



HUSAB JV AND UIS URANIUM PROJECTS, CENTRAL WESTERN NAMIBIA

Technical Report

Prepared by RSG Global Consulting Pty Ltd on behalf of:

Extract Resources Limited

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Author(s): Vincent Morel Exploration Projects Manager- International BSc (Hons), MSc (Geol.) MAIG

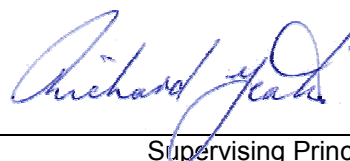
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Primary Author
Vincent Morel



Supervising Principal
Richard Yeates

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1 SUMMARY

RSG Global Consulting Pty Ltd (RSG Global) has been commissioned by Extract Resources Limited (Extract) to prepare an Independent Technical Report on their Uranium Projects in Namibia, Southern Africa. This report complies with disclosure and reporting requirements set forth in the TSX Venture Exchange (TSXV) Corporate Finance Manual, National Instrument 43-101, Companion Policy 43-101CP, and Form 43-101F1.

1.1 Property

Extract Resources Ltd (ASX:EXT) has acquired a portfolio of uranium properties in western Namibia through its wholly owned Namibian subsidiary Extract Resources (Namibia) Pty Ltd (Extract Namibia). The Husab Joint Venture (EXT:51%) is a joint venture agreement between Extract, through its wholly owned subsidiary Extract Namibia, and West Africa Gold Exploration (Namibia) Pty Ltd (WAGE), a wholly owned subsidiary of Kalahari Minerals Plc (AIM:KAH). Extract/WAGE has the right to explore the project area for base and precious metals, energy minerals and industrial minerals.

The principal focus of work to date has been the Husab Joint Venture (Husab Project Area) which includes two exclusive prospecting licenses located in central west Namibia and covers an area of approximately 777km² within the Namib Desert.

The portfolio also includes two recently granted exclusive prospecting licenses located to the north and west of the tin mining centre of Uis, approximately 150 kilometres northeast of Swakopmund, which are held solely by Extract Namibia (the Uis Nuclear Fuels Project). The project covers an area of approximately 1415 km².

1.2 Location

The Husab Project Area comprises two granted exclusive exploration licenses (EPL's 3138 and 3439) and is located in the Namib Desert, approximately 50 km east of Swakopmund in central western Namibia.

The Uis Project comprises two recently granted Exclusive Prospecting Licenses (EPL's 3327 and 3328) located to the north and west of the tin mining centre of Uis, approximately 150 kilometres northeast of Swakopmund, lying south and east of the Brandberg.

1.3 Ownership

The Husab Joint Venture is under a joint venture agreement between Extract (51%), through its wholly-owned subsidiary Extract Namibia, and West Africa Gold Exploration (Namibia) Pty Ltd (WAGE), a wholly-owned subsidiary of Kalahari Minerals Plc. The tenement schedule is included as Table 4.4_1. Tenements 3138 and 3439 are held by WAGE-Husab JV and Extract Namibia – Husab JV, respectively.

The tenements 3327 and 3328 of the Uis Project are held solely by Extract Namibia.

1.4 Geology and mineralization

The Husab Project is situated within the central Damara Orogen in a zone characterised by basement domes, regional folding, faulting, and late Damaran 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. Regional magnetic data indicate that the regional structural history is complex.

In the Uis district to the north-northeast of Swakopmund, the local geology consists of Damara aged schists and granites which have been sporadically calcretized. Substantial contemporary drainages occur including the Orawab and Ugab Rivers, and calcretized palaeodrainages are suspected within the extensive alluvial areas.

Polymetallic copper, copper-gold and copper-uranium mineralization is widely distributed throughout the region, which hosts a major gold mine at Navachab, the Rössing uranium mine and a calcrete-hosted uranium deposit at Langer Heinrich that commenced production in late 2006.

The principal mineral occurrences within the project area are associated with the margins of basement domes, and demonstrate geological characteristics consistent with both shear-hosted and intrusion-related deposit styles. The southern tenements (EPL's 3138 and 3439) contain one of four currently known uraniferous granites (alaskites) within the highly prospective Central Zone of the Damara Orogeny. Mineralised alaskite occurs along the contact between the Khan Formation and marbles of the Husab Formation.

At the Ida Mine, intermittent copper-uranium mineralization is hosted within a narrow shear that can be traced for more than 3km; however exploration drilling is currently localised to two sites. At the Husab fluorite mine, a fluorite-copper-silver-uranium vein stockwork is developed over an area of several square kilometres, but has not been systematically explored.

Regional magnetic data show that the mineralised rock units can be traced beneath cover, however no exploration other than some ground penetrating radar has been conducted beneath these cover sequences for bedrock occurrences or for secondary calcrete uranium mineralization within the cover rocks.

In addition to primary alaskite-hosted uranium mineralization, the tenement holding hosts occurrences of secondary uranium vanadate (carnotite), similar to that seen at the Langer Heinrich Project.

1.5 Exploration concept

The main deposit types being investigated or being explored for include alaskite and calcrete hosted uranium mineralization, and to a lesser degree unconformity type uranium deposits. Alaskite hosted uranium deposits are typically primary in character, whereas calcrete-type deposits are secondary in origin.

1.6 Exploration Status

The exploration status on the Husab JV project area varies from grass roots to an advanced stage. The Hildenhof and Rossing South prospect are at an early stage, whereas the Ida Central and Ida East are at a more advanced stage of exploration. Field operations will commence on Anomaly A and Anomaly D in EPL 3439 once the environmental contract has been settled.

The exploration status on the Uis Project is at a very early stage, and the necessary data sets have been purchased to plan focused field operations.

1.7 Conclusions and recommendations

Exposed mineralization is regarded as reasonably well understood, but the mineralised Anomaly A – Ida and Anomaly D – Ida East trends require better definition through further drilling. All the drilling carried out thus far on the Ida Trend has only tested a fraction of the mineralization highlighted by ground spectrometry. Future exploration will also require the explorer to devote a significant proportion of its efforts to exploring beneath cover sequences. The current exploration strategy is sound, and will effectively test all the currently delineated mineralization systems within the tenement boundaries.

In a regional context, a large portion of the Husab JV project area is covered by recent deposits that obscure bedrock. These deposits have the potential to host secondary calcrete uranium mineralization. The geology beneath cover is well mapped by airborne magnetic data, and shows the presence of basement domes, similar in geology to that at the Ida mine, that have not been explored. Recent reconnaissance mapping and GPR work at Rössing South has determined the existence of palaeochannels prospective for secondary uranium mineralization.

Exploration within the Uis Project comprises limited rock chip sampling, and will require further systematic exploration such as mapping, reconnaissance sampling and drilling.

In the Husab JV Project the current exploration activities have included reconnaissance mapping, GPR, ground radiometry and drilling, and this work has highlighted the need for extensive drilling in areas such as Hildenhof, Rossing South, as well as follow up drilling in the Ida Central and Ida East zones. Further evaluation of the Husab fluorspar mine area is also needed.

An extensive drilling program is required to fully test the Anomaly A-Ida and Anomaly D-Ida East trends. A percussion drilling program has to be carried out at Rossing South to fully test the prospective palaeochannels highlighted by reconnaissance mapping and GPR work.

Mapping and a focused drilling program must be carried out on the Hildenhof prospect to fully test the extent of observed mineralization in the area. Diamond drilling must be initially carried out to have a better understanding of the stratigraphy

The Welwitschia area needs to be drilled to evaluate the historic resources in the area.

The Uis project is at a grassroots stage, and requires reconnaissance mapping and extensive ground radiometric surveying. The initial work will dictate follow up work such as drilling.

2 INTRODUCTION AND TERMS OF REFERENCE

2.1 Scope of the Report

RSG Global Consulting Pty Ltd (RSG Global) has been commissioned by Extract Resources Limited (Extract) to prepare a NI 43-101 compliant Technical Report of Extract's uranium assets in central western Namibia, for inclusion in a listing document to be submitted to the Toronto stock exchange (TSX).

This report is to comply with disclosure and reporting requirements set forth in National Instrument 43-101, Companion Policy 43-101CP, and Form 43-101F1.

The report complies with Canadian National Instrument 43-101 for the 'Standards of Disclosure for Mineral Projects' of December 2005 (the Instrument) and the resource and reserve classifications adopted by CIM Council in November 2004. The report is also consistent with the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' of December 2004 (the Code) as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

Furthermore, this report has been prepared in accordance with the 'Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports of 2005 (the Valmin Code) as adopted by the Australasian Institute of Mining and Metallurgy (AusIMM). The satisfaction of requirements under both the JORC and Valmin Codes is binding upon the author as Member of the AIG.

All monetary amounts expressed in this report are in United States of America dollars (US\$) unless otherwise stated.

2.2 Principal Sources of Information

In addition to site visits undertaken to the Namibian uranium projects in 2006, the author of this report has relied extensively on information provided by Extract and extensive discussions with the Extract exploration crews. The principal sources of information used to compile this report comprise the various hardcopy excerpts of reports prepared by previous explorers, limited digital data, and some published information relevant to the Project area and the region in general. A full listing of the principal sources of information is included in Section 20 of this report.

RSG Global has made all reasonable enquiries to establish the completeness and authenticity of the information provided and identified, and a final draft of this report was provided to Extract along with a written request to identify any material errors or omissions prior to lodgement.

2.3 Qualifications and Experience

RSG Global is an integrated Australian-based consulting firm, which has been providing services and advice to the international mineral industry and financial institutions since 1987. In September 2006 RSG Global was acquired by Coffey International Limited (Coffey), a highly respected Australian-based international consulting firm specialising in the areas of geotechnical engineering, hydrogeology, hydrology, tailings disposal, environmental science and social and physical infrastructure.

The primary author of this report is Mr Vincent Morel, who is a professional geologist with 13 years experience in exploration and mining geology. He is the Exploration Projects Manager (International) of the firm's Geology Division. Mr Morel is also a Member of the Australian Institute of Geoscientists (AIG) and has the appropriate relevant qualifications, experience and independence to generally be considered as a "Qualified Person" as defined in Canadian National Instrument 43-101. Mr Morel visited the Husab JV Projects in December 2006.

2.4 Independence

Neither RSG Global nor the author of this report have or have had previously any material interest in Extract Resources Limited or related entities or interests. Our relationship with Extract is solely one of professional association between client and independent consultant. This report is prepared in return for fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

2.5 Abbreviations

A full listing of abbreviations used in this report is provided in Table 2.5_1 below.

Table 2.5_1
List of Abbreviations

	Description		Description
\$	United States of America dollars	l/hr/m ²	litres per hour per square metre
"	inches	M	million
μ	microns	m	metres
3D	three dimensional	Ma	thousand years
AAS	atomic absorption spectrometry	Mg	Magnesium
Au	gold	ml	millilitre
bcm	bank cubic metres	mm	millimetres
CC	correlation coefficient	Mtpa	million tonnes per annum
cm	centimetre	N (Y)	northing
Co	cobalt	Ni	nickel
CRM	certified reference material or certified standard	NPV	net present value
Cu	copper	NQ ₂	size of diamond drill rod/bit/core
CV	coefficient of variation	°C	degrees centigrade
DDH	diamond drillhole	OK	Ordinary Kriging
DTM	digital terrain model	P80 -75μ	80% passing 75 microns
E (X)	easting	Pd	palladium
EDM	electronic distance measuring	ppb	parts per billion
Fe	iron	ppm	parts per million
g	gram	psi	pounds per square inch
g/m ³	grams per cubic metre	PVC	poly vinyl chloride
GPR	Ground Penetrating Radar	QC	quality control
g/t	grams per tonne of gold	QQ	quantile-quantile
HARD	half the absolute relative difference	RAB	Rotary Air Blast
HDPE	high density poly ethylene	RC	reverse circulation
NQ	size of diamond drill rod/bit/core	RL (Z)	reduced level
hr	hours	ROM	run of mine
HRD	half relative difference	RQD	rock quality designation
ICP-AES	inductivity coupled plasma atomic emission spectroscopy	SD	standard deviation
ICP-MS	inductivity coupled plasma mass spectroscopy	SG	Specific gravity
ISO	International Standards Organisation	Si	silica
kg	kilogram	SMU	selective mining unit
kg/t	kilogram per tonne	t	tonnes
km	kilometres	t/m ³	tonnes per cubic metre
km ²	square kilometres	tpa	tonnes per annum
kW	kilowatts	U	Uranium
kWhr/t	kilowatt hours per tonne	w:o	waste to ore ratio

3 RELIANCE ON OTHER EXPERTS

The authors of this report are not qualified to comment on each of the issues detailed below and accordingly have relied upon the representations and judgements of the following parties for each of these areas of the report:-

Royalty agreement

- Report identity: Okaserawe Heads of Agreement Variation. Addendum to Variation of Deed Khan Valley Joint Venture Heads of Agreement, signed 25/09/03
- Maker of report: The parties to the Variation of Deed, Khan Valley Heads of Agreement, and this Addendum thereto being: Meerkat Minerals Pty Ltd, and its wholly owned subsidiary Kalahari Gold and Copper (Namibia) Pty Ltd, as the Farm-Out Party, and: West African Gold Mines NL, and its wholly owned subsidiary West African Gold Exploration (Namibia) Pty Ltd, as the Farm-In Party.
- Reliance: Signed legal agreement between Meerkat Minerals Pty Ltd, Kalahari Gold and Copper Pty Ltd, West African Gold Mines NL, and West African Gold Exploration (Namibia) Pty Ltd. Scanned copy of original.

Husab Joint Venture

Document 1 – WAGE & EXT JV document

- Report identity: West African Gold Exploration (Namibia) (Pty) Ltd Joint Venture – EPL3138 Namibia, 27 May 2005.
- Maker of report: WAGE.
- Reliance: Signed legal JV agreement between WAGE (49%) & EXT (51%), original sighted.

Document 2 – EPL3138 Ministerial JV approval letter

- Report identity: Republic of Namibia Ministry of Mines & Energy letter RE: Application for ministerial approval for an option agreement b/w West African Gold Exploration (Namibia) (Pty) Ltd and Extract Resources (Namibia) (Pty) Ltd on EPL3138, 26 October 2005.
- Maker of report: Republic of Namibia Ministry of Mines & Energy, A. Lilende Acting Mining Commissioner.
- Reliance: Signed letter from Ministry of Mines & Energy, scanned copy of original .

Document 3 – EPL3138 Environmental clearance letter

- Report identity: Republic of Namibia Ministry of Environment and Tourism letter RE: Environmental Clearance for the Environmental Assessment and Management Plan for the West Africa Gold Exploration Project – License 3138, 29 April 2005.
- Maker of report: Republic of Namibia Ministry of Environment and Tourism, M. Lindeque Permanent Secretary.

- Reliance: Signed letter from Ministry of Environment and Tourism, scanned copy of original.

Document 4 – EPL3439 Grant letter

- Report identity: Republic of Namibia Ministry of Mines & Energy EPL3439 Licence, 16 November 2006.
- Maker of report: Republic of Namibia Ministry of Mines & Energy, Minister of Mines and Energy.
- Reliance: Signed letter from Ministry of Mines & Energy, scanned copy of original.

Document 5 – EPL3327 Grant letter

- Report identity: Republic of Namibia Ministry of Mines & Energy EPL3327 Licence, 16 November 2006.
- Maker of report: Republic of Namibia Ministry of Mines & Energy, Minister of Mines and Energy.
- Reliance: Signed letter from Ministry of Mines & Energy, scanned copy of original.

Document 6 – EPL3328 Grant letter

- Report identity: Republic of Namibia Ministry of Mines & Energy EPL3328 Licence, 23 October 2006.
- Maker of report: Republic of Namibia Ministry of Mines & Energy, Minister of Mines and Energy.
- Reliance: Signed letter from Ministry of Mines & Energy, scanned copy of original.

