



QUARTERLY REPORT

For the Quarter Ending 30 September 2011

Extract Resources Limited
ABN 61 057 337 952

30 Charles Street
South Perth WA

PO Box 752
South Perth
Western Australia 6951

Telephone: +61 8 9367 2111

www.extractresources.com

Enquiries regarding this report
may be directed to:

Jonathan Leslie
MANAGING DIRECTOR

Siobhan Lancaster
COMPANY SECRETARY

OVERVIEW

Husab Uranium Project Update

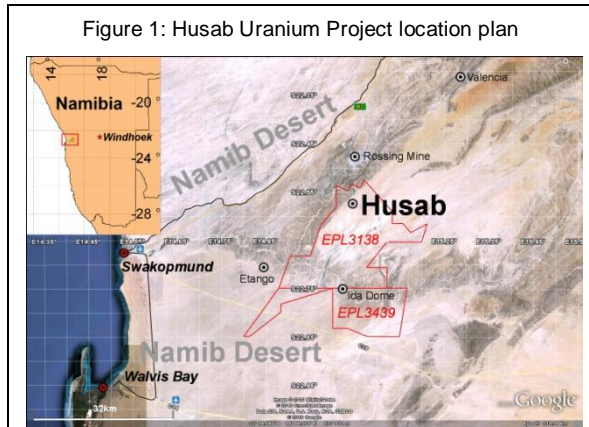
- Updated Reserve Estimate for Zones 1 and 2 completed and announced in August 2011:
 - 37% increase in ore tonnes extends forecast mine life to more than 20 years, including pre-stripping.
 - Ore grade increased by 4% to 518ppm U₃O₈.
 - 15% reduction in life-of-mine strip from 7.3:1 to 6.2:1.
 - More than 4 years of production underpinned by Proven Reserves.
- Ongoing resource infill and extension drilling, and exploration drilling at Middle Dome, continue to yield positive results.
- Approval granted for the Linear Infrastructure Environmental Impact Assessment (EIA).

Corporate

- Partnership process remains ongoing, with interest expressed in the project by several parties.
- Offtake and debt financing discussions continue.
- Mining Licence Application is under active consideration and we look forward to receiving approval in the near future.
- Cash balance at 30 September 2011 was A\$64.4m.

Husab Project Update

The Husab Uranium Project is located in Namibia, the world's fourth-largest uranium-producing country, which has a long, stable history of uranium supply (Figure 1).



Since the discovery of granite-hosted uranium mineralisation at Zone 1 in February 2008, Extract has made rapid progress in advancing the Husab Project, which now hosts the fourth-largest uranium-only deposit in the world.

The Husab Uranium Project Definitive Feasibility Study (DFS) (ASX Release 5 April 2011) demonstrated the economic viability of the project based on Zones 1 and 2 of the August 2010 Resource model.

MORE PROGRAMME

Together with the DFS, Extract announced the initiation of its Mine Optimisation and Resource Extension (MORE) programme, aimed at substantially increasing the current mine life, and at optimisation of process plant and mining operations. In June 2011, the Company announced a resource update, followed by a reserve update in August 2011.

The August 2011 Reserve Estimate indicates a significant increase in forecast mine life, definition of a maiden Proven Reserve and a reduced strip ratio.

The MORE Programme engineering work for the quarter focussed on the creation of ultimate pit designs. Work on stage designs and a detailed mine schedule is ongoing. During Q4 2011, further mine planning and scheduling based on the updated reserves will be carried out (see Figure 3).

Process enhancement testwork looking at improvements to the current process flow sheet is

continuing in South Africa. Enhancements being investigated include finer grinding, changes to tailings generation, movement and storage, ion exchange and process reagents. Results from this work are expected to become available in Q4 2011.

LICENCES AND PERMITTING

A Mining Licence Application (MLA) was lodged with the Ministry of Mines and Energy in December 2010. The MLA area covers the main extent of granite hosted uranium mineralisation at the northern end of Exclusive Prospecting Licence 3138 (see Figure 2).

