EXTRACT RESOURCES LTD

ABN 61 057 337 952

AND CONTROLLED ENTITIES

HALF-YEAR REPORT

31 DECEMBER 2010

Half-year report

31 December 2010

Contents

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Extract Resources Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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 Fellow of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Both Mr Spivey and Mr Penkethman are 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.

Corporate Directory
31 December 2010

Directors

Stephen Galloway	Non-Executive Chairman
Jonathan Leslie	Chief Executive Officer
Neil MacLachlan	Non-Executive Director
John Main	Non-Executive Director
Inge Zaamwani-Kamwi	Non-Executive Director
Alastair Clayton	Non-Executive Director
Ron Chamberlain	Non-Executive Director

Company Secretary

Siobhan Lancaster

Registered Office

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SOUTH PERTH WA 6151
Telephone: +61 (8) 9367 2111
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Corporate Office

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United Kingdom
Telephone: +44 (0)207 317 9220

Namibian Office

3 Schutzen Street
Windhoek
Namibia
Telephone: +264 (61) 300 220

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Solicitors

Clayton Utz
Level 27, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Share Registry

Link Market Services
Locked Bag A14
SYDNEY SOUTH NSW 1235
Telephone: 1300 554 474 or (02) 8280 7111
Facsimile: (02) 9287 0303

Stock Exchange Listings

Australian Stock Exchange
Toronto Stock Exchange
Namibia Stock Exchange

ASX/TSX/NSX: EXT

Your directors present their report on the consolidated entity consisting of Extract Resources Ltd ("the Company") and the entities it controlled at the end of, or during, the half year ended 31 December 2010.

DIRECTORS

The following persons were directors of Extract Resources Ltd during the whole of the half year and up to the date of this report:

Stephen Galloway

Jonathan Leslie

Neil MacLachlan

John Main

Inge Zaamwani-Kamwi

Alastair Clayton

Ron Chamberlain

REVIEW OF OPERATIONS

Husab Uranium Project Highlights

In less than three years the Company has moved from discovery of the Husab deposit to definition of the largest and highest grade, in-situ granite-hosted uranium deposit in Namibia and the fifth largest uranium-only deposit in the world.

The Company continues to advance preparation of a Definitive Feasibility Study (DFS) to develop the Husab Uranium Project into one of the largest uranium mines in the world. The target for completion of the DFS remains the first quarter of 2011.

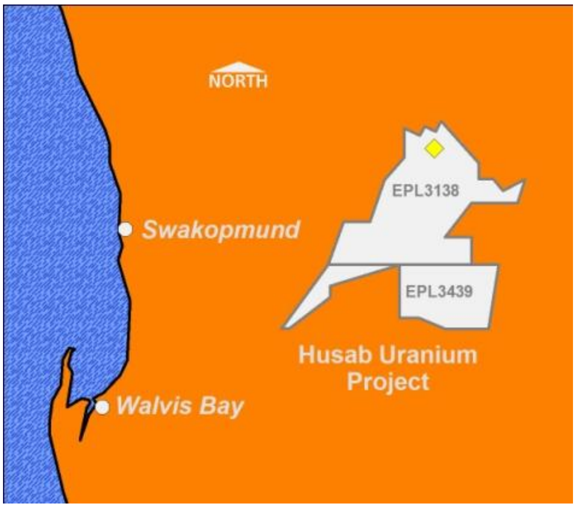
In January 2011, approval was received from the Ministry of Environment and Tourism of the Project's Environmental Impact Assessment (EIA) and Management Plan (EMP) over the mining licence area. A separate EIA is in progress for the linear infrastructure relating to the Project. The Company lodged an application for a Mining Licence with the Namibian Ministry of Mines and Energy in December 2010. These steps are considered to be major milestones for the Husab Project, and reflect the tremendous work that the project team has accomplished over the past half year, as well as the supportive regulatory and investment environment in Namibia. The Company has also applied for an extension of term on EPL3138.

The fourth quarter of 2010 saw encouraging increases in the uranium prices, in both spot and term market indicators. The TradeTech month end spot price indicator (Exchange Value) rose from US$47.50/lb at the beginning of October to US$62/lb at the end of December and the term price increased by US$7/lb to end the quarter at US$67/lb.