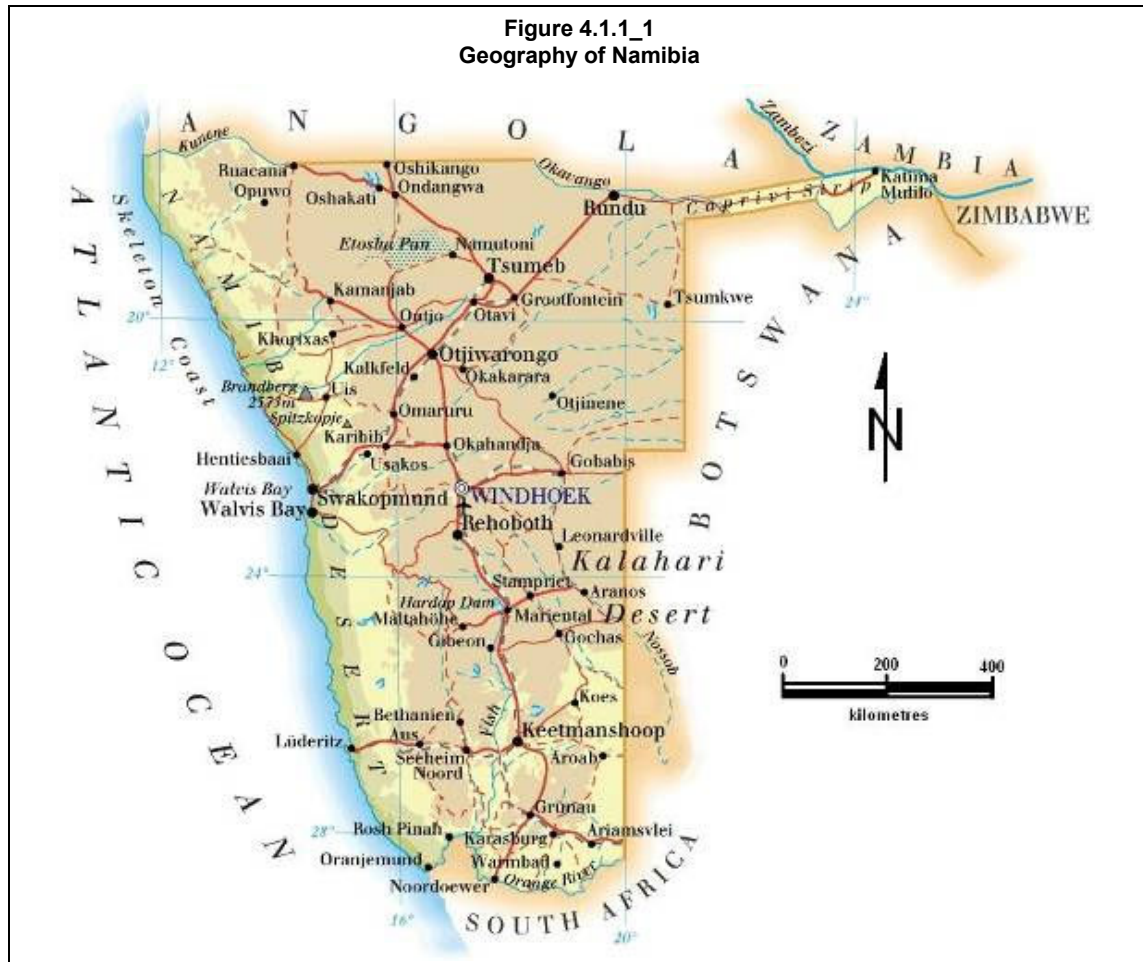
These files all have legal, title, tenure, land acquisition and compensation, and permitting implications.

4 PROPERTY DESCRIPTION AND LOCATION

4.1 Background Information on Namibia

4.1.1 Demographics and Geographic Setting

Namibia is an independent republic with a total surface area of 825,418km², situated north of South Africa, west of Botswana and south of Angola. It is bordered to the west by the Atlantic Ocean (Figure 4.1.1_1). Namibia forms part of the Southern African Region.



Windhoek, with a population of 230,000, is the capital of Namibia and is located in the Khomas Region in the centre of the country. The largest harbour is located at Walvis Bay, on the central west coast, south of Swakopmund. The country is mostly arid or semi-arid, comprising a high inland plateau bordered by the Namib Desert along the coast and the Kalahari Desert to the east. The Namibian coastline is swept by the cold Benguela current. Namibia has a population of approximately 2 million people and, according to a 2006 estimate, 21.3% of the population are HIV positive (CIA fact book website).

The population comprises approximately 87.5% indigenous people, 6% of European descent and 6.5% of mixed origin. About 50% of the population belong to the Ovambo tribe and 9% to the Kavango tribe. Other ethnic groups include the Herero (7%), Damara (7%), Nama (5%), Caprivian (4%), Bushmen (3%), Baster (2%) and Tswana (0.5%).

We're merging with

coffey
mining

The official language is English, however Afrikaans is the commonly spoken language of most of the population. Indigenous languages include Oshivambo, Herero and Nama. According to World Bank standards, 84% of the population are literate.

4.1.2 History and Political Status

South Africa occupied the German colony of South West Africa during World War I and administered it as a mandate until after World War II when it annexed the territory. In 1966, the South West Africa People's Organization guerrilla group ("SWAPO") launched a war of independence for the area that was subsequently named Namibia, but it was not until 1988 that South Africa agreed to end its administration in accordance with a UN peace plan for the entire region.

Namibia gained independence from the South African mandate on 21 March 1990 following multi-party elections and the establishment of a constitution. President Sam Nujoma served for the first three terms and was succeeded by President Hifikepunye Pohamba in March 2005 following a peaceful election.

4.1.3 Infrastructure

Namibia is serviced by a network of sealed highways connecting Windhoek in the central plateau region of Namibia with the coast at Walvis Bay, and with Botswana, Angola and South Africa. Generally unsealed but well-maintained access roads provide regional access throughout Namibia. Power is available via local extensions to an extensive regional electricity grid originating in South Africa. A railway line extends from the port of Walvis Bay to Tsumeb, where a copper smelter is in operation.

Water is potentially available to the various projects via underground resources within the major river systems, or can be supplied by pipeline from the coast. The Government water authority, Namwater, provides assistance in the development of water resources for existing and potential new users.

Areas within the Namib-Naukluft National Park, which includes the Husab Project, are granted for exploration, subject to appropriate environmental commitments.

4.1.4 Industry

The economy is heavily dependent on the extraction and processing of minerals for export. Mining accounts for approximately 20% of GDP. Namibia also has an important traditional subsistence agricultural sector.

In 2005, the estimated GDP (purchasing power parity) was US\$14.16 billion and the per capita income was US\$7,000 with a real growth rate of 3.2%. Mining of zinc, copper, and silver and increased fish production led growth in 2003-05.

A high per capita GDP relative to the region hides the great inequality of income distribution. Nearly one-third of Namibians had annual incomes of less than \$1,400 according to a 1993 study.

Namibia is estimated to have earned US\$1.36 billion from the export of diamonds, copper, gold, zinc, lead, uranium, cattle, and processed fish and karakul skins during 2004.

The Namibian economy is closely linked to South Africa, with the Namibian dollar pegged to the South African Rand.

Rich alluvial diamond deposits make Namibia a primary source for gem-quality diamonds. Namibia is the fourth-largest exporter of non-fuel minerals in Africa, the world's fifth-largest producer of uranium, and a producer of copper, lead, zinc, tin, silver, gold and tungsten. The mining sector employs only about 3% of the workforce, while about half of the population depends on subsistence agriculture for its livelihood.

Namibia normally imports about 50% of its cereal requirements. In drought years, food shortages are a major problem in rural areas.

Privatisation of several enterprises has been undertaken to stimulate long-term foreign investment.

4.1.5 Mining

Artisanal workers exploited copper mineralization within Namibia prior to re-discovery during the 1800's following the exploration and development of the Southern African region. In Namibia (formerly German South West Africa), this exploration was completed largely by German interests. Modern mining began during 1840 when the Matchless Mine, southwest of Windhoek, was developed by the Walwich Bay Copper Mining Company.

Major operating metalliferous mines are present at Rossing (uranium), Skorpion (zinc), Navachab (gold) and Tsumeb-Kombat (copper-lead-zinc).

4.2 Mineral Tenure

In Namibia, all mineral rights are vested in the State. The Minerals (Prospecting and Mining) Act of 1992 regulates the mining industry in the country. The Act has been designed to facilitate and encourage the private sector to evaluate and develop mineral resources. The Mining Rights and Mineral Resources Division in the Directorate of Mining is usually the first contact for investors, as it handles all applications for and allocation of mineral rights in Namibia.

Several types of mining and prospecting licenses exist, as outlined briefly below.

4.2.1 Non-Exclusive Prospecting Licenses (NEPL)

Valid for 12 months, these licenses permit prospecting non-exclusively in any open ground not restricted by other mineral rights. Prospectors must furnish the Mining Commissioner with details on all samples removed from the NEPL area.

4.2.2 Reconnaissance Licenses (RL)

These licenses allow regional remote sensing techniques, and are valid for 6 months (renewable under special circumstances) and can be made exclusive in some instances. A geological evaluation and work plan needs to be submitted to the Mining Commissioner.

4.2.3 Exclusive Prospecting License (EPL)

Individual EPL's can cover areas not exceeding 1,000km² and are valid for three years, with two renewals of two years each. Two or more EPL's can be issued for more than one mineral in the same area. A geological evaluation and work plan (including estimated expenditure commitments) is a pre-requisite prior to issuing of the licenses.

4.2.4 Mineral Deposit Retention Licenses (MDRL)

These allow successful prospectors to retain rights to mineral deposits that are uneconomic to exploit immediately. MDRL's are valid up to five years and can be renewed subject to limited work and expenditure obligations.

4.2.5 Mining Licenses

Mining Licenses (MLs) can be awarded to Namibian citizens and companies registered in Namibia. They are valid for the life of mine, or an initial 25 years, renewable for successive periods of up to 15 years. Applicants must have the financial and technical resources to mine effectively and safely.

With the exception of NEPLs and RLs, prior to MLs being issued, all applicants are required to complete an environmental contract with the Department of Environment and Tourism. Where relevant, environmental impact assessments must be made with respect to air pollution, dust generation, water supply, drainage/waste water disposal, land disturbance and protection of fauna and flora.

The Namibian mineral exploration and mining rights are provided in Table 4.2.5_1.

4.3 Project Locations

Extract has acquired and commenced exploration on a portfolio of uranium properties in western Namibia. This portfolio includes four licenses, which can be broadly subdivided into two geographical areas. The locations of the project areas are shown in Figure 4.3_1.

4.3.1 Husab JV Project

The Husab Project Area comprises two granted Exclusive Prospecting licenses (EPL's 3138 and 3439) and is located in the Namib desert, approximately 50 km east of Swakopmund in central western Namibia.

The principal focus of work to date has been the Husab Joint Venture (Husab JV Project), which includes two Exclusive Prospecting Licenses (EPL) located in central-west Namibia, covering an area of approximately 777km² within the Namib Desert. The project has dimensions of approximately 30km east-west by 35km north-south, and is bounded by the Swakop River in the south and the Khan River to the west. The Husab project area is

located within the Namib Desert, characterised by low ridges of rock, and wide expanses of sand and colluvial cover, interspersed with calcrete pans and traversed by deeply incised river valleys.

All the location references are based on the UTM WGS84 Zone 33 South map projection. In the Husab JV project area, a virtual grid has been established for the purposes of planning, and the bearing correction is 30 degrees (local grid north = 030 degrees from true north).

The property boundaries were surveyed by a Differential Geographical Positioning System (DGPS).

4.3.2 Uis Project

The Uis Project comprises two recently granted Exclusive Prospecting Licenses (EPL's 3327 and 3328) located to the north and west of the tin mining centre of Uis, approximately 150 kilometres northeast of Swakopmund, lying south and east of the Brandberg. The tenements are held solely by Extract Namibia.

All the location references are based on the UTM WGS84 Zone 33 South map projection, and the property boundaries were surveyed by a Differential Geographical Positioning System (DGPS).

The project geology is dominated by Damara-aged schists and granites which have been sporadically calcretized, interspersed with substantial contemporary drainages including the Orawab and Ugab Rivers. It is believed that calcretized palaeodrainages persist within these extensive alluvial areas.

Table 4.2.5_1 Namibian Mineral Exploration and Mining Rights	
Namibia	Mineral Exploration and Mining Rights
Mining Act	: Minerals (Prospecting and Mining) Act, 1992
State Ownership of Minerals	: Yes
Negotiated Agreement	: No
<u>Mining Title / License Types</u>	
Reconnaissance Tenements	: Exclusive Reconnaissance License
Exploration Tenements	: Exclusive Prospecting License Non-exclusive Prospecting License
Mining Tenements	: Mining License
Retention Tenements	: Mineral Deposit Retention License
Special Purpose Tenements	: -
Small Scale Mining Tenements	: Mining Claim
<u>Reconnaissance Tenement</u>	
Name	: Exclusive Reconnaissance License
Purpose	: Permits regional prospecting by aerial or surface ground means or other remote sensing techniques
Maximum Area	: Two 1" x 1" graticules
Duration	: 6 months
Renewals	: 1 x 6 months (in special cases)
Area Reduction	: No
Procedure	: Application to Ministry of Mines and Energy
Granted by	: Ministry of Mines and Energy
<u>Prospecting Tenement</u>	
Name	: Exclusive Prospecting License
Purpose	: Confers exclusive prospecting rights for specified mineral(s)
Maximum Area	: 1000km ²
Duration	: 3 years
Renewals	: 2 x 2 years
Area Reduction	: Yes. Relinquish at least 25% on first renewal and at least an additional 50% on second renewal. Can apply to Ministry of Mines and Energy for relaxation on these requirements.
Procedure	: Application to Ministry of Mines and Energy
Granted by	: Ministry of Mines and Energy
<u>Mining Tenement</u>	
Name	: Mining License
Purpose	: Confers the exclusive rights to extract specific minerals
Maximum Area	: Depending on deposit size
Duration	: 25 years or the life of mine, whichever is shorter
Renewals	: Multiple 15 year extensions to the end of mine life
Procedure	: Application to Ministry of Mines and Energy
Granted by	: Ministry of Mines and Energy

Figure 4.3_1
Location of the Project Areas

Husab Joint Venture (EPL 3138, EPL 3439)
Uis Nuclear Fuels Project (EPL 3327-3328)



Project location map courtesy of Extract Resources Information Memorandum.

4.4 Land Area

Extract Resources Ltd has acquired a portfolio of uranium properties in western Namibia through its wholly-owned Namibian subsidiary, Extract Resources (Namibia) Pty Ltd (Extract Namibia). The tenement schedule is included as Table 4.4_1.

4.4.1 Husab JV Project

The Husab Joint Venture is under a joint venture agreement between Extract (51%), through its wholly-owned subsidiary Extract Namibia, and West Africa Gold Exploration (Namibia) Pty Ltd (WAGE), a wholly-owned subsidiary of Kalahari Minerals Plc.

The principal focus of work to date has been the Husab Joint Venture (Husab Project Area) which includes two Exclusive Prospecting Licenses (EPL's 3138 and 3439) located in central west Namibia and covers an area of approximately 777km² within the Namib Desert.

For EPL3138 a renewal report has already been submitted and a two (2) year renewal is pending.