The Namibian Government has confirmed that existing mining licence applications and existing exclusive prospecting licences will be unaffected by proposed changes to the Namibian Minerals Policy. The Ministry of Mines and Energy has confirmed that the MLA is under active consideration, and we look forward to receiving the Mining Licence in the near future.

The Company lodged an EIA in respect of the linear infrastructure required to support the project, and an Environmental Management Plan (EMP) for the project and related infrastructure with Namibia's Ministry of Environment and Tourism (MET) in June 2011. Approval of the linear infrastructure EIA and EMP was granted in July 2011 (ASX Release 5 July 2011). This was the second and last environmental approval required for the Husab Uranium Project and marks another significant milestone in the development of the project.

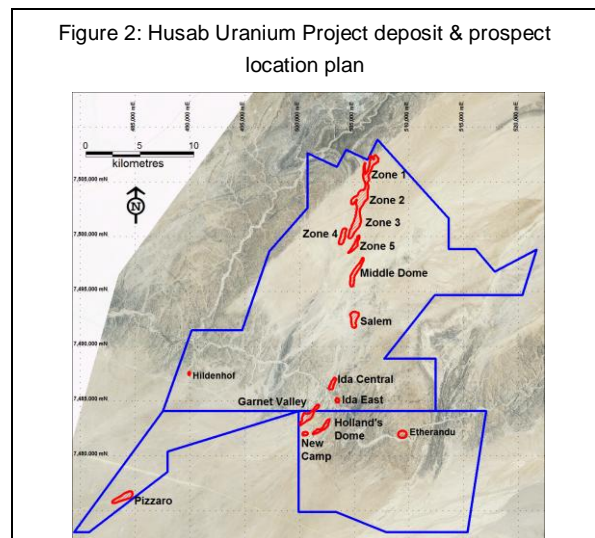
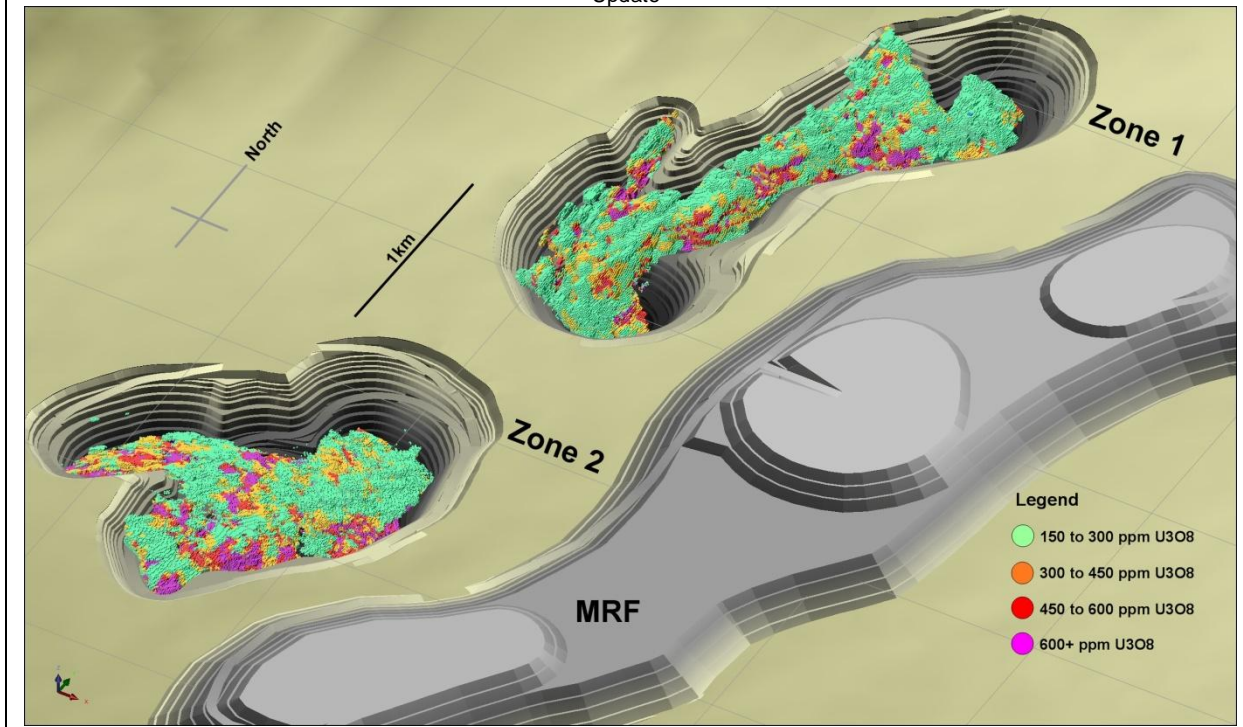