Project Overview

The Husab Uranium Project is located in the Erongo region of central west Namibia (Figure 1), a country with good supporting infrastructure, an established mining industry, and a long history of uranium production. The project consists of two Exclusive Prospecting Licences located centrally within the Erongo uranium province, which features both primary (granite hosted) and secondary (surficial) uranium deposits.

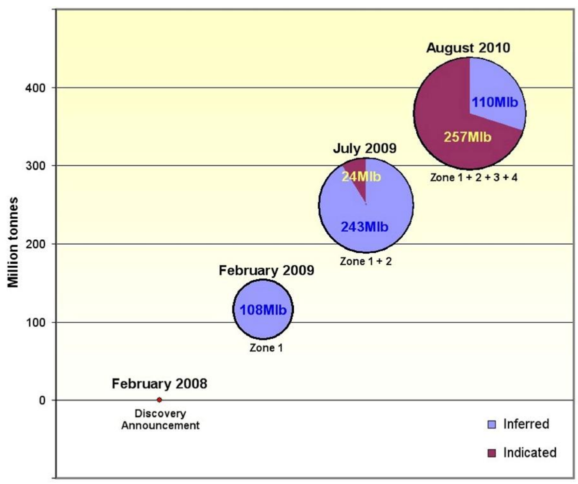
Figure 1: Husab Uranium Project Location relative to the city of Swakopmund and the deep water port of Walvis Bay



Resource Definition

Since the discovery of the Husab deposits in February 2008, the project has been subject to one of the largest exploration and resource definition drilling programs in the world. The rapid resource growth of the Husab Uranium Project is shown graphically in figure 2 below.

Figure 2: Husab Uranium Project Evolution and Growth



Drilling to date (Figure 3) has defined an Indicated Resource of 241Mt @ 480 ppm for 257M lbs U3O8 together with Inferred Resources of 125.5Mt @ 400ppm for 110M lbs U3O8 (ASX release 10 August 2010). Rapid progress continues to be made in advancing this globally strategic asset towards production.

Figure 3: The current resource estimate (ASX release 10 August, 2010) for Zones 1 to 4 is shown below (See Figure 3).

Husab	Category	Tonnes	Grade	U_3O_8
Zones 1+2	Indicated	241.0	480	257.0
Zones 1+2+3+4	Inferred	125.5	400	110.3

Note: Figures have been rounded. Bottom cut 100 ppm U3O8.

Subsequent drilling has been directed towards:

1. Infill resource definition drilling on Zones 1 and 2 aimed at increasing confidence levels by defining more Indicated and Measured Resources which are available for conversion to mining reserves;
2. Extensional resource definition drilling on Zones 1 and 2 aimed at increasing the global resource base; and
3. Exploration drilling south of Zone 3, predominantly at the Salem, Central Dome and Pizzaro Prospects.

The next resource update is planned for Q2 2011. This update will incorporate all drilling completed during 2010.

Significant exploration potential remaining at the Husab Uranium Project will continue to be evaluated over the coming years.

Husab Uranium Project Definitive Feasibility Study

The Company's current focus is to progress the completion of the DFS, with the large Indicated Resource base of Zones 1 and 2 underpinning the establishment of a large integrated mining and milling operation at Husab.

The Company continues to make solid progress in relation to the DFS, across multiple work streams. The objective remains the advancement of the Husab Uranium Project towards mine development as quickly and cost effectively as possible.

Mining

Mining related studies continue to determine the optimum open pit schedule. Extensive work is also being undertaken to define the optimum waste landform and tailings storage facility, with co-disposal options also being reviewed. Evaluation of heavy mining equipment tenders is also being progressed.

Processing

Metallurgical test-work and detailed engineering design for the agitated tank leach plant continues. The main focus for the metallurgical test-work is the review of value adding initiatives aimed at minimising reagent consumption and maximising recovery. To this end the results from the pilot plant are being incorporated into the process plant design.

Infrastructure

Extensive negotiations continue with parastatal utilities NamWater and NamPower to ensure that these vital services will be available for project development and production.