EPL 3439 is affected by the government policy on uranium licenses and is therefore only renewable on an annual basis. WAGE has been assured that this will be automatically reissued providing sufficient work has been carried out on the tenement. A separate bank account has been established for each license, in line with the new policy, and money has been deposited in each account.

4.4.2 Uis Project

The portfolio also includes two recently granted Exclusive Prospecting Licenses (EPL's 3327 and 3328) located to the north and west of the tin mining centre of Uis, approximately 150 kilometres northeast of Swakopmund, which are held solely by Extract Namibia (the Uis Nuclear Fuels Project). The project covers an area of approximately 1415 km².

It should be noted that EPL3327 is affected by the government policy on uranium licenses and is therefore only renewable on an annual basis. WAGE has been assured that this will be automatically reissued providing sufficient work has been carried out. A separate bank account has been established for each license, in line with the new policy, and money has been deposited in each account.

EPL3328 is renewable on a biannual basis, and WAGE has been assured that the tenement will be reissued providing sufficient work has been carried out, and that expenditure commitments have been met.

4.5 Agreements and Encumbrances

Pursuant to an agreement signed between the parties and subsequently endorsed by the Minister for Mines and Energy of Namibia, the Husab Joint Venture was formed on 20 May 2005. The terms of the Extract joint venture regarding the Husab Project provided for a non-binding expenditure of \$400,000 within 1.5 years to earn a 51% interest in the tenement – This requirement has been met by an expenditure of \$1.9M on the projects.

The Joint Venture is currently unincorporated, and is held 51% by Extract Namibia and 49% by WAGE.

A third party, Meercat Minerals Pty Ltd, retains a royalty of 1.75% of gross production revenue over EPL3138 only.

4.5.1 Environmental Liabilities and Permits

The Husab JV project area falls entirely within the Namib-Naukluft National Park. The environmental aspects of exploration are governed by the Ministry of Environment and Tourism. RSG Global understands that the ministry allows exploration and mining (as demonstrated by production commencing at the Langer Heinrich Mine in late 2006) within such areas, and is unaware of any current regulations that may significantly restrict access to this area for exploration.

A comprehensive Environmental Assessment and Management Plan has been completed for EPL 3138 by an independent environmental consultant and was submitted to the Ministry of Environment and Tourism in February 2005. This document is a requirement for the environmental licensing of the project. The Ministry of Environment and Tourism has endorsed the environmental management plan (EMP) prior to the commencement of exploration activities. A half yearly audit is also carried out. The aim of the EMP is to ensure that all potential negative environmental impacts from the proposed exploration program are minimized and any negative outcomes mitigated.

An environmental clearance application has been submitted for EPL 3439 in the form of a pro-forma environmental contract. The environmental clearance is pending.

The Uis Project has no known associated environmental liabilities, and two environmental clearance applications have been submitted for both licenses in the form of a pro-forma environmental contract. The environmental clearances are pending.

Table 4.4_1
Namibian Uranium Projects
Tenement Schedule

Tenement Type	Tenement No.	Application Date	Grant Date	Holder	Area km²	Annual Rent (N\$)	Minimum Expenditure (N\$)	Comments
EPL	3138	24.11.2003	20.04.2004	WAGE-Husab JV	555.613	8,000	540,000	Renewal Application Submitted
EPL	3439	23.08.2005	03.11.2006	Extract Namibia-Husab JV	221.4	4,000	1,500,000	
EPL	3327	29.03.2005	03.11.2006	Extract Namibia	854.998	9,000	450,000	
EPL	3328	29.03.2005	03.10.2006	Extract Namibia	560.625	6,000	1,070,000	

5 ACCESSIBILITY, CLIMATE, PHYSIOGRAPHY, LOCAL RESOURCES AND INFRASTRUCTURE

5.1 Access

The main access to the project area is gained by travelling approximately 40km east from Swakopmund or Walvis Bay along unsealed regional access roads and then 10km north along the Welwitschia Flats road. A second method of access is via an unsealed track from the northeast that joins with the main Windhoek-Swakopmund highway. Access within the project area is via cross-country tracks established by previous explorers.

5.2 Climate

The project area is characterised by an arid temperate desert climatic regime, characterized by low sporadic rainfall averaging around 10mm per year, although high rainfall events (over 20mm) occur periodically. The project areas lie within the outer range of the Atlantic coastal fog zone. Temperatures average over 25 degrees Celsius in the summer months, and can peak at over 40 degrees. Winter temperatures are somewhat milder, with cool mornings and daily maxima around 20 degrees. Winds are generally from the south and west, but occasional strong north-easterly winds from the interior bring hot dusty conditions.

The climate has little or no effect on the length of the operating season, and exploration activities can be carried out all year.

5.2.1 Physiography

The Project areas cover a number of contrasting topographic regimes. The Husab Mountains in the east of EPL3138 are typical of the rugged chain of hills representing Swakop Group lithologies extending from Witpoortberg in the south, through Husaberg, to Marmor Pforte and Chuosberg to the north. These ranges of steep hills define the eastern edge of an extensive inter-montane plain lying between the Khan River and the mountains. The plain shows little relief apart from occasional hills, and is poorly vegetated in the Namib Park, although reasonably well-grassed over farmland to the north. The plain shows a typical desert (Figure 5.2.1_1) deflation surface composed of calcretized surface sand and grits with minor sub-crop. The presence of palaeodrainage systems within the plain is suspected, and a network of southwest draining braided ephemeral stream channels traverses the plain.

Within a broad swathe on both sides of the Khan and Swakop rivers, water erosion has formed a typical badlands environment showing elements of extreme topography cut by deep river valleys. The Ida Dome alaskitic granites occupy a portion of the Swakop River Valley, making exploration a challenging exercise (Figure 5.2.1_2).

Vegetation is sparse, comprising generally scattered low shrubs and herbage on the plains, and more abundant plant growth within the seasonal drainage channels. Trees, such as the Camel Thorn, are restricted to the larger drainages. Exotic trees and shrubs, including some invasive species, are present in the Swakop Gorge, where they have been

introduced by previous inhabitants or derived from seed dispersal down the river. Overall the topography varies in height between 200m and 450m.

Figure 5.2.1_1
Typical Desert Plains in the Project Area



Note the stark contrast with the hills in the background.

Figure 5.2.1_2
Swakop River Valley with Diamond Drilling Rig in the Background



Circle denotes drill rig position, showing the logistic challenges of exploration in the area. The rig was drilling at the Ida Dome location.

5.2.2 Local Resources and Infrastructure

The project areas lie adjacent to well maintained gravel roads that service the National Park, and are close to the main Swakopmund-Windhoek highway. High-voltage power supply lines cross the tenement areas. Land in the area is dominantly used for game farming and national parks.

Water for industrial and pastoral activities is provided via subterranean resources, major watercourses and numerous sub-artesian bores. Water for drilling purposes is currently drawn from water bores.

Swakopmund is the closest major centre, comprising excellent support services such as transport, earthmoving, construction, commercial and banking. Namibia's main port city, Walvis Bay, is located some 30km south of Swakopmund.

Non technical exploration personnel is sourced out of Windhoek and Swakopmund, whereas management personnel is currently sourced mainly from Australia. Specialist contractors also originate from Australia, whereas junior technical staff is mainly Windhoek based.

The current stage of activities does not yet necessitate the identification of a potential storage and waste disposal area.

6 HISTORY

6.1 Ownership History

Little information on the northern licenses (EPL's 3327 and 3328) is currently available, although the area was only lightly explored during the previous uranium boom. The Namib Rock Prospect on the northern section of EPL3327 was explored by Anglo American Prospecting Services in the early 1980's (Grant M46/3/655).

The ownership history of the Husab JV Project (EPL's 3138 and 3439) is discussed in Section 6.2.

6.2 Exploration History of the Husab JV Project

Prospecting for uranium mineralization within the area captured by EPL3138 took place following the discovery of large resources of low grade granite (alaskite) hosted mineralization at Rössing. Elsewhere, further discoveries were made of primary uranium mineralization at Valencia, Goanikontes and the Ida Dome. Only Rössing was developed as a mine, and the other occurrences became victims of the severe downturn in the uranium market in the early 1980's. This downturn lasted until around 2004 when the world uranium market began to revive.

At the same time as the granite-hosted uranium occurrences were discovered within the Central Zone of the Damara Orogenic Belt, a large number of valley calcrete hosted uranium occurrences were located. These deposits were largely identified by airborne radiometric surveys completed over a wide area, generally constrained by the Namib Desert and its fringes, where climate and drainage chemistry favoured the deposition of secondary uranium vanadates. The most significant of these secondary deposits identified to date are Langer Heinrich and Trekkoppje. The former is a high grade deposit hosted by a highly constrained tributary palaeochannel subjected to multiple water table fluctuations over a period of time, while the latter deposit a very large unconstrained channel carrying a substantial endowment of very low grade secondary uranium.

Only the Langer Heinrich deposit was in serious contention for development during the previous uranium boom, and a trial pit was excavated by the proponents as part of a feasibility process. However, commercial development was not undertaken until recent times, and the first commercial production is expected early in 2007.

Exploration activities by Kalahari Gold and Copper Pty Ltd during the period 1996-2002, included the collation and assessment of previous exploration data, and the acquisition and interpretation of detailed aeromagnetic and satellite imagery. Considerable multi-element partial leach soil geochemistry was carried out over the Husab area, and also the Von Stryk and Von Stryk South magnetite-barite skarns (to the south of EPL3138), although no significant anomalous areas were generated from this work.

6.2.1 Ida Dome Past Exploration

Both copper and fluorspar have been commercially mined in the past, albeit on a small scale. The Ida Dome area to the north and south of the Swakop River was historically explored for copper and uranium mineralization near the Ida copper mine. Oxide copper was mined at Ida prior to 1914, and a limited quantity of ore reportedly shipped to the nearby Khan Mine for processing. The copper workings at the Ida Mine comprise a discontinuous series of shafts (Figure 6.2.1_1) and gougings over several kilometres of strike along the eastern side of the Ida Dome, north of the Swakop River.

Figure 6.2.1_1
Shafts at the Historic Ida Copper Mine



The copper mineralization is predominantly exposed as malachite impregnated schist and gneiss on the upper contact of the Khan Formation immediately below the lower marbles. This contact is also the preferred locus of intrusion for uranium bearing alaskites in the district.

The presence of uranium mineralization at the Ida Mine, where it is associated with leucogranites and granite dykes, was discovered after WWII. Exploration for commercial deposits did not commence until the mid 1970's following the discovery of the Rossing deposit. Drilling showed that mineralization was patchy and low grade, but could be traced up to 3km north of the Ida mine to where a zoned pegmatite was reported to contain radioactive minerals.

The alaskite hosted uranium mineralization at the Ida Copper Mine was briefly examined by Goldfields Namibia. Goldfields completed scintillometer surveys over a small number of claims covering the Ida Mine and its northern extensions. It appears that a total of four cored holes were also completed around the Ida Mine, however results were modest.

A subsidiary of Anglo American Corporation of South Africa commenced exploration in the area south of the Swakop River in the 1980's and completed a grid based scintillometer survey of the Ida trend following an airborne radiometric survey. The area is presently captured within the recently granted EPL3439, Most of the Anglo work was focussed on two main zones of alaskite-hosted mineralization (Anomalies "A" and "D"); these were investigated by methods including geological mapping, surface channel sampling, percussion and diamond drilling.

A total of 1,695m of percussion drilling and 599m of diamond drilling were carried out at anomaly "A", whereas a total of 1,424m of percussion drilling was carried out at anomaly "D".

Significant drill results (uranium intersections greater than 0.1kg/t U₃O₈ over drillhole intersection widths of not less than 2 metres down hole width) from the Anglo American drilling are provided below in Tables 6.2.1_1 and 6.2.1_2.

Table 6.2.1_1 Ida Dome Area Best Drilling Intersections – Anomaly "A"								
Hole ID	Northing (WGS84 33S)	Easting (WGS84 33S)	Azimuth (deg)	Dip (deg)	From (m)	To (m)	Width (m)	Grade (kg/t U ₃ O ₈)
9.25_1	7483915	500999	315	-45	1	4	3	0.157
9.25_2	7483886	501034	315	-45	11	26	15	0.195
					9	15	6	0.212
					19	62	43	0.370
9.25_3	7483853	501071	315	-45	66	70	4	0.240
					8	12	4	0.274
					37	69	32	0.403
9.15_2	7483801	500974	315	-45	19	31	12	0.230
9.15_3 including	7483724	501048	315	-45	34	37	3	0.140
					46	70	24	0.866
					46	51	5	2.453
9.05_1	7483753	500874	315	-45	0	4	4	0.256
9.05_2	7483720	500910	315	-45	2	4	2	0.627
9.05_3	7483693	500942	315	-45	15	26	11	0.435
					40	44	4	0.240
					1	6	5	0.189
9.05_4	7483655	500985	315	-45	48	57	9	0.194
					47	51	4	0.182
					47	50	3	0.249
8.95_1	7483679	500804	315	-45	4	12	8	0.257
8.95_2	7483644	500848	315	-45	20	28	8	0.284
8.95_3	7483600	500897	315	-45	30	49	19	0.244
					55	64	9	0.161
					30	36	6	0.340
8.85_1	7483672	500670	315	-45	66	69	3	0.207
8.85_2	7483642	500707	315	-45	42	46	4	0.287
					59	69	10	0.272
					45	52	7	0.238
8.85_3	7483610	500743	315	-45	56	61	5	0.169
					10	12	2	0.254
					27	30	3	0.183
8.85_5	7483539	500823	315	-45	40	48	8	0.171
8.85_6	7483502	500863	315	-45	16	23	7	0.345
8.75_1	7483630	500566	315	-45	0	4	4	0.188
					18	24	6	0.240

We're merging with

8.75_6	7483466	500753	315	-45	27	35	8	0.244
					40	46	6	0.176
8.75_7	7483437	500790	315	-45	10	13	3	0.242

Drilling and Assay details are not known, and no quality can be attributed as none of these data have been verified by RSG Global. It is not known whether these widths reflect true widths are estimated to be approximately 100% of down hole intersection thickness.

Drill logs for this work are not currently available, and assay data have been manually collated from reported drill sections, and the hole collars located in the field.

Table 6.2.1_2 Ida Dome Area Best Drilling Intersections – Anomaly “D”								
Hole ID	Northing (WGS84 33S)	Easting (WGS84 33S)	Azimuth (deg)	Dip (deg)	From (m)	To (m)	Width (m)	Grade (kg/t U ₃ O ₈)
9.65_1	7482903	502610	135	-45	8	25	17	0.984
9.65_2	7482937	502571	135	-45	9	20	11	0.356
					39	60	21	0.510
9.60_1	7482864	502576	135	-45	14	18	4	0.143
9.60_2	7482895	502545	135	-45	31	51	20	0.254
9.55_1	7482837	502544	135	-45	51	57	6	0.194
9.55_2	7482856	502504	135	-45	31	42	11	0.427
					51	60	9	1.864
9.55_3	7482920	502476	135	-45	5	16	11	0.326
					25	38	13	0.446
9.50_2	7482800	502516	135	-45	4	49	45	0.239
9.50_3	7482822	502492	135	-45	26	55	29	0.243
9.50_4	7482860	502440	135	-45	13	18	5	0.281
					48	55	7	0.465
9.45_1	7482731	502527	135	-45	15	21	6	0.909
9.45_2	7482776	502473	135	-45	1	3	2	0.498
					57	60	13	0.199
9.40_1	7482726	502445	135	-45	1	21	20	0.252
9.40_2	7482759	502411	135	-45	44	55	11	0.490
9.35_2	7482729	502384	135	-45	40	48	8	0.262
9.35_3	7482763	502384	135	-45	6	19	13	0.156
9.35_4	7482799	502312	135	-45	40	46	6	0.335
					54	59	5	0.156

Drilling and Assay details are not known, and no quality can be attributed as none of these data have been verified by RSG Global. It is not known whether these widths reflect true widths are estimated to be approximately 100% of down hole intersection thickness.