Figure 3: Husab Uranium Project ultimate mine designs, based on the June 2011 Resource Update and July 2011 Reserve Update



RESOURCES AND RESERVES

During the quarter a reserve update for Zones 1 and 2 was announced (ASX Release 10 August 2011), which established the Husab Uranium Project as the fourth-largest uranium-only reserve in the world (Figure 4). Figure 5 shows the evolution of the resources and reserves at the Husab Uranium Project since discovery in February 2008.

Highlights from the August reserve update include:

- A 37% increase in reserve tonnes, extending the projected mine life – inclusive of pre-strip – to over 20 years.
- Definition of Maiden Proven Reserves, equivalent to over 4 years at nameplate production.
- A 4% increase in overall grade from 497ppm U₃O₈ to 518ppm U₃O₈.
- A 15% reduction in life-of-mine strip ratio from 7.3:1 to 6.2:1.

The reserve update figures are summarised in the following table (Table 1).

Table 1: Husab Uranium Project Zones 1 and 2 reserve estimate			
	Tonnes (million)	Grade (ppmU ₃ O ₈)	U ₃ O ₈ (M.lbs)
Proven Reserves			
Zone1	25.3	482	26.9
Zone 2	37.4	628	51.8
Zone 1 + 2	62.7	569	78.7
Probable Reserves			
Zone 1	123.4	460	125.1
Zone 2	93.9	561	116.1

Zone 1 + 2	217.3	504	241.2
Totals			
Zone 1	148.7	464	152
Zone 2	131.3	580	167.9
Zone 1 + 2	280	518	319.9

Note: Figures have been rounded.

Figure 4: Reserves of uranium-only deposits worldwide. Note Husab figures include only Zones 1 and 2
Refer to the August, 2011 EXT ASX Reserve Update release for more detail

