination of omnidirectional and anisotropic variogram models were used as inputs into the estimation. A two pass estimation regime was used with the first pass ranging from 100m to 200m and the second pass ranging from 300m to 400m.



## Resource

Categorisation of the grade estimate was undertaken on the basis of the criteria laid out in the JORC Code and Canadian National Instrument 43-101 ("CNI43-101"). An Inferred Resource was defined using the criteria determined during the validation of the grade estimates, with detailed consideration of the JORC Code and CNI43-101 categorisation guidelines.

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 of 2.65t/m<sup>3</sup> was used when reporting the resource.

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

<b>Rossing South Zone 1 - January 2009 Inferred Resource Estimate.</b>			
<b>Lower Cutoff (U<sub>3</sub>O<sub>8</sub> ppm)</b>	<b>Tonnage (Mt)</b>	<b>Grade (U<sub>3</sub>O<sub>8</sub> ppm)</b>	<b>Contained Metal (M lb U<sub>3</sub>O<sub>8</sub>)</b>
75	115.6	430	108.4
100	115.0	430	108.3
200	102.0	460	103.7

*Note: Figures have been rounded.  
Reported at various cut-offs using a Bulk Density of 2.65 t/m<sup>3</sup>  
Ordinary Kriged Estimate based upon 3m cut combU<sub>3</sub>O<sub>8</sub> Composites.  
Parent Cell Dimensions of 50m NS by 10m EW by 50m RL.*

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 is based on information compiled by Mr Neil Inwood, who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Coffey Mining Ltd. 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 as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Inwood consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Reference to down hole spectrometer results in this announcement refers to data collected by consulting geophysical contractor Terratec Geophysical Services undertaking down hole logging with a Gamma Ray Spectrometer (GRS42). This unit was calibrated at the Pelindaba facility in South Africa before arriving on site. The uranium values are recorded as parts per million (ppm) eU<sub>3</sub>O<sub>8</sub> which is equivalent to ppm U<sub>3</sub>O<sub>8</sub>. Whilst results from this unit provide an indication of uranium mineralisation present they may also be affected by uranium mobility and disequilibrium. These factors should be considered when interpreting eU information while waiting for confirmation chemical assay results.

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.

The Zone 2 Exploration Target potential quantity and grade is conceptual in nature, as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.