Drill logs for this work are not currently available, and assay data have been manually collated by Extract/WAGE personnel from reported drill sections, and the hole collars located in the field.

Some diamond drill holes were completed at Anomaly A by AAP, and the most significant results (uranium intersections greater than 0.1kg/t U₃O₈ over drillhole intersection widths of not less than 2 metres down hole width) are shown in Table 6.2.1_3.

Table 6.2.1_3 Ida Dome Area Best Drilling Intersections – Anomaly “D”								
Hole ID	Northing (WGS84 33S)	Easting (WGS84 33S)	Azimuth (deg)	Dip (deg)	From (m)	To (m)	Width (m)	Grade (kg/t U ₃ O ₈)
DDH1	7483626	500941	315	-45			56.84	0.221
DDH2	7483677	500882	315	-45			26.28	0.236
DDH6	7483695	500565	315	-45			3.95	0.991

Drilling and Assay details are not known, and no quality can be attributed as none of these data have been verified by RSG Global. It is not known whether these widths reflect true widths are estimated to be approximately 100% of down hole intersection thickness.

Drill logs for this work are not currently available, and assay data have been manually collated by Extract/WAGE personnel from reported drill sections, and the hole collars located in the field.

Although a number of potentially ore grade intersections were obtained from this work, the project was abandoned following the multi-decade down turn in the market for uranium oxide commencing in the early 1980's.

No significant exploration for uranium has been undertaken in the Ida Dome area prior to the current drilling by Extract/WAGE in 2006.

6.2.2 Husab Fluorspar Past Exploration

The Husab Fluorspar Mine was operated during the 1970's by a European consortium. The area to the west of the Husab Mountains contains a large number of discrete quartz-fluorspar veins, containing variable amounts of copper, lead, gold, silver and uranium. Historic mining involved the ripping of shallow slots over veins located in the desert plain. A limited amount of underground mining also took place. The mined fluorspar was upgraded by hand sorting prior to export. A considerable environmental legacy remains at the site as a result of this activity.

During the 1970's and 1980's, mineral exploration in the Husab area had a base metals bias, although the discovery of the Navachab gold deposit in the late 1980's renewed interest in the gold potential of the area. Most prior exploration over the Ida License was completed by Anglo American Prospecting Services (Pty) Ltd on EPL1771 (Desert Grant), during the period 1990-1995. This evaluation was biased towards Damara Sequence lithologies, although an assessment was also made of the base metal potential of the Husab Mine area hosted within basement rocks. Activities included geological mapping, stream sediment and soil sampling, rock chip and channel sampling, aeromagnetic interpretation and ground magnetic surveying, EM and Bouguer gravity surveying. A small number of unsuccessful percussion holes were also drilled in the Husab area targeting EM anomalies.

The Ida Dome area was explored by Kalahari Gold and Copper Pty Ltd (KGC) between 1996 and 2002. Work completed included orientation soil sampling and minor rock chip sampling. Two soil traverses across the Husab Mine area identified gold-copper anomalies, and rock chip sampling of the quartz-fluorspar veins showed individual values up to 1.62% Cu, 10.56% Pb, 28g/t Ag, 0.52g/t Au, 615ppm Zn, 713ppm U₃O₈, 362ppm Bi, 1,544ppm WO₃, and 113ppm Mo.

6.2.3 Welwitschia Past Exploration

Exploration for secondary uranium deposits in the desert peneplain north of the Swakop River was undertaken by a subsidiary of Anglo American Corporation of South Africa between 1975 and 1980. Exploration activities included extensive mapping and geochemical sampling, together with airborne and ground radiometric surveying, followed by limited pitting and drilling. This work was successful in locating shallow secondary uranium in surface grits at the Welwitschia Flats Prospect.

Calcrete uranium mineralization at Welwitschia Flats was explored via 127 percussion drill holes completed on a 250m orthogonal grid for a total of 1,391m. A pitting programme is reported to have established that the mineralization was extremely variable in distribution, however this could not be verified. Mineralization was estimated to comprise some 35 million tonnes at an average grade of 120g/t U_3O_8 from the somewhat limited work undertaken. No information is available regarding the estimation methodology and the estimate has not been independently verified using industry accepted resource estimation methods. RSG Global therefore considers the estimate to be conceptual only and cannot be formally classified as a resource in accordance with the current CIM Definition Standards.

6.3 Exploration History of the Uis Project

Little information on previous exploration is currently available for the Uis Project, and the areas were only lightly explored during the previous uranium boom. The Namib Rock Prospect on the northern section of EPL 3327 was explored by Anglo American Prospecting Services in the early 1980's when they held Grant M46/3/655. Regional scintillometer surveys located a number of anomalous areas, the most promising of which were drill tested. The results showed near surface uranium enrichment ranging from 200-300ppm U_3O_8 . While only a limited volume of mineralised material was identified, the area has not been subjected to detailed exploration.

6.4 Resource History

No uranium resources, within the actual tenement boundaries, have been formally estimated in compliance with the CIM Definition Standards.

In addition to mineralization estimated for the Welwitschia Flats Prospect above, a similar estimate is reported by Anglo American for the Anomaly A and Anomaly D prospects. This estimate was based largely on percussion drilling and limited diamond drilling in the late seventies and early eighties. No information is available regarding the estimation methodology and the estimate has not been independently verified using industry accepted resource estimation methods. RSG Global therefore considers that the historical estimated numbers may not be reliable and may not be in compliance with the CIM Definition Standards. The estimate is considered to be conceptual only and cannot be formally classified as a resource.

6.4.1 Production History

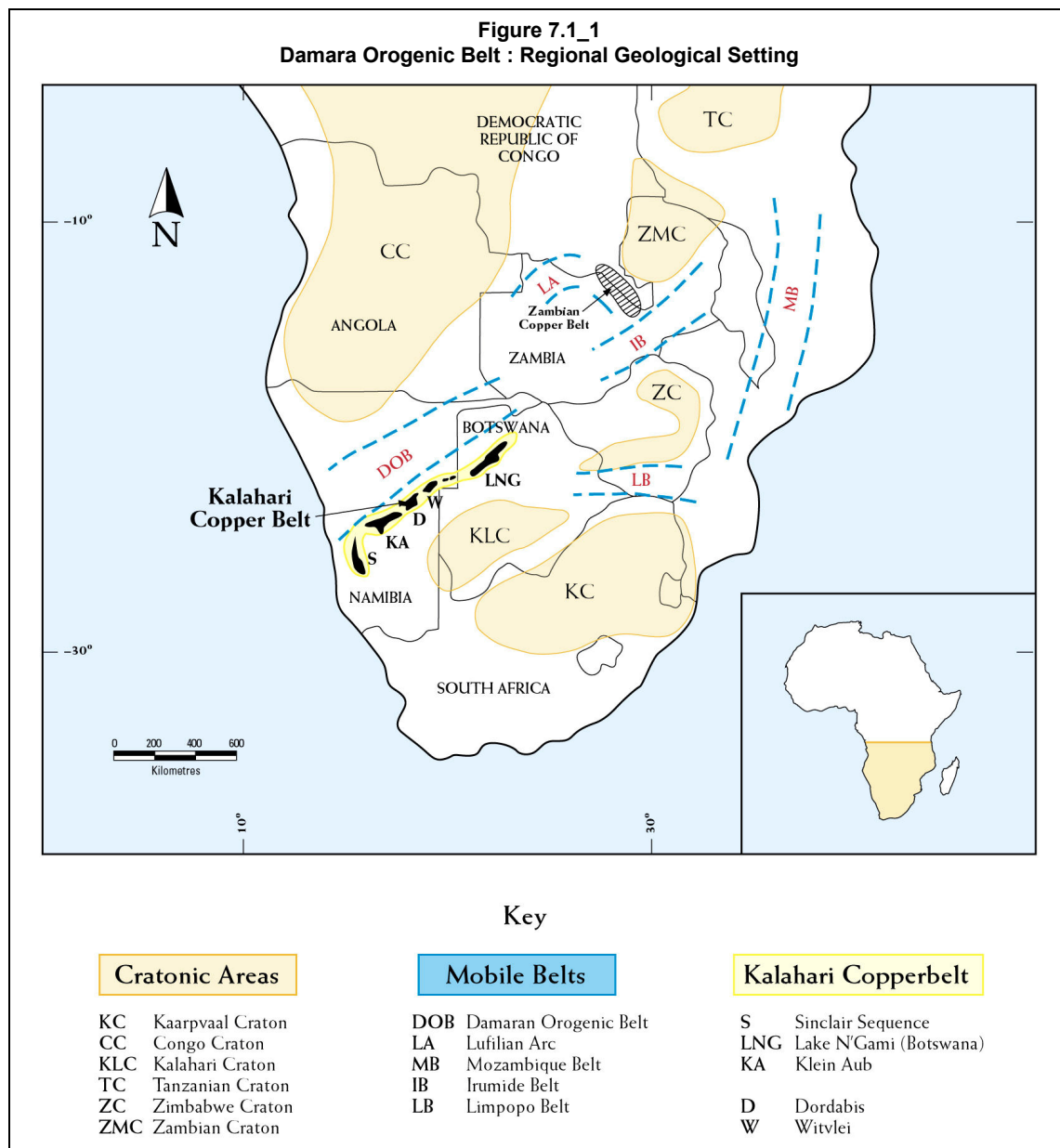
Both copper and fluorspar have been commercially mined in the past (albeit on a small scale) from the Ida Mine and the Husab Mine, respectively. Oxide copper was mined from the Ida Mine prior to 1914, and a limited quantity of ore reportedly shipped to the nearby Khan Mine for processing.

No historic uranium production has been recorded on any of the current project tenements.

7 GEOLOGICAL SETTING

7.1 Regional Setting

The regional geological setting of Namibia is dominated by the Damara Orogenic Belt, a major northeast trending belt of Mesoproterozoic to earliest Palaeozoic rocks that formed within a major intracontinental rift basin (Figure 7.1_1). The rift was deformed by closure of the basin during the late Neoproterozoic and early Palaeozoic. The Husab Project is located in the central (Swakop) zone of the Damara Orogen. Mineralization is associated with structural and intrusion-associated settings formed during the major thrust deformation that closed the orogen.



The regional setting features a northeast trending anticlinal hinge zone, with extensive inliers of Palaeoproterozoic rocks of the Abbabis Metamorphic Complex commonly present as elongated dome-like features surrounded by younger folded Damara Sequence lithologies.

The Abbabis Metamorphic Complex lithologies typically underwent medium to high grade metamorphism, typically amphibolite to granulite facies, with the succession dominantly comprising metasediment, paragneiss, orthogneiss and ortho-amphibolite, all of which are extensively invaded by pegmatites.

The Damara Orogenic Belt is a major Pan African age mobile belt of sedimentary and volcanic rocks that extends from the Namibian coast northeast into Botswana and Zambia. The orogen was initiated via rifting between the Kaapvaal and Congo Cratons between 1,000Ma and 900Ma, and closed at approximately 500Ma during a period of major thrust faulting and granitoid intrusion. Structures developed during initial rifting have continued to influence the tectonic development of the Namibian region up until the Jurassic period, when the African and South American continents rifted apart to produce the South Atlantic Ocean.

The Damara Orogenic Belt is broadly divided into three successions (Figure 7.1_2), as follows:-

- The **Nosib Group** comprising metamorphosed sandstone, quartzite and minor conglomerate, and representing sediments deposited due to erosion from uplifted basement during the initial rifting of the orogen. The Nosib is further sub-divided into **Etusis Formation** quartzites, arenites and arkoses, and the **Khan Formation**, consisting mainly of calc-silicate rocks with lesser clastic components.
- The lower **Swakop Group**, which overlies the Nosib, comprises an alternating succession of dolomite, marble, schist and schistose diamictite. The succession includes, from lower to upper stratigraphic levels, the **Rössing Formation** (mainly carbonates, wackes, quartzites and mica-schists), the **Chuoss Formation** (mica schists, calc-silicates and carbonates), and the **Arandis and Karibib Formations** (mica-schists, calc-silicate rocks and marbles). The lower Swakop Group is interpreted to include the thermal sag phase of rifting, which coincides with regional sag of the crust due to cooling of the underlying mantle.
- The **Kuiseb Formation**, which comprises the upper part of the Swakop Group, is developed predominantly within the southern portion of the Damara Orogen. The Kuiseb Formation (mainly Flysch-type sediments) is represented by a thick succession of metamorphosed sedimentary rocks, generally comprising biotite schist with subordinate calcsilicate rocks and carbonaceous schist. A unit of metamorphosed mafic volcanic rocks, referred to as the Matchless Amphibolite Member, shows compositions consistent with those observed in mid-ocean ridge basalts.

Figure 7.1_2
Stratigraphic Column of the Damara Orogen

Group	Subgroup	Formation	Max thickness	Lithology
Swakop	Khomas	Kuiseb	>3000	Pelitic and semi-pelitic schist and gneiss, migmatite, calc-silicate rock, quartzite. Tinkas member: Pelitic and semi-pelitic schist, calc-silicate rock, marble, para-amphibolite.
		Karibib	1000	Marble, calc-silicate rock, pelitic and semi-pelitic schist and gneiss, biotite amphibolite schist, quartz schist, migmatite.
		Chuos	700	Diamictite, clac-silicate rock, pebbly schist, quartzite, ferruginous quartzite, migmatite.
	Discordance			
	Ugab	Rossing	200	Marble, pelitic schist and gneiss, biotite-horneblende schist, migmatite, calc-silicate rock, quartzite, metaconglomerate.
	Discordance			
Nosib	Khan	1100	Migmatite, banded and mottled quartzofeldspathic clinopyroxene-amphibolite gneiss, horneblende-biotite schist, biotite schist and gneiss, migmatite, pyroxene-garnet gneiss, amphibolite, quartzite, metaconglomerate.	
	Etusis	3000	Quartzite, metaconglomerate, pelitic and semi-pelitic schist and gneiss, migmatite, quartzofeldspathic clinopyroxene-amphibolite gneiss, calc-silicate rock, metaphylite.	
Major unconformity				
Abbabis Complex				Gneissic granite, augen gneiss, quartzofeldspathic gneiss, pelitic schist and gneiss, migmatite, quartzite, marble, calc-silicate rock, amphibolite.

Note: taken from Schneider and Seeger (1993) and modified after Jacobs et Al, 1986

All the above rock types have been intruded by a wide variety of syn-tectonic and post-tectonic intrusive rocks, including the Goas Diorite Suite, which includes a series of small disconnected plutons in the area south of Karibib. Other late to post-tectonic intrusives include the Salem type granites, commonly represented by grey biotite granites to granodiorites locally intruding Damara rocks. The so-called “red” granites, which are a heterogeneous group of intrusives composed of foliated and massive varieties, often occurring as small bodies intruding the Swakop Group marbles and schists. Other, mainly post-tectonic intrusive types include the leucogranites and alaskites, some of which are uraniferous. They typically appear below and around the lowest Damara marbles, and are characterized by vein to dyke-like or anastomosing forms, although massive or plug-like occurrences are known. A body of grey granite at 7492300mN 505000mE has itself been intruded by a uranium bearing alaskite, and the Rössing Mine exploits low grade uranium mineralization within one such intrusive system.