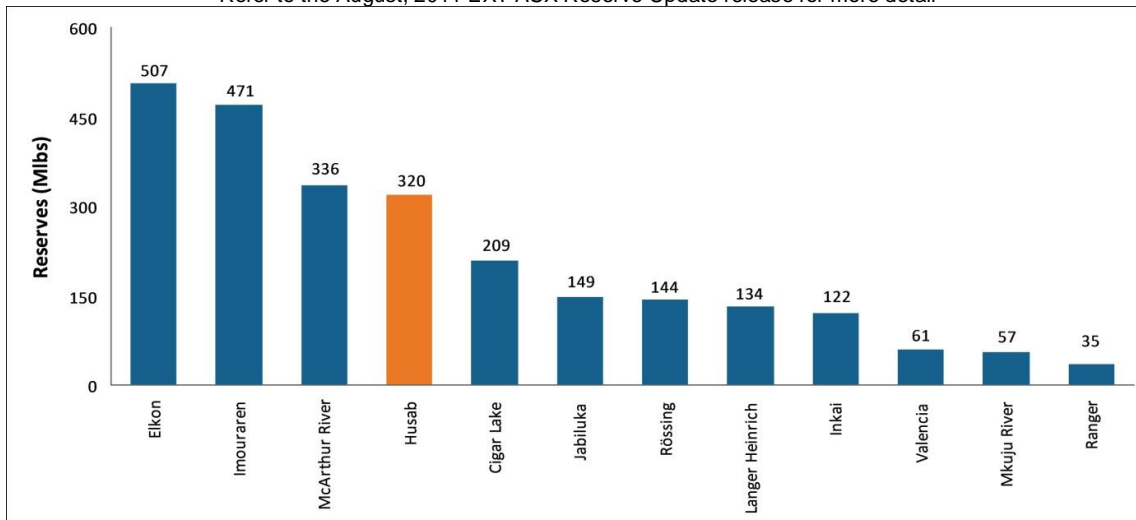
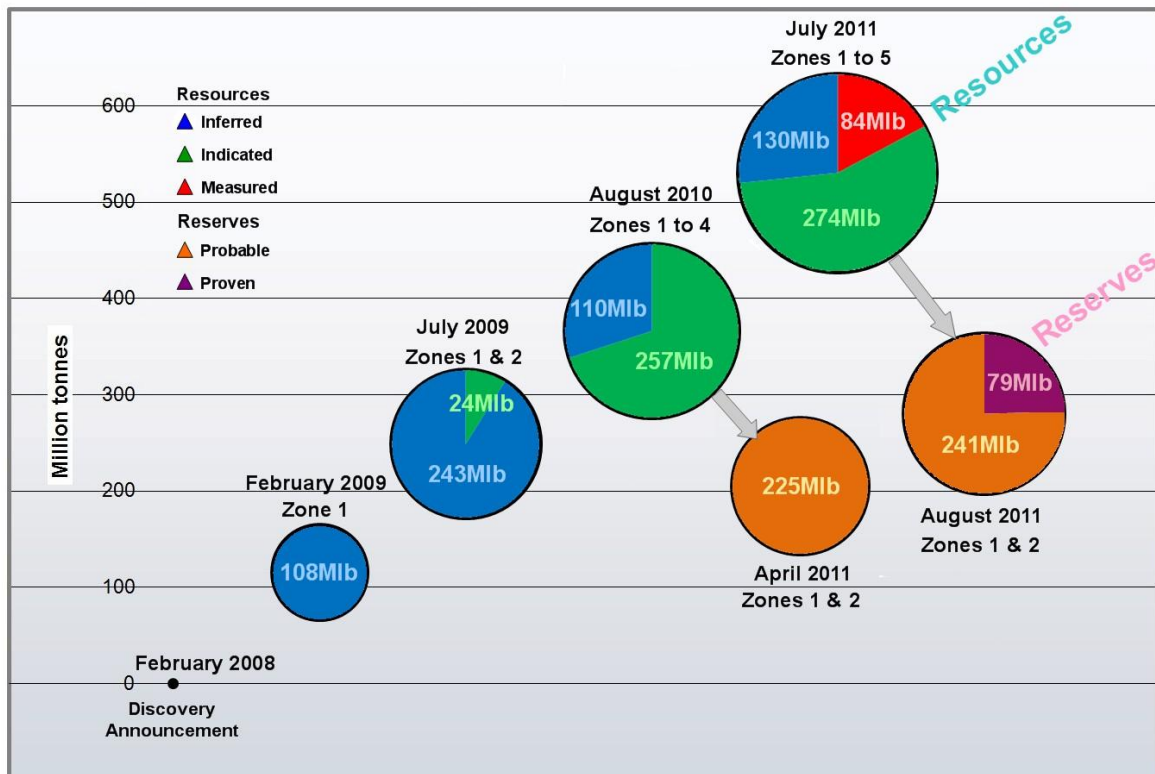


Figure 5: Evolution of Resource and Reserve inventory at the Husab Uranium Project



EXPLORATION

There is significant scope to continue to add value to the Husab Uranium Project through continuing exploration. With this in mind the Company is maintaining an active exploration programme.

Drilling progress during the quarter totalled 27,853 metres from 91 drill holes. Five drill rigs were on site during the quarter - three core rigs and two RC rigs.

The drilling completed was infill and extension resource definition work undertaken by RC and diamond rigs operating at Zones 1 and 2, and exploration – mainly by RC drilling – at the Zone 5 to Middle Dome trend (see Figure 2).

The drilling priorities during the quarter were:

1. Infill and extension resource definition drilling on Zones 1 and 2 aimed at increasing confidence levels by defining more Indicated and Measured Resource material; and
2. Exploration drilling over the Zone 5 to Middle Dome area targeting the Rössing South anticline.