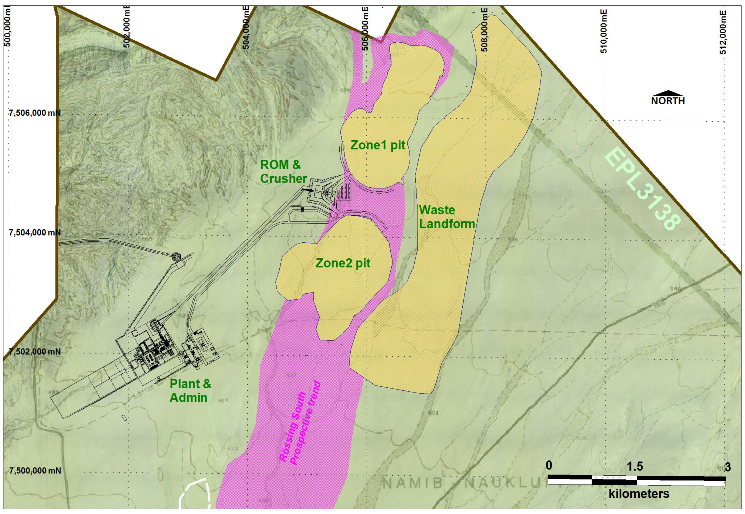
Sufficient water is expected to be available for project development, but additional water is required to achieve full scale production. Work to ensure this requirement is fulfilled is progressing well with proactive support from the Government of Namibia.

Temporary power requirements for project development and permanent supply plans are well advanced. NamPower is expected to fill these requirements from existing capacity. However, some additional infrastructure will be required with the likely outcome a new substation at Arandis.

Site access roads have been designed. The Company expects to award a construction contract after completion of the DFS.

Considerable work has been put into defining the optimum site layout taking into consideration environmental, sustainability, and operability factors. The current base case site layout that is being refined for completion of the DFS is shown below (Figure 4).

Figure 4: Current base case site layout



Environmental Studies

Extensive specialist environmental studies have been completed over the proposed mining and infrastructure corridors on the Husab Uranium Project. The primary focus has been around Zones 1 and 2, the deposits proposed for initial production.

A draft Environmental Impact Assessment (EIA) and Management Plan (EMP) was made available to the public from 27 October to 22 November. As part of this process public consultation meetings were held in Windhoek, Arandis and Swakopmund. External review of the draft reports was also completed by independent environmental consultants in South Africa.

January 2011, approval was received from the Ministry of Environment and Tourism (MET) of the Project's Environmental Impact Assessment (EIA) and Management Plan (EMP). This approval is a precondition for grant of a Mining Licence for the Husab Project.

Mining license application

A Mining Licence application was lodged with the Namibian Ministry of Mines and Energy in December 2010. The application covers the northern section of EPL3138, including the most significant areas of uranium mineralisation starting with Zone 1 to the north and extending south towards Salem. The Company has also applied for a further 2 year extension of term on EPL3138.

Partnership Process

The Company continues to review and discuss partnership options regarding the development of the world class Husab Uranium Project.

On 21 February 2011 the Company announced it was holding discussions with Rio Tinto around a potential combination of the Husab Uranium Project with the neighbouring Rössing Uranium Mine, with a view to capturing the significant potential synergies that could be generated from a joint development of the two projects. Extract also announced it was holding discussions with Kalahari Minerals Plc to explore various options that might simplify the Extract/Kalahari shareholding structure. These discussions remain confidential and incomplete and there is no certainty that the parties will reach any agreement.

Agreement with North River Resources

In September 2010, The Directors announced the signing of an agreement (the "Agreement") with North River Resource Plc ("North River") relating to their respective wholly-owned subsidiaries, Brandberg Energy (Propriety) Ltd (formely Extract Resources (Namibia) (Proprietary) Ltd), NRR Energy Minerals Limited ("NRR Energy") and West Africa Gold Exploration (Proprietary) Limited ("WAGE"). The terms of the agreement were set out in the announcement dated 21 September 2011. These include the funding by North River of future exploration activities in Brandberg Energy, a wholly owned subsidiary, and a new unincorporated joint venture to hold the nuclear rights of EPL 3139 if and when the licence is granted to WAGE.