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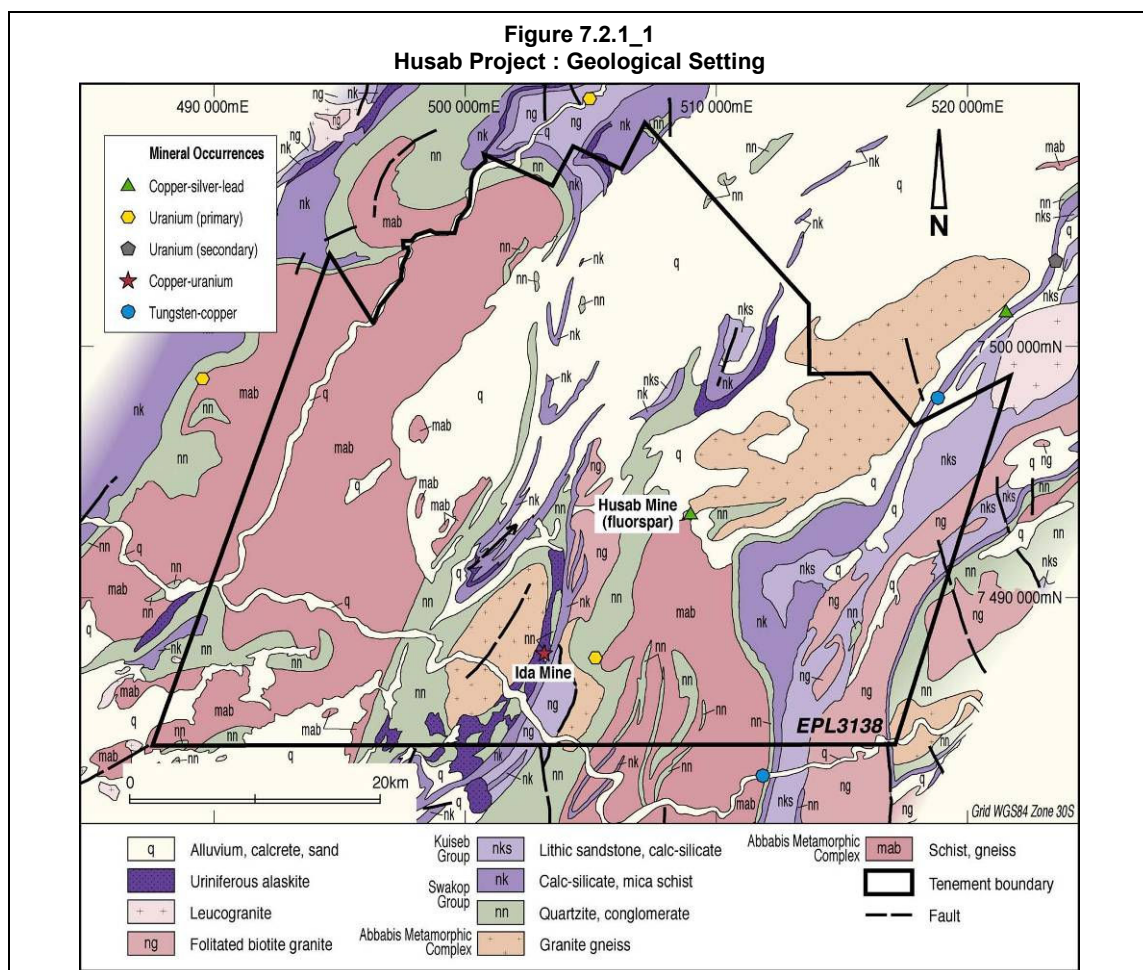
The Damara Orogen was closed by a major south-directed thrust deformation, resulting in a pervasive north-northwest to northwest dipping foliation. Thrusts are interpreted to have transported portions of the sequence up to 200km to the south over basement rocks.

Rocks of the Damara Orogenic Belt are covered by the Kalahari Sands in northeast Namibia, but are continuous through Botswana into Zambia, where the orogen is represented by the Muva Group and Katanga Group of the Lufilian Arc.

7.2 Project Geology

7.2.1 Husab JV Project

The Husab JV 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 (Figure 7.2.1_1). 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.

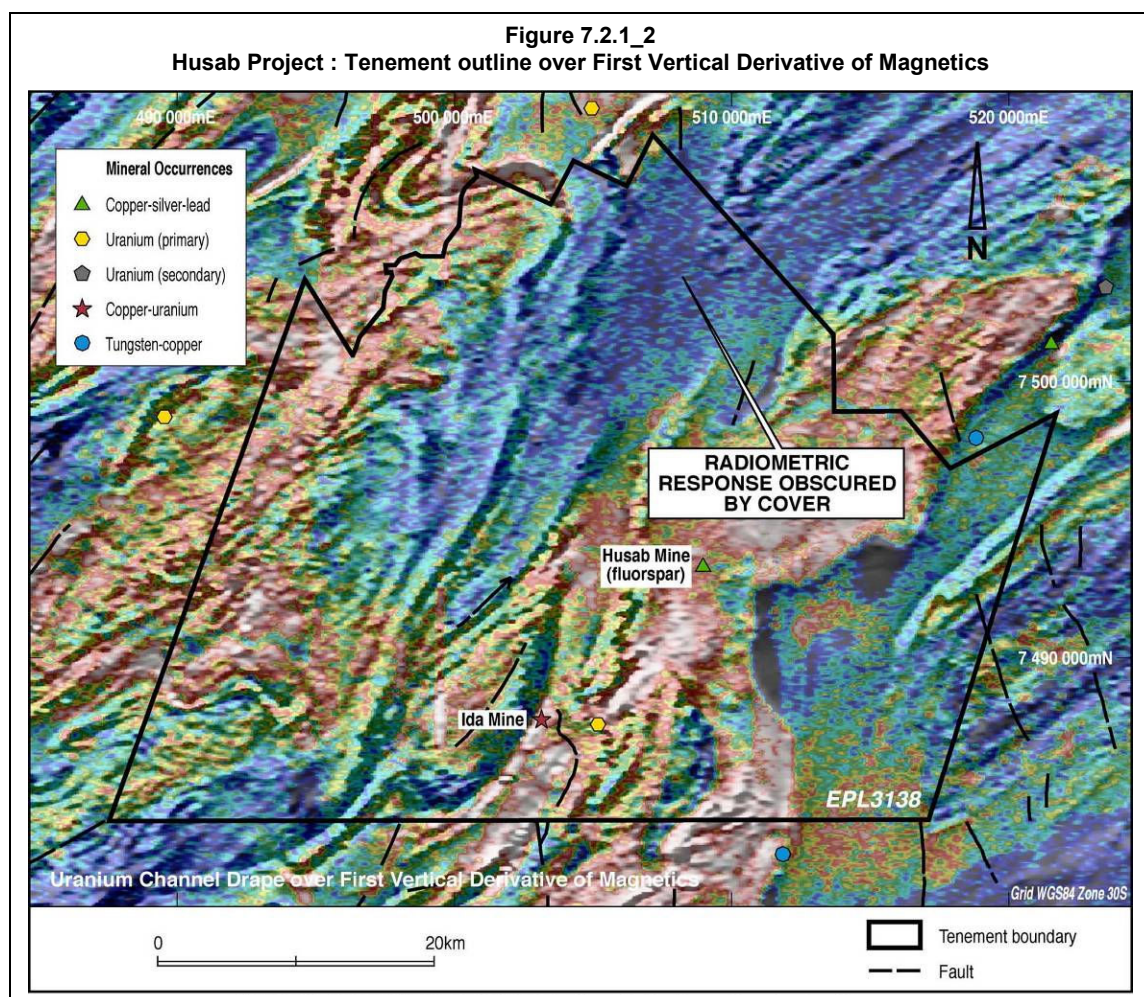


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The basement gneisses outcrop as a series of semi-ovoid features within the Central Zone of the Damara, in general forming somewhat poorly exposed extensions to the basement rocks exposed in the Swakop River Gorge on either side of the Ida Dome, and in the Khan River Valley, immediately south of the Khan Copper Mine, to the junction of the Khan and Swakop Rivers. Flanking Damara Sequence sediments show a complex pattern of folding and faulting, and the whole sequence is extensively invaded by syn- and post-tectonic granitoids and pegmatite swarms. Cross-cutting Mesozoic dolerite dykes are also evident locally.

Basement domes to the east and west of the Husab project area, the latter along the Khan River, are predominantly comprised of metasedimentary rocks, however basement associated with the cores of the Ida and Husab mine domes are gneissic. Regional magnetic data indicate that the regional structural history is complex (Figure 7.2.1_2).



7.2.2 Uis Project (EPL's 3127 and 3128)

In the Uis district, north-northeast of Swakopmund, the local geology consists of Damara aged schists and granites which have been sporadically calcretized. Substantial contemporary drainages occur, including the Orawab and Ugab Rivers, and calcretized palaeodrainages are suspected within the extensive alluvial areas. Large numbers of Sn, Ta, Nb and Li bearing pegmatites are present in the region, including the license areas, although large scale commercial mining operations have been confined to the now abandoned Uis tin mining operations of Iscor.

8 DEPOSIT TYPES

The main deposit types being investigated or being explored for include alaskite and calcrete hosted uranium mineralization, and to a lesser degree unconformity type uranium deposits. Alaskite hosted uranium deposits are typically primary in character, whereas calcrete-type deposits are secondary in origin.

8.1 Primary Uranium Deposits (Rössing Type)

The best example of alaskite hosted primary mineralization and typical of intra-intrusive type mineralization is the Rössing deposit. The Rössing Mine is located close to the town of Arandis, 65 kilometres inland from Swakopmund, in the Namib Desert. Rössing is the world's largest open-pit uranium mine, which started operations in 1976. The deposit comprises an extensive low-grade (300ppm U_3O_8) alaskite-hosted deposit. Uranium occurs mostly as uraninite (55%) and beta-uranophane (40%) in the form of interstitial grains and crystal inclusions in minerals; betafite makes up for the remaining 5%. Secondary uranium minerals predominate in the weathering profile. Average ore grades at Rössing commonly vary between 0.03% and 0.04% U_3O_8 .

There is potential for similar alaskite-hosted uranium deposits in central western Namibia, for example Valencia (average grade of 300ppm U_3O_8) and Goanikontes (potential large resource of low grade ore).

The Ida Dome targets (Ida Central, Rössing South, Anomalies A and D) are part of an alaskite hosted primary uranium mineralization system related to the Ida Dome, and have potential for low grade uranium concentrations.

8.2 Secondary Uranium Deposits (Langer Heinrich Type)

The Langer Heinrich deposit is situated approximately 80 kilometres east of Walvis Bay and is associated with calcrete and gypcrete filled palaeochannels, which commonly develop under arid climatic conditions. The uranium mineralization takes the form of carnotite ($K_2(UO_2)_2(VO_4)_2 \cdot 3H_2O$), a secondary uranium mineral. Carnotite occurs in small patches and lenses around grains and pebbles or as fine disseminations.

The Langer Heinrich deposit consists of several discontinuous, tabular mineralized bodies of economic interest occurring over an area measuring 15km by 0.5km. Mineralization occurs in a zone above and below the water table. Thickness of the mineralized zones varies from less than 1m to 15m, but may locally exceed 30m.

The historic resource for Langer Heinrich of 22.2Mt at 0.1% U_3O_8 has been substantially upgraded via recent exploration conducted by Paladin Resources (Pty) Ltd. The new resources at Langer Heinrich currently stand at 31.7Mt grading 0.06% U_3O_8 in the measured and indicated category, and 43.7 Mt grading 0.06% U_3O_8 of inferred resources.

The arid coastal belt of western Namibia has numerous calcrete-hosted uranium deposits, which could be further investigated and developed. Examples of some known occurrences include Klein Spitzkoppe (5Mt grading 287ppm U_3O_8), Klein Trekkopje (49Mt grading 140ppm U_3O_8), and Mile 72 (330,000 t grading 230ppm U_3O_8).

8.3 Unconformity Type Deposits

The base of the Nama Group is a target for unconformity-type uranium in southern Namibia. Other known unconformity-type deposits include Engo Valley in north-western Namibia. Unconformity-related deposits arise from geological changes occurring close to major unconformities. Below the unconformity, the metasedimentary rocks which host the mineralization are usually faulted and brecciated. The overlying younger Proterozoic sandstones are usually undeformed.

Unconformity-related deposits constitute approximately 33% of the World Outside Centrally Planned Economies Area (WOCA)'s uranium resources and they include some of the largest and richest deposits. Minerals are uraninite and pitchblende. The main deposits occur in Canada (the Athabasca Basin, Saskatchewan and Thelon Basin, Northwest Territories); and Australia (the Alligator Rivers region in the Pine Creek Geosyncline, NT and Rudall River area, WA).

It is believed that no typical unconformity-type deposit are present within the Extract tenement holdings.

9 MINERALIZATION

9.1 Primary Uranium Mineralization

The southern tenements (EPL's 3138 and 3439) contain one of the four currently known occurrences of uraniferous granites (alaskites) within the highly prospective Central Zone of the Damara Orogeny. Mineralised alaskite occurs along the contact between the Khan Formation and marbles of the Husab Formation.

In the Ida central zone, uranium bearing alaskite bodies are present within and above hanging wall marbles, within calc-silicate horizons and magnetite skarns close to the base of the marbles, and within massive or xenolithic alaskite located stratigraphically beneath the marbles. There is also an association with copper bearing schist horizons within Khan Formation rocks in the footwall of the mineralised zone. The alaskite has incorporated some copper mineralization from the schists (Ida Copper Mine) and contains smoky quartz, red feldspar and a variety of uraniferous minerals including uraninite and uranophane.

The Ida trend, which can be followed over a distance of some 3km from Anomaly "A" and "D" in the south through to the Central Ida and Ida East, respectively, represents a highly prospective mineralized corridor. However, the mineralization trend from ground spectrometry exhibits a patchy nature over a 5.5km strike length, and has thus far only the Ida central area and anomalies A and D in the south have been tested by the current explorers and by AAP, respectively, although the latter needs to be verified.

The Hildenhof Prospect, located adjacent to the Bannerman Resources limited tenements, has received only limited exploration, although reconnaissance mapping and rock chip sampling has identified Alaskite-hosted mineralization. More mapping is required to better quantify the mineralized potential of the prospect.

9.2 Secondary Uranium Mineralization

In addition to primary alaskite hosted uranium mineralization, the tenement holding hosts occurrences of secondary uranium vanadate (carnotite), similar to that comprising mineralization at the Langer Heinrich development project. The best examples of secondary uranium mineralization are found at Rössing south, north of the Husab fluorite mine.

An occurrence of calcrete uranium mineralization is also reported in the Welwitschia Flats area exposed in erosion channels, and could be classified as a potential calcrete type deposit.

10 EXPLORATION

Most of the recent exploration has been concentrated within the Husab JV licenses, with work completed on the Uis Project licenses limited to rock chips and some ground radiometric surveys.

10.1 Husab JV Project (EPL's 3138 and 3439)

Unless otherwise stated, all the current exploration activities within the project area are carried out by the holders.

10.1.1 Regional Work

10.1.1.1 Rock Chip Sampling

A total of eleven (11) rock chip samples were collected and analyzed for low level gold, silver, arsenic, cobalt, copper, lead, uranium, vanadium and zinc. In addition, the Husab samples were analyzed for fluorine, and CaF₂ values subsequently calculated.

Six (6) rock chip samples of fluorspar-quartz vein material were collected from various dumps at the Husab mine., with the results averaging 30% CaF₂. The samples also averaged 0.22% copper (maximum 1.04% Cu), 1.5% lead (maximum 4.76% Pb), 63ppb gold, and up to 2,504ppm U (2,953ppm U₃O₈). Zinc assays were of lower tenor, peaking at 0.1%. The mineralization is inconsistently developed, with uranium especially displaying a high degree of variability.