URANIUM MARKET

The spot market was volatile during the third quarter of 2011 with the Ux Spot price indicator falling to \$49/lb before rising to \$52.5/lb by the end of September. The Ux Long Term indicator fell during the quarter from \$68/lb to \$64/lb.

Both the long term and spot markets were influenced by the decrease in demand from Japan and Germany and availability of supply that had previously been committed to these reactors. These supplies are likely to influence pricing in spot contracts and term contracts which start in the near future.

In the medium term the market is expected to tighten as supply from some existing mines decreases and the end of the HEU agreement in 2013 reduces the availability of predictable secondary supply.

Corporate

The Company attended and presented at the following forums during the quarter:

1. Diggers and Dealers, Kalgoorlie
2. Africa Downunder, Perth
3. Australian Uranium Conference, Fremantle
4. CLSA Australian mid-cap access day, London
5. WNA Annual Symposium, London

Extract has approached a number of financing agencies and banks with a view to funding the development of Husab through a core group of multilateral/bilateral international financial institutions, export credit, import credit, commercial bank lenders and equipment manufacturers with relevant industry and regional experience. Discussions have been held with several prospective buyers who may enter into long-term and sizeable offtake and partnership arrangements supportive of equity and debt financing.

Further, discussions continue with Epangelo, the Namibian state-owned mining company, about its potential involvement in Husab.

On 10 October 2011 the Company noted that Kalahari had announced to the market that it had recommenced discussions with CGNPC-URC around a possible recommended offer for Kalahari (ASX Release 11 October 2011).

The Company will keep shareholders informed of any material developments relating to the Company or Husab.

Total expenditure, whilst reduced from the high levels of 2010/11, is being held at a level sufficient to safeguard the integrity of our core teams pending receipt of the mining licence, and to support the value enhancing MORE programme. Cash outflow in the quarter totalled \$10.1m. At 30 September 2011, the Company held cash balances totalling \$64.4m.

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr Andrew Penkethman who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Penkethman is a full time employee of the Company. Mr Penkethman 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 Penkethman consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled or reviewed by Mr Steve Craig and Ross Cheyne, who are both Members of The Australasian Institute of Mining and Metallurgy. Mr Craig and Mr Cheyne are consultants to the Company and founding directors of Mining Consultancy group, ORElogy. Mr Craig and Mr Cheyne 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 Craig and Mr Cheyne consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

This release contains certain "forward-looking statements". All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could", or "might" occur or be achieved and other similar expressions. Forward looking statements include those relating to the updated resource estimate increasing mine life and value, and the potential for process enhancements to add further value to the project. These forward-looking statements reflect the current internal projections, expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties, including those detailed from time to time in filings made by the Company with securities regulatory authorities, that may cause the actual results of the Company to differ materially from those discussed in the forward looking statements, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on the Company. The Company expressly disclaims any obligation to update or revise any such forward-looking statements except as required by securities laws.

EXTRACT RESOURCES LIMITED – ASX/TSX Code: EXT

Directors and Management:

Steve Galloway.....Non-executive Chairman
Jonathan Leslie.....Managing Director &
Chief Executive Officer
Neil MacLachlan.....Non-executive Director
Inge Zaamwani-Kamwi...Non-executive Director
John Main.....Non-executive Director
Alastair Clayton.....Non-executive Director
Ron Chamberlain.....Non-executive Director
Siobhan LancasterCompany Secretary

Issued Capital:

At the end September 2011, quoted issued capital was 251,159,163 ordinary shares.

Shareholder Enquiries:

All matters relating to shareholdings, including changes in address, TFN's, etc., should be directed to:
Link Market Services Pty Ltd
Locked Bag A14
Sydney South, NSW 1235, Australia
Phone (within Australia): 1300 554 476
Phone (outside Australia): +61 2 8280 7761
Email: registrars@linkmarketservices.com.au

Company Website:

The Company updates its website frequently.

This and other reports may be easier to read in colour, and are stored on the website.

www.extractresources.com