North River will obtain a 50% participation in both ventures. As the condition precedents have not yet been satisfied under the agreement, completion has not yet occurred. As a consequence Extract still retains its 100% holding in Brandberg Energy.

Finance Review

The Company's focus is the future development of the Husab Uranium Project in Namibia. As the Project is in the exploration & evaluation phase, the company has no income other than limited interest of A$1.2M (2009: A$1.1M) on cash balances. The Company has funded recent expenditure on its drilling programme, on preparation of a definitive feasibility study, including pilot plant test work, and corporate and administrative expenses from the proceeds of equity issuance including a A$40.3M placing of special warrants in September 2009, and a A$50.8M entitlement offer in October 2009.

During the past six months, expenditure increased to A$37.8M, (2009: A$19.9M) as a result of the continued intensity of the drilling programme, increased activities to support preparation of the Project's definitive feasibility study and the strengthening of the Company's corporate capability as it moves towards development of the Husab Uranium Project.

As a consequence, cash balances fell to A$35.3M from A$70.1M at 30 June 2010. The Company believes that its existing cash funding will be sufficient to complete the definitive feasibility study. However, additional funding will be required to continue the drilling programme, and to permit initial engineering and pre-development work at the project.

On 9th December 2010, the Company announced that it had agreed to issue 7,299,069 shares at A$8.35 per share to Kalahari Uranium Limited to raise $60.9M. The placement required shareholder approval, consequently no shares had been issued and no proceeds had been received by the Company at 31 December 2010. At a general meeting of shareholders on 21 February 2011, the placement of shares was approved.

The proceeds of the placement, together with existing cash resources, will allow the Company to continue its current drilling programmes, to complete further value engineering and optimisation initiatives in support of the Definitive Feasibility Study on the Husab Uranium Project, and will, in due course, permit initial engineering and pre-development work to commence at the project.

The Company is evaluating several options for the financing of the construction of the mine, plant and associated infrastructure. Project financing is likely to involve a combination of new equity and new debt. The Company is evaluating the potential for both export and import credit support in relation to equipment procurement and uranium off-take. The Company currently owns 100% of the project, providing flexibility to optimise the structure of future equity issuance. Off-take rights may also be linked to equity investment, whether at project or corporate level. Following completion of the DFS the Company expects to finalise its funding strategy.

Consolidated Net Loss for the Half Year

	2010	2009
	A$'000	A$'000
Interest revenue	1,195	1,122
Exploration and evaluation expenditure	(31,143)	(16,330)
Corporate and administration expenses	(6,644)	(3,614)
Write down of ATW Gold Corp warrant investments	-	(706)
Income tax benefit	3,043	6,101
Net loss for the half year	(33,549)	(13,427)

Exploration and evaluation expenditure has increased significantly from the comparative period as a result of the advancement of the Husab Uranium Project feasibility study and continued high level of drilling during the 2010 half year.

Corporate and administration expenses have also increased from the prior year, primarily as a result of expanded corporate capability to support future growth of the Company. Included in Corporate & administration expenses are non-cash performance rights of A$2.1M (2009: A$ Nil).

The income tax benefit recorded for the 2010 half year is lower than the comparative period as the benefit has been recorded only to the extent to offset the recognised deferred tax liability at 31 December 2010. Further income tax benefits beyond this amount is not probable at this stage.

The higher net loss for the half year of A$33.5M (2009 loss A$13.4M) was attributable to the factors mentioned above.

Consolidated Balance Sheet

	Dec 10	June 10
	A$'000	A$'000
Current assets	37,389	74,398
Non-current assets	87,913	90,319
Current liabilities	(6,090)	(11,079)
Non-current liabilities	(456)	(389)
Net Assets	118,756	153,249

Consolidated current assets have decreased significantly from 30 June 2010 primarily as a consequence of expenditure reducing cash held at 31 December to A$35.3M from A$70.1M as at 30 June 2010.

Consolidated non-current assets in Australian dollars have decreased from 30 June 2010 as a result of the retranslation of Namibian dollar exploration and evaluation assets – exchange rate moved higher to 6.8502 N$/A$ at 31 December 2010.

The net deferred tax liability included within the consolidated current liabilities was reduced to nil at 31 December 2010. The income tax benefit recognised as a deferred tax asset has now fully offset the deferred tax liability.