Five (5) rock chip samples were collected from dumps at the Ida Copper Mine. Most samples contained significant levels of secondary copper minerals, predominantly malachite. Assays ranged from 0.1% Cu to 20.32% Cu (averaging 8% Cu), associated with significant levels of silver (up to 40g/t Ag) and minor gold (average 51ppb Au and maximum 151ppb Au). In general, uranium values were not significantly elevated, with a peak value of 60ppm U (71ppm U₃O₈).

Channel sampling has also been carried out, however to date this has been confined to the Ida Dome area (Section 10.1.2).

10.1.1.2 Airborne Magnetic and Radiometric Surveys

The airborne data covering the Husab Project were purchased and processed by Southern Geoscience Consultants in Perth, Western Australia. Output of various parameters expressed as geo-referenced TIF files and MapInfo tab files were produced, ready for GIS review.

Basement complexes within EPL3138 consist of inhomogeneous gneissic terrain, often reddish-brown in color, with a magnetic response typically showing broad uneven textured magnetic highs. Distinguishing between basement rocks and the Damara succession can be problematic based on magnetics alone, and field checking is necessary in areas of exposure.

The basal Damara stratigraphy, which includes the Khan and Rössing Formations, is of particular interest in exploration for uranium bearing alaskites, as they typically appear along and adjacent to the unconformable contact between these geological successions, particularly where marble is present. Nossib Group rocks generally, and Khan Formation lithologies in particular, trace out arcuate magnetic lows around basement complexes, representing favourable sites for alaskite intrusion.

Radiometric data, primarily uranium channel and ternary plots aids target selection in areas of outcrop, but is ineffective in covered areas such as the north central portion of the license. In these areas favourable stratigraphy identified from magnetics requires testing for the presence of alaskites by alternative means such as trenching or drilling.

10.1.1.3 Ground Radiometric Surveying

A total of 4,188 ground readings were collected over areas of anomalous airborne uranium channel radiometric activity, or where anomalous uranium-thorium ratios were evident on the airborne data (Figure 10.1.1.3_1). Spectral readings were collected on an informal grid using GPS control via a hand held 16 channel GPS feeding waypoints into a PDA using a Bluetooth connection. The instrument used was an Exploranium GR 320 Spectrometer with a thallium activated sodium-iodide detector. At all times during recording of spectral readings, the detector was kept approximately 0.6 metres above the ground surface by means of a harness and frame. Counting time for measurements was fixed at 60 seconds. Spectra were collected at rough intervals of 5-10 metres in designated areas of interest.

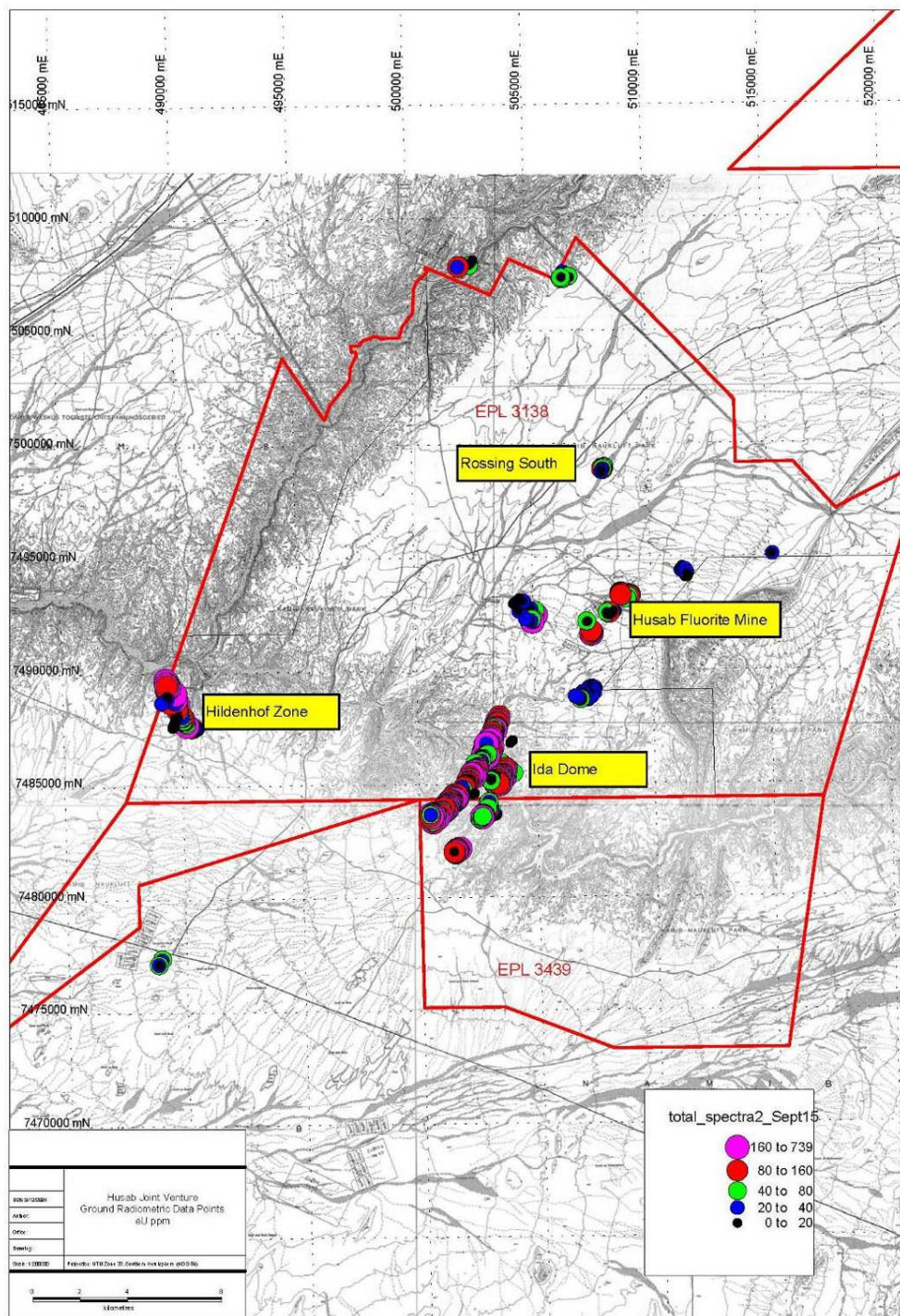
This system has been effective in outlining and prioritising targets for further evaluation, particularly in selecting drill targets.

Field verification of airborne anomalies also reveals the presence of secondary uranium associated with surface grits and gypsiferous deposits within the desert peneplain located north of the Swakop River.

10.1.1.4 Satellite Imagery

High resolution Ikonos satellite imagery was acquired over an area extending from south of the Ida Dome to north of the Husab Mine, amounting to approximately 160 square kilometres. Sufficient ground survey control was established prior to data capture to geo-reference the imagery. Contour plots and a digital elevation model were also produced from the data. The geo-rectification of the satellite imagery was carried out by Gregory Symons Geophysics.

Figure 10.1.1.3_1
Husab Project: Plan showing eU Values from the Spectrometer Collected to Date

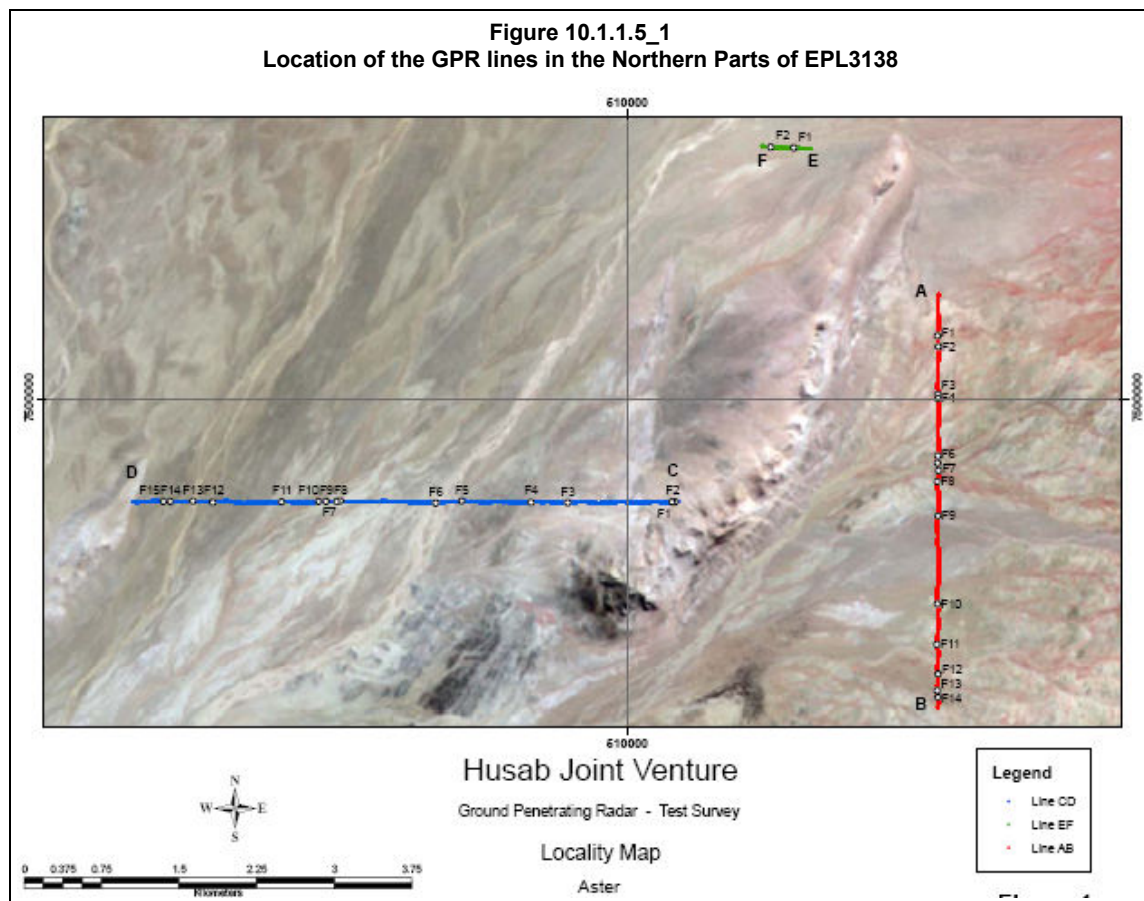


10.1.1.5 Ground Penetrating Radar (GPR)

The identification of sporadic carnotite mineralization within desert alluvium between the Swakop River and the northern boundary of the Namib Park lead to a decision to trial ground penetrating radar (GPR) to determine its suitability as a method of mapping palaeochannels in the desert environment. Earthmaps Consulting was commissioned to undertake some trial lines over prospective portions of the desert peneplain northwest of the Husab fluorspar mine.

An initial programme of approximately nine linear kilometres over three lines was completed in October 2006 (Figure 10.1.1.5_1) as follows:-

- Line CD: East-west transect (4.5km long) across a large drainage coincident with a known occurrence of carnotite.
- Line AB: North-south transect (4km long) roughly coincident with a broad modern drainage.
- Line EF: East-west transect (0.5km long) appears inconclusive and is located over the northern extensions of the drainage system covered by line CD.



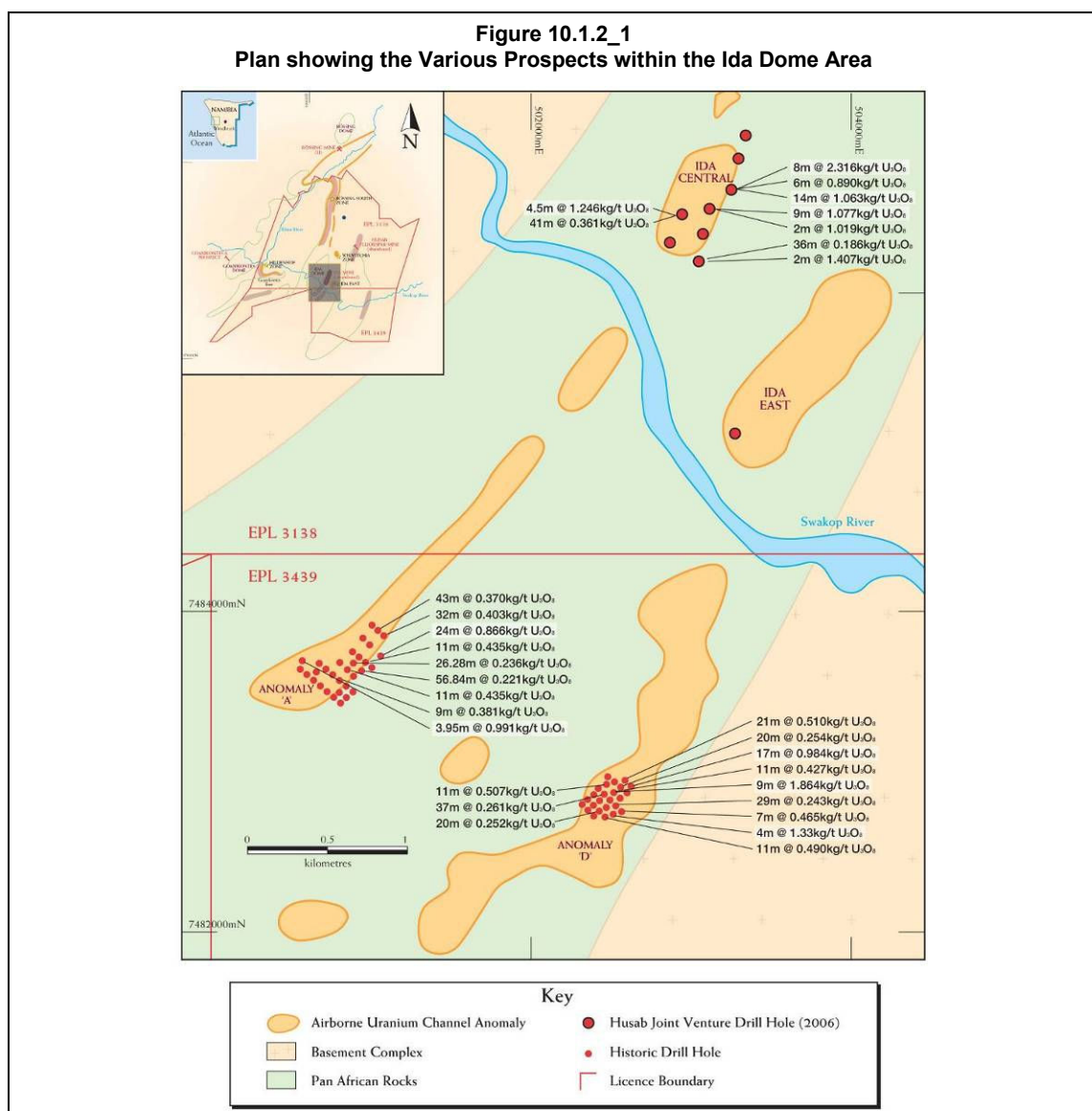
A “pulseEKKO Pro system” instrument was used, initially equipped with a 200 MHz antenna. The system proved to have poor levels of penetration ($\pm 3\text{m}$) and would therefore prove unsuitable in areas of deeper cover. A 25MHz antenna showed significantly better depth resolution, but generally poorer spatial resolution and longer survey times. Overall the technique showed merit in mapping palaeochannels in arid environments, where there may be potential for economic deposits of secondary uranium.

A second phase of surveying was carried out using 100MHz and 50MHz antennae. This survey refined the data on the southern transect (line CD), locally showing up to 12 metres of transported cover material. The northern transect was extended to the west, and revealed a broad channel up to 30m deep.