Consolidated non-current liabilities are higher than 30 June 2010 primarily due to the recognition of a liability for the environmental rehabilitation of the bulk sample test pit area where material was removed for metallurgical evaluation.

As a result of the factors described above, net assets reduced during the period and stand at A$118.8M at 31 December 2010 (June 2010: A$153.2M).

Consolidated Cash Flow

	Dec 10	Dec 09
	A$'000	A$'000
Cash at the beginning of the period	70,118	28,941
Exploration and evaluation payments	(31,269)	(15,967)
Corporate & Administration payments	(4,500)	(3,259)
Interest received	1,195	1,015
Payments for capital expenditure	(199)	(231)
Proceeds from issue of shares and other securities net of costs	50	88,935
Other	(66)	(170)
Cash at the end of the period	35,329	99,264

During the half year, the Company has spent A$31.3M (2009: A$16.0) on exploration and evaluation activities, advancing the Husab Uranium feasibility study and an associated drilling program further defining and increasing the resource at Husab.

Corporate and administration payments have increased from the prior year as a result of expanding the corporate capability of the Company to review strategic options for the development of the Husab project and to enable future growth of the Company.

Cash balances at 31 December 2010 stood at A$35.3M.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 25.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of directors.

Jonathan Leslie

Managing Director/Chief Executive Officer

Perth, Western Australia

22nd February 2011

Consolidated statement of comprehensive income
For the half-year ended 31 December 2010

	Notes	Half-year 2010 A$'000	Half-year 2009 A$'000
Interest revenue		1,195	1,122
Exploration and evaluation expenses	3a	(31,143)	(16,330)
Corporate and administration expenses	3b	(6,644)	(3,614)
Write down of ATW Gold Corporation warrants		-	(706)
Loss before income tax		(36,592)	(19,528)
Income tax benefit		3,043	6,101
Loss after income tax from continuing operations		(33,549)	(13,427)
Net loss for the half year		(33,549)	(13,427)
Other comprehensive income			
Changes in the fair value of available-for-sale financial assets		-	706
Exchange differences on translation of foreign operations		(3,155)	(11,365)
Other comprehensive loss for the half year, net of tax		(3,155)	(10,659)
Total comprehensive loss for the half year		(36,704)	(24,086)
Loss attributable to the owners of Extract Resources Limited		(33,549)	(13,427)
Total comprehensive loss for the half-year attributable to the owners of Extract Resources Limited		(36,704)	(24,086)
		A$ Cents	A$ Cents
Loss per share attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share		(13.78)	(5.71)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2010

	Note	31 December 2010 A$'000	30 June 2010 A$'000
ASSETS			
Current assets			
Cash and cash equivalents		35,329	70,118
Trade and other receivables		2,060	4,280
Total current assets		37,389	74,398
Non-current assets			
Property, plant and equipment		1,125	1,206
Exploration and evaluation expenditure		86,788	89,113
Total non-current assets		87,913	90,319
Total assets		125,302	164,717
LIABILITIES			
Current liabilities			
Trade and other payables		5,406	7,547
Provision for employee entitlements		684	380
Deferred tax liabilities		-	3,152
Total current liabilities		6,090	11,079
Non-current liabilities			
Rehabilitation provision		456	389
Total non-current liabilities		456	389
Total liabilities		6,546	11,468
Net assets		118,756	153,249
EQUITY			
Contributed equity	4	281,008	281,000
Reserves		(1,328)	(376)
Accumulated losses		(160,924)	(127,375)
Total equity		118,756	153,249

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half-year ended 31 December 2010

Consolidated	Contributed equity	Foreign currency translation reserve	Share based payments reserve	Available for sale investments revaluation reserve	Accumulated Losses	Total Equity
	A$'000	A$'000	A$'000	A$'000	A$'000	A$'000
Balance at 1 July 2009	191,358	(308)	5,315	(706)	(91,819)	103,840
Exchange differences on translation of foreign operations	-	(11,365)	-	-	-	(11,365)
Changes in the fair value of available-for-sale financial assets net of tax	-	-	-	706	-	706
Loss for the half year	-	-	-	-	(13,427)	(13,427)
Total comprehensive income for the half year	-	(11,365)	-	706	(13,427)	(24,086)
Transactions with owners in their capacity as owners:						
Employee share options – value of employee services	-	-	(121)	-	-	(121)
Contributions of equity, net of transaction costs	88,935	-	-	-	-	88,935
Balance at 31 December 2009	280,293	(11,673)	5,194	-	(105,246)	168,568
Balance at 1 July 2010	281,000	(7,682)	7,306	-	(127,375)	153,249
Exchange differences on translation of foreign operations	-	(3,155)	-	-	-	(3,155)
Loss for the half year	-	-	-	-	(33,549)	(33,549)
Total comprehensive income for the half year	-	(3,155)	-	-	(33,549)	(36,704)
Transactions with owners in their capacity as owners:						
Share based payments – value of director and employee services	-	-	2,203	-	-	2,203
Contributions of equity, net of transaction costs	8	-	-	-	-	8
Balance at 31 December 2010	281,008	(10,837)	9,509	-	(160,924)	118,756

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the half-year ended 31 December 2010

	Half-year 2010 A$'000	Half-year 2009 A$'000
CASHFLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(35,769)	(19,211)
Interest received	1,195	1,015
Net cash (outflow) from operating activities	(34,574)	(18,196)
CASHFLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(199)	(231)
Net cash (outflow) from investing activities	(199)	(231)
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and other equity securities	50	92,948
Share issue costs	-	(4,013)
Net cash inflow from financing activities	50	88,935
Net increase (decrease) in cash held	(34,723)	70,508
Cash and cash equivalents at beginning of period	70,118	28,941
Effects of exchange rate changes on the balance of cash held in foreign currencies	(66)	(186)
Cash and cash equivalents at end of reporting period	35,329	99,263

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2010 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Extract Resources Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The main accounting policy applied to expenditure for the half year relates to exploration and evaluation costs and is consistent with the previous financial year and corresponding interim reporting period.

Exploration and evaluation costs

Exploration and evaluation costs are allocated separately to specific areas of interest. Each area of interest is limited to a size related to a known or probable Mineral Resource capable of supporting a mining operation. Such costs comprise net direct costs and an appropriate portion of related overhead expenditure directly related to activities in the area of interest.

Exploration and evaluation costs incurred in the normal course of operations are written off immediately.

Exploration and evaluation costs are capitalised where they are the result of an acquisition from a third party. These capitalised costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When a decision to proceed to development is made the exploration and evaluation costs capitalised to that area are transferred to mine development within property, plant and equipment. All costs subsequently incurred to develop a mine prior to the start of mining operations within the area of interest are capitalised. These costs include expenditure to develop new ore bodies within the area of interest, to define further mineralisation in existing areas of interest, to expand the capacity of a mine and to maintain production.

2 Segment information

The consolidated entity currently operates in the one operating segment of uranium exploration and evaluation. Discrete financial information is available for this operating segment and the results of this business activity are regularly reviewed by the entity's chief operating decision maker. Project locations are all within one geographical area, being Namibia.

	Half year	
	2010	2009
Uranium exploration and evaluation segment - Namibia	A$'000	A$'000
Segment revenue	-	-
Segment loss before income tax	(31,143)	(16,330)
Segment non-current assets	87,836	86,934
Reconciliation of segment loss before income tax:		
Segment loss before income tax	(31,143)	(16,330)
Corporate and administration expenses	(6,644)	(3,614)
Interest revenue	1,195	1,122
Write down of ATW Gold Corporation warrants	-	(706)
Loss before income tax	(36,592)	(19,528)
Reconciliation of segment non-current assets:		
Segment non-current assets	87,836	86,934
Corporate and administration non-current assets	77	163
Non-current assets	87,913	87,097

3 Loss for the half year

Loss for the half year includes items that are unusual of their nature, size or incidence:	Half year	
	2010	2009
	A$'000	A$'000
3 (a) Exploration and evaluation expenses		
Drilling expenses	12,299	7,288
Feasibility study costs	11,134	3,439
Assay sample costs	2,039	1,880
Employee benefits expense	1,875	1,160
Share based payments	211	-
Other expenses	3,585	2,563
Total exploration and evaluation expenses	31,143	16,330