10.1.2 Ida Dome Area

The Ida Dome area is located at the boundary of EPL3138 and EPL3439. The presence of uranium mineralized leucogranites (Alasakites) in the vicinity of the abandoned Ida copper mine has been known since the post war period, however exploration for commercial deposits did not commence until the mid 1970's following the discovery of the nearby Rössing deposit.

Most of the advanced project work carried out by Extract/WAGE has concentrated on the Ida Dome area. From regional exploration and the collation of historic data, a number of significant prospects have been recognized by Extract/WAGE (Figure 10.1.2_1). These include Central Ida, Ida East, Anomaly A and Anomaly D, as well as the Ida copper mine itself. The Ida Central and Ida East targets are located within EPL3138, while Anomaly A and Anomaly D are located within EPL3439.



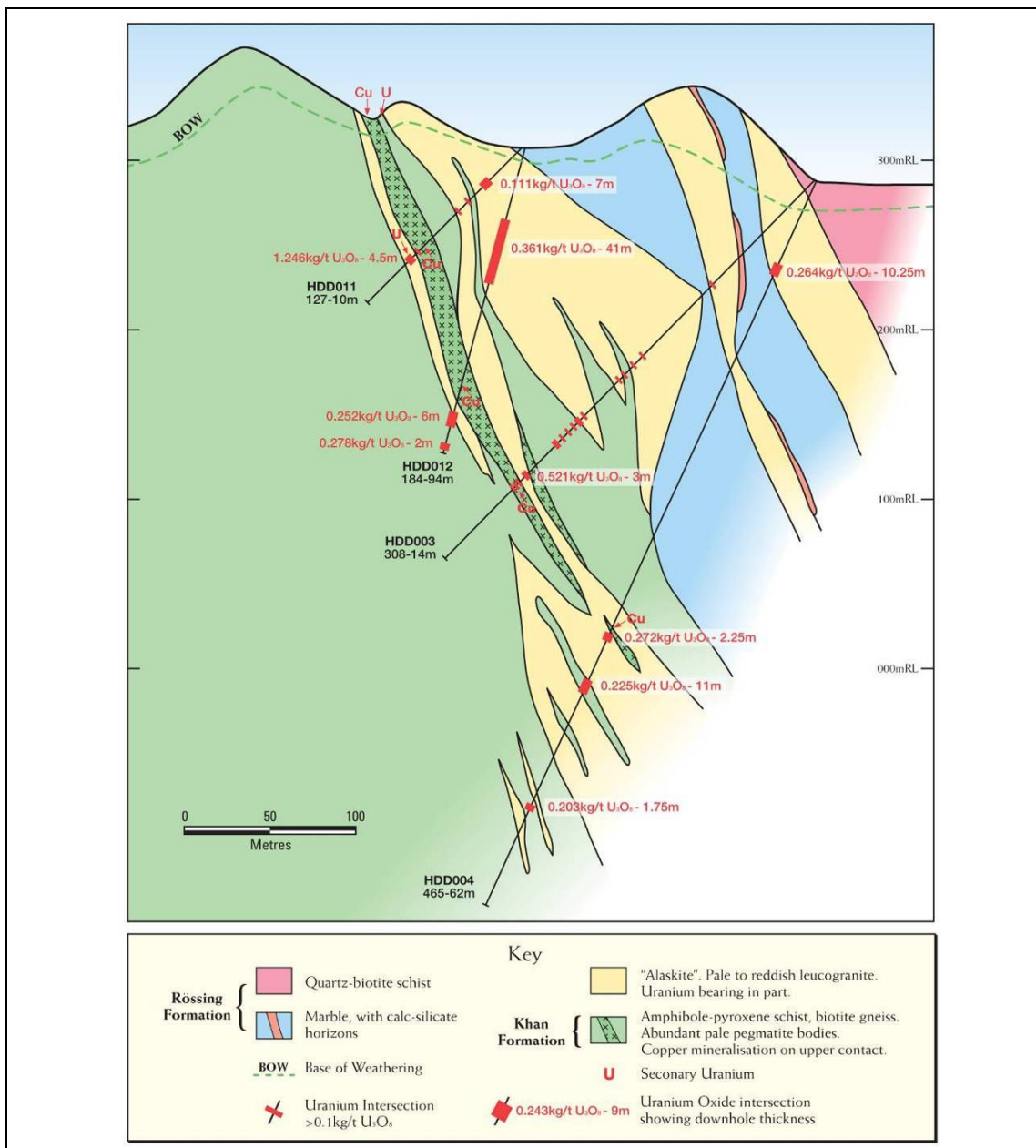
The initial target selected for drill testing was the known uranium mineralization associated with alaskite dykes accompanying copper mineralization in the Ida Mine area on the eastern side of the Ida Dome.

To the end of November 2006, a total of 20 diamond bore holes have been drilled for 6,785.77 metres of advance, and 3,847 samples submitted for assay, with 2,776 assays returned.

10.1.2.1 Ida Central Zone

Exploration within the Ida Central Zone generated surface uranium values up to 640ppm eU (Figure 10.1.2.1_1), with generally stronger and more consistent values present from an area some 300 metres southwest along regional strike from the Ida Copper Mine main shaft, through to the Swakop River, a distance of approximately 800 metres. Although Gold Fields Namibia had previously completed a small number of cored holes in the vicinity of the Ida copper mine, extending northwards along regional strike, no drilling had previously been completed within the Ida Central Zone.

Figure 10.1.2.1_1
Ida Central Zone : Type Drill Section 49,840 North



Drilling

Within the central Ida prospect, Extract has completed drilling on 160m spaced centres along a 960m long north-northeast trend. Further drilling was done, infilling the existing line with two off set holes on a more westerly line reducing the spacing to 80m. Most drill sites in the east cater for two holes per site, each angled at -45 degrees and -65 degrees towards the west-northwest. The western drill sites, planned in the high ground, will cater for six to nine holes per drill site, in a fan array (2-3 holes on three azimuths inclined 45 degrees to each other).

Drilling conditions encountered at Ida and Ida East are variable. Generally the marbles and schists core readily, while calc-silicates and alaskites are hard and abrasive, although locally the alaskite is leached and pitted to considerable depths.

Results indicate that several zones of potentially economic grades of uranium mineralization are present within the Ida Central Zone. Uranium bearing alaskite bodies are present within numerous settings as follows:-

- Above the hanging wall marbles.
- Within calc-silicate horizons and magnetite skarns close to the base of the marbles.
- Within massive or xenolithic alaskite located stratigraphically beneath the marbles.
- Associated with copper bearing schist horizons within the Khan Formation comprising the footwall to the mineralised zone.

This latter position is equivalent to the Ida copper mine inclined shaft, which is located a small distance along strike to the north of the Ida Central Zone.

Uranium intersections greater than 0.1kg/t U_3O_8 over down-hole widths of not less than two metres are shown in Table 10.1.2.1_1 below.

At the Ida Central target area, significant drilling intersections (to 9m at 1.077kg/t U_3O_8 in HDD002) have been returned from hanging wall alaskite dykes located within and above the hanging wall marbles, while several intersections (to 9m at 0.517 U_3O_8 in HDD008) have been returned from magnetite skarns.

Channel Sampling

Approximately 1,000 linear metres of surface channel sampling were carried out mainly over the Ida Central Zone (Figure 10.1.2.1_2), largely concentrated on zones of alaskite development. A total of 476 x 2m composite channel samples have been submitted for assay. Sample lines have been cut on nominal 80 meter centers where reasonable outcrop is present and slopes not too steep to operate equipment safely. Two slots, approximately 10cm apart were cut to a depth of approximately 5cm using twin diamond saw blades mounted on a modified grinder. Samples were then chiselled from the slots and composited over 2 meter intervals. The sampling method represents a simple and effective means of obtaining representative surface samples of mineralised alaskitic granite.

Table 10.1.2.1_1 Ida Dome Area Significant Drilling Intersections – Anomaly “A”								
Hole ID	Northing (WGS84 33S)	Easting (WGS84 33S)	Azimuth (deg)	Dip (deg)	From (m)	To (m)	Width (m)	Grade (kg/t U ₃ O ₈)
HDD001	7486520	503110	300	-45	26	46	20	0.114
					141	148	7	0.253
					263	265	2	0.351
					44	53	9	1.077
					63	67	4	0.421
HDD002	7486520	503110	300	-65	86	102	16	0.240
					224	234	10	0.147
					273	275	2	1.018
					281	284	3	0.282
					323	328	5	0.219
HDD003	7486360	503060	300	-45	345	354	9	0.243
					235.50	244	8.50	0.282
					54.75	65	10.25	0.264
					287.75	290	2.25	0.272
					314	325	11	0.225
HDD004	7486360	503060	300	-65	452	459	7	0.165
					107	114	7	0.321
					297	305	8	2.316
					313	319	6	0.890
					337	351	14	1.063
HDD005	7486633	503234	300	-45	71.50	76	4.50	0.184
					82	94	12	0.301
					101	108	7	0.257
					135	138	3	0.409
					282	286	4	0.131
HDD007	7486190	503060	300	-45	299	304.50	5.50	0.167
					69	74	5	0.200
					132	134	2	0.505
					434	443	9	0.517
					510	546	41	0.176
HDD008	7486482	502932	275	-45	27	34	7	0.11
					48	52.5	4.5	0.192
					88.50	93	4.50	1.246
					43	84	41	0.361
					160	166	6	0.252
HDD009	7486482	502932	275	-75	178	180	2	0.278
					31	70	31	0.135
					44	71	27	0.153
					80	92	12	0.130
					109	119	10	0.130
HDD010	7486482	502932	230	-45	131	133	2	0.586
					84	93	9	0.313
					103	117.50	14.50	0.209
					39	53.50	14.50	0.264
					59	62	3	0.208
HDD011	7486482	502932	230	-75	69	80	11	0.108
					87	90	3	0.156
					109	111	2	0.136
					154	157	3	0.151
					168.50	172.50	4	0.341

Notes: Analyses on half cut NQ (50mm diameter) core by Genalysis Laboratory Services, Perth. Uranium assays were carried out by Four Acid Digest/MS (Method AT/MS). Metal values (U) have been converted to oxide values (U₃O₈) using a factor of 1.179, and expressed as kg/t U₃O₈. Note that 100ppm U₃O₈ is equivalent to 0.1kg/t U₃O₈, which is 0.01% U₃O₈. True widths are estimated to range from 70% to 100% of intersection thickness depending on the drillhole dip.

Figure 10.1.2.1_2
Channel Sample at the Ida Central Zone



Note: Strongly mineralized alaskite from HDD011, showing abundant smoky quartz and the partial replacement of an altered pitchblende vein to secondary beta-uranophane (petrological sample HU/TS 001; assay 4,840ppm U_3O_8 , sample HU02091). (Photo – Extract IM).

Petrology and Mineralogy

Two samples of alaskite core (at 89.50 metres in HDD011 and at 49.55 metres in HDD002), both exhibiting yellow secondary uranium minerals, were collected and despatched to Microsearch CC in South Africa for petrography.

The results of this work indicate that secondary uranium minerals including uranophane and a sulphate phase (uranopilite) are present at the Ida Prospect together with small amounts of an unidentified phosphate phase (possibly meta-autunite). The most abundant primary uranium mineral was uraninite, with associated minor uranium-thorium silicates. The analysis showed no evidence of betafite, a refractory uranium mineral.

10.1.2.2 Ida East

The Ida East Prospect represents the northern strike extension of Anomaly D, located on the south side of the Swakop River. A total of 2 cored holes were also drilled by the truck mounted rig on the Ida East target zone which is located approximately 1.4 kilometres south-southeast of Ida Central. No results were available for these holes at time of writing, however spectrometer logging of the core indicates the presence of uranium mineralization.

10.1.2.3 South of the Swakop River: Anomaly A and Anomaly D

Extract/WAGE is currently investigating the Alaskite-hosted uranium mineralization identified by AAC (Figure 10.1.2.3_2) via the application of ground radiometric surveys and rock chip sampling, however no results are understood to be available. A number of collars can still be identified on the ground (Figure 10.1.2.3_1).

Mineralization follows the contact between the Khan Formation and the Rössing Formation, which can be traced through to Ida Central target.

Figure 10.1.2.3_1
Remnants of Anglo American Exploration South of the Swakop River



Historic collar at Anomaly A



Anomaly A: Historic percussion chips



Historic collar at Anomaly D



Anomaly D: Historic percussion chips

Figure 10.1.2.3_2
Uranium Bearing Alaskite from Anomaly "A"



10.1.3 Hildenhof Zone and Camp

The Hildenhof Zone is located on the eastern extension of the Goanikontes Dome, adjoining Bannerman Resources Ltd's "East Anomaly", and comprises a southeast trending zone of uranium bearing pegmatites. The target area is located approximately 13 kilometres west of the site of current drilling activities. Ground radiometry readings show that anomalous uranium is developed over a strike length of two kilometres within alaskitic pegmatites with associated uranium values up to 0.7kg/t eU. There is a possibility that further extensions to the Goanikontes Dome uranium-bearing stratigraphy are present under soil cover in this area. No historic drilling has previously been recorded in the area, however the prospect is currently being mapped and evaluated.

10.1.4 Rössing South Zone

This target area is located approximately 5 kilometres south of the Rössing Mine in an area which is interpreted to contain the folded extensions of the stratigraphy hosting the Rössing deposit alaskites. Field verification has confirmed the target stratigraphy and anomalous uranium values (Figure 10.1.4_1), however most of the prospective stratigraphy is concealed by soil cover. Surface coatings of carnotite are common in calcretes developed over the interpreted position of the alaskite stratigraphy. The stratigraphic package identified as potentially hosting uranium mineralization is interpreted to extend for at least 15 kilometres within the Husab JV ground, virtually all of it unexposed and previously unexplored.

A rotary air blast (RAB) drilling program has been designed to target this prospective stratigraphic package.