3 Loss for the half year (continued)

Loss for the half year includes items that are unusual of their nature, size or incidence:	Half year	
	2010	2009
	A$'000	A$'000
3 (b) Corporate and administration expenses		
Corporate expenses	1,727	2,598
Directors fees	551	601
Employee benefits expenses	1,881	406
Administration expenses	502	130
Share based payments	1,983	(121)
Total corporate and administration expenses	6,644	3,614

4 Equity securities issued

	Half year		Half year	
	2010	2009	2010	2009
	Shares	Shares	A$'000	A$'000
Ordinary shares				
Issued and fully paid	243,302,298	242,617,636	281,008	280,293
Opening balance 30 June	243,150,558	228,981,605	281,000	191,358
Issues of ordinary shares during the half-year				
Private placement of special warrants on TSX	-	5,200,000	-	40,300
Non-renounceable entitlement offer	-	6,555,031	-	50,802
Exercise of employee options	50,000	1,881,000	50	1,846
Class A Performance Rights vested	101,740	-	-	-
Share issue costs incurred	-	-	(42)	(4,013)
Closing balance 31 December	243,302,298	242,617,636	281,008	280,293

5 Related parties

No change has occurred in the related parties for the Company from those reported in the Annual Report for the year ended 30 June 2010.

No significantly different related party transactions have occurred during the half year ended 31 December 2010 from those reported in the Annual Report for the year ended 30 June 2010.

6 Contingencies

The Company had no contingent assets or liabilities at either 31 December.

7 Events occurring after the balance sheet date

Since the end of the financial period, the directors are not aware of any other matter or circumstance not otherwise dealt with in the financial report, that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent years with the exception of the following, the financial effects of which have not been provided for in the financial report for the interim half-year reporting period ended 31 December 2010:

Exercise of Employee Options and Issue of Shares

On 13 January 2011 the Company announced the exercise of 250,000 employee options at A$1.25 per ordinary share expiring on 30 April 2011, resulting in the issue of 250,000 ordinary fully paid shares.

Environmental Approval For Husab Uranium Project

On 28 January 2011 the Company announced that its subsidiary, Swakop Uranium, has received environmental approval from Namibia's Ministry of Environment and Tourism for the Husab Uranium Project mining licence area. A separate EIA is in progress for the linear infrastructure for which public consultation is scheduled in April and May.

General Meeting of Shareholders and placement of Shares

At a General Meeting of shareholders on 21 February 2011, a resolution to approve the issue and allotment of 7,299,069 shares to Kalahari Uranium Limited pursuant to a placement at an issue price of $8.35 per share, was approved. Consequently, the Company will issue 7,299,069 shares to raise proceeds of A$60.9m.

Partnership Update

On 21 February 2011, the Company announced that it was holding discussions with Rio Tinto around a potential combination of the Husab Uranium Project with the neighbouring Rössing Uranium Mine, with a view to capturing the significant potential synergies that could be generated from a joint development of the two projects. Extract also announced that it is holding discussions with Kalahari Minerals Plc to explore various options that might simplify the Extract/Kalahari shareholding structure. These discussions remain confidential and incomplete and there is no certainty that the parties will reach any agreement.

In the directors' opinion:

(a) the financial statements and notes set out on pages 14 to 21 are in accordance with the *Corporations Act 2001,* including:

 i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

 ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Extract Resources Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Jonathan Leslie
Managing Director/Chief Executive Officer
Non-Executive Chairman

Perth, Western Australia

22nd February 2011

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Australia

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF EXTRACT RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Extract Resources Limited, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Extract Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of Extract Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Extract Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO

Brad McVeigh
Director

Perth, Western Australia
Dated this 22nd day of February 2011

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38 Station Street
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Australia

22nd February 2011

Extract Resources Limited
The Board of Directors
30 Charles Street
SOUTH PERTH WA 6151

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF EXTRACT RESOURCES LIMITED

As lead auditor for the review of Extract Resources Limited for the half-year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Extract Resources Limited and the entities it controlled during the period.

Brad McVeigh
Director

BDO

BDO Audit (WA) Pty Ltd
Perth, Western Australia