Figure 10.1.4_1
Rössing South Zone: Typical Example of Secondary Uranium in Calcrete



10.1.5 Welwitschia Zone

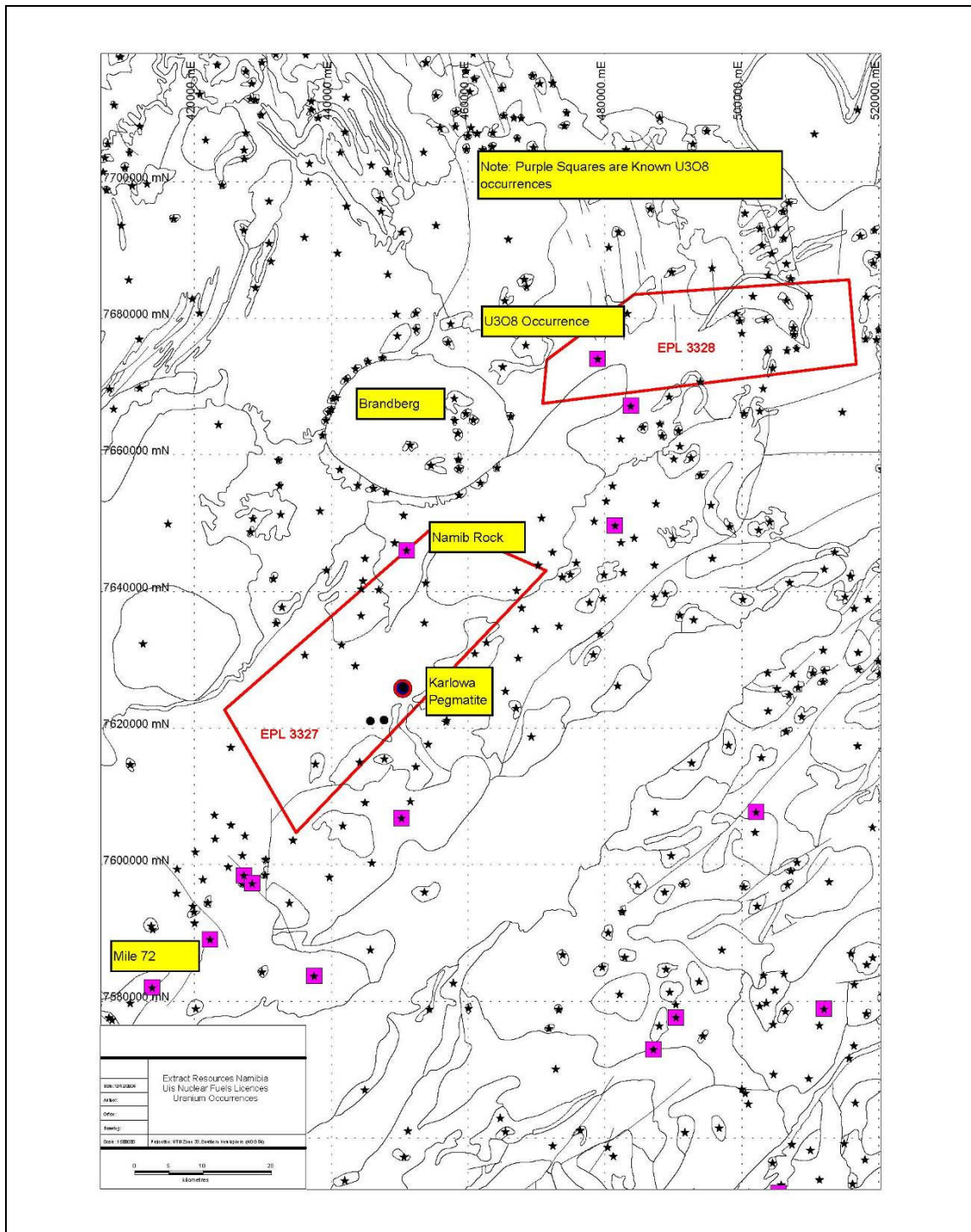
A small alaskite body with dimensions of approximately 300m by 100m is located near the northern closure of the Ida Dome where it intrudes grey granite. Surface radiometric readings of up to 0.34kg/t eU have been recorded from this area making it potentially of interest as a satellite body.

10.2 Uis Project (EPL's 3327 and 3328)

Available airborne magnetic and radiometric data have been purchased for the recently granted northern licenses. Unfortunately, only partial coverage is available for EPL 3327, and no high resolution is currently available for EPL 3328. Imaging of the data available for EPL 3327 reveals significant uranium anomalies interpreted to be associated with calcretized palaeodrainages.

Extract Namibia has also located secondary uranium minerals within the Karlowa Pegmatite (Figure 10.2_1), located south of Namib Rock within EPL3327 (UTM WGS84 33S co-ordinates 7625798mN, 450428mE). Extract correctly believes that highly radiogenic granites and pegmatites, which are common in the area, can contribute to the formation of potentially economic secondary uranium deposits within the northern licenses.

Figure 10.2_1
Uis Project: uranium occurrences



A second license has been granted over the drainage plain south of the Ugab River and east of the Brandberg (EPL3328). Little is known about this license, however the mineral map of Namibia shows uranium occurrences within and adjacent to the license.

Available airborne data has recently been purchased, however only partial coverage of EPL3327 is available, and no data is currently available for EPL3328.

11 DRILLING

11.1 Introduction

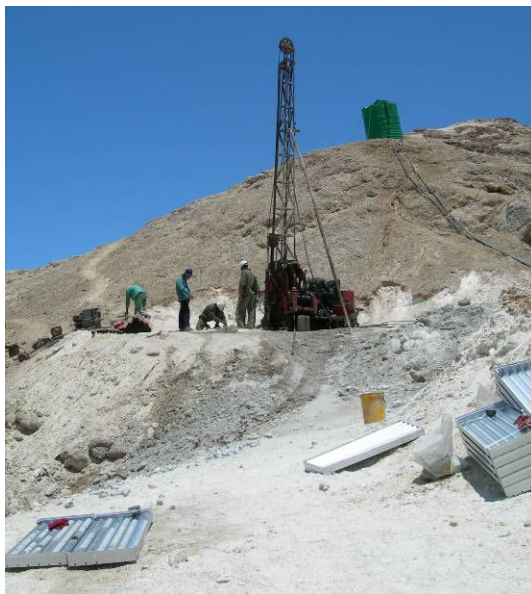
Data collection methods applied by Extract have been reviewed in the field by RSG Global and, as such, have been directly assessed. Desktop assessment of the exploration completed by Extract was undertaken at the WAGE offices in Windhoek, Namibia. The following sections are a summary of the Extract/WAGE data drilling and collection approach.

Table 11.1_1 Summary Drilling Statistics Grouped by Prospect and Drill Method								
Deposit	No DDH	DDH (m)	No RC	RC (m)	No Auger	Auger (m)	All Holes	Total M
Central Ida	HDD001	331.15	-	-	-	-	-	331.15
	HDD002	421.56	-	-	-	-	-	421.56
	HDD003	308.14	-	-	-	-	-	308.14
	HDD004	465.62	-	-	-	-	-	465.62
	HDD005	392.83	-	-	-	-	-	392.83
	HDD006	449.88	-	-	-	-	-	449.88
	HDD007	361.26	-	-	-	-	-	361.26
	HDD008	600.06	-	-	-	-	-	600.06
	HDD009	359.56	-	-	-	-	-	359.56
	HDD010	356.98	-	-	-	-	-	356.98
	HDD011	127.10	-	-	-	-	-	127.10
	HDD012	184.94	-	-	-	-	-	184.94
	HDD013	116.78	-	-	-	-	-	116.78
	HDD014	190.00	-	-	-	-	-	190.00
	HDD015	199.48	-	-	-	-	-	199.48
	HDD016	220.93	-	-	-	-	-	220.93
	HDD017	167.18	-	-	-	-	-	167.18
	HDD018	212.08	-	-	-	-	-	212.08
	HDD020	269.08	-	-	-	-	-	269.08
	HDD021	190.98	-	-	-	-	-	190.98
Ida East	HDD019	412.12	-	-	-	-	-	412.12
	HDD028	449.94	-	-	-	-	-	449.94
Totals	22	6,787.65						6,787.65

11.2 Diamond Core Drilling

The diamond drilling was predominantly carried out by Drillcon and Arno Gunzel Drilling. The rigs used were a skid-mounted (Boyles 35) from Arno Gunzel Drilling and a truck-mounted rig (Longyear 44) from Drillcon. The skid-mounted rig was placed into position using a pulley system (Figure 11.2_1). The truck mounted rig was used for the more accessible areas, whereas the skid-mounted rig was used in the more inaccessible areas on the flanks of the Swakop River Gorge. The number of rigs on site at any one time varied between one and two.

Figure
Arno Drilling Diamond Drill Rig and Hoist System



Skid-mounted diamond drill rig



Pulley motor system to hoist drilling materials up the slope at Central Ida

The skid-mounted diamond drill-rig from Arno Gunzel Drilling was operating at the time of the site visit. From communications with the WAGE exploration manager, Arno Drilling is currently the preferred drilling contractor.

Between 8 April 2006 and 30 November 2006, 22 NQ size diamond drill holes were completed for 6,787.65m. This work represented the first drilling for uranium at the Ida Central and Ida East prospects. The deepest hole to date is of the order of 600.06m. Drilling was completed in runs of 3 metres.

The drilling company's performances are generally satisfactory, with acceptable daily productivity rates, acceptable sample recovery and safety standards being achieved, although the Drillcon performance was marred by numerous breakdowns and unreliable down-hole surveys.

Care is taken by the site geologist to align the drill-rig appropriately prior to commencing each hole. The rig alignment (i.e. the azimuth and dip) is also re-confirmed using a compass prior to commencement of drilling.

All holes have been down-hole surveyed by a single-shot survey tool (either a Sperry Sun or Eastman instrument), however numerous problems were encountered with the quality of the down-hole surveys in the initial 10 holes (HDD001-010), and these will have to be resurveyed at a later stage. Arno Gunzel Drilling will re-survey all accessible holes with a Reflex-eze Multishot survey tool. The single shot surveying is currently completed by the drilling contractors at the completion of the hole.

The single-shot surveys are generally taken at intervals roughly equivalent to 20% of the final hole depth, although some holes remain unsurveyed. Based on a review of the survey information, RSG Global considers that only the more recent data (HDD011 onwards) is well established in 3D space. The surveys for initial drill holes are unreliable and require re-surveying.

RSG Global understands that no core orientations have been carried out to date. For future drilling it is recommended that core orientations are routinely recorded to assist in determining the controls on mineralization, in establishing a reliable geological model for resource estimation, and to provide additional geotechnical information to determine likely blast fragmentation and pit stability characteristics.

Geotechnical logging has routinely been completed at Ida Central, with recoveries and RQD's recorded by a crew of field technicians under the supervision of a contract geologist.

A review of sample recoveries was completed by RSG Global based on the data provided in digital format. An average recovery of 98% was determined by averaging all relevant intervals from all holes. A review of the data pertaining to individual holes yielded recoveries varying between 90% and 98%. Generally core recoveries are good throughout, with the majority of core loss associated with the collaring stage.

11.3 RC Drilling

No RC drilling has been completed by Extract/WAGE on any of the prospects.

11.4 Drilling Orientation

Most of the drilling is undertaken normal to the plane of the principal mineralised orientation (where practical), however due to the nature of the terrain, and the difficulty in preparing adequate drilling pads to consistently accommodate drill orientations orthogonal to mineralized zones, most of the drilling is carried out in fan arrays from a single pad. As the program is still in the early exploration phase, no geotechnical holes have yet been drilled down dip in order to target specific structures critical for geotechnical analysis and understanding.

The dominant drill direction at Central Ida is -45° to -65° towards 300° (true azimuth). RSG Global considers the drilling direction is appropriate given the current geological interpretation.

11.5 Drilling Results

A summary of the more significant drilling results returned from the Ida Dome is provided in Section 10.1.2.1 of this report. These results are derived from diamond drill holes HDD001 – HDD020 and HDD028.

11.6 Drilling Quality – Drillhole Database Verification

The systems and procedures used by Extract limits the possibility of errors occurring in the data. Maxwell Geoservices in Perth, Australia, have been contracted to handle the database and conduct validation of all the data sent to them. To validate the database, RSG Global selected holes were audited against the digital logs (the core is logged in a geocoded format to palmtops) and assay reports. A summary of the holes validated is given below:-

- HDD001, HDD006, HDD011 and HDD020 assays were checked against original SIF reports from the laboratory. No errors other than sample numbers missing prefixes were identified. Sample numbers showed inconsistencies between original sample numbers and sample numbers appearing on the “Sif-format” files received from the assay laboratories. Batch number 1129.0/0604592, sent through by Genalysis Laboratories in Perth, has a detection unit in ppb for U rather than ppm; this error has been sustained in the database, and the uranium grades for parts of HDD011 have been divided by a factor of 1,000 to convert the assays to ppm.
- HDD002 and HDD007 geology codes were checked for possible errors. No errors were identified.

RSG Global viewed all the original digital laboratory files (in “sif” file format) as well as an export from the Extract database from Maxwell’s in Excel format. Inherent problems which indicated a lack of data validation evident at the onset, however these problems can be readily rectified and have no major consequences.

12 SAMPLING METHOD AND APPROACH

12.1 Rock Sampling

Multiple phases of surface geochemistry have been executed by the project operators. The geochemistry includes rock chip samples and channel samples. A summary of the programmes completed is provided below.

12.1.1 Channel Sampling

Surface channel sampling of alaskite over the Ida Central Zone has been carried out in conjunction with diamond drilling. At report date an approximate total of 1,000 linear metres has been cut and sampled. Sample lines have been cut on nominal 80m or 160m centres where reasonable outcrop is present and slopes are not too steep to operate equipment safely.

Samples were then chiselled from the slots and composited over 2 metre intervals. Analysis for uranium and copper (methods AT/MS, AT/AAS) was conducted by Genalysis Laboratory Services in Perth, Australia. At the time of reporting, no assays had been received from the laboratory.

12.1.2 Rock Chip Sampling

A total of eleven (11) rock chip samples were collected at the Husab fluorite mine (six samples) and the Ida Copper Mine (five samples), and analyzed for low level gold, silver, arsenic, cobalt, copper, lead, uranium, vanadium and zinc. In addition, the Husab samples were analyzed for fluorine, and CaF₂ values subsequently calculated.

All samples were analysed by Genalysis Laboratory Services in Perth, Australia, via the following methods:-

- Au (detection limit=1ppb) by Aqua-Regia digest, analysed by inductively coupled plasma mass spectrometry (ICP-MS or B/MS), and repeats analysed by graphite furnace atomic absorption spectrometry (B/ETA) with a detection limit of 1ppb.
- Ag (0.01ppm), As (0.5ppm), Co (0.1ppm) and U (0.01ppm) by ICP-MS following an aqua regia digest (B/MS).
- Cu (1ppm), Pb (2ppm), V (2ppm) and Zn (1ppm) by ICP optical (atomic) emission spectrometry following an Aqua Regia digest (B/OES). Pb repeat (0.01%) by modified (for higher precision) multi-acid digest including hydrofluoric, nitric, perchloric and hydrochloric acids, and analysed by flame atomic absorption spectrometry (AX/AAS).
- F (0.05%) by alkaline fusion (nickel crucible) specific for fluorine, analysed by specific ion electrode (DH/SIE).
- CaF₂ (0.1%) determined without digestion, but by calculation from other reported data.

12.2 Diamond Core Sampling

The portions of holes to be sampled are selected at the discretion of the geologist completing the logging. The drill core is logged in detail, intervals for sampling selected and an appropriate sampling form completed. The core is then cut evenly down the middle using a diamond saw. The two halves of each piece of core are placed back in the core tray in the original position.

The drill core is sampled in 1m intervals by trained and supervised technicians. Each metre is sampled by taking the left-hand half of each piece of core for that metre and placing it into an appropriately labelled sample bag, leaving the remaining half core in the tray for reference purposes.

Calico sample bags with draw-strings are used for core sampling, identified by sample tickets. One half of each ticket (identical halves), which has a printed sequence of six digit sample numbers, is placed into the calico sampling bag. The technician completing the sampling annotates the hole number and the sample interval on the remaining portion of the sample ticket. As part of the quality control protocols, the technician verifies that the metre interval marked on the core matches the metre interval written on the sample ticket, and also matches the metre interval on the sample form. The technician also verifies that the corresponding sample number on the sample form for that interval matches the sample number on the ticket and also matches the sample number written on the sample bag.

Sample intervals are generally one metre in length, although sample intervals can be reduced to 25cm or multiples thereof within suspected mineralized zones. Once the entire metre, or fraction thereof, has been sampled and placed in the calico bag along with the sample ticket, the bag is tied firmly.

Samples for each hole are placed into large polyweave bags, with approximately 12-20 samples per bag. The bags were then numbered and labelled with the enclosed sample numbers and then taped closed.

In batches of approximately 1,000 samples, the polyweave bags are loaded onto a truck and sent with a dispatch sheet to the Genalysis preparation laboratory in Johannesburg, South Africa

12.3 RC Sampling and Logging

No RC drilling and sampling has been carried out by Extract/WAGE to date.

12.4 Sample Quality

Apart from the absence of duplicates, blanks and standards being inserted in the sampling stream, the majority of procedures and protocols adopted for the various forms of sampling are consistent with current industry best practise. Similarly, the sampling procedures and protocols are consistent with mineralization styles identified at the Husab Project. In addition, all technicians appear well trained and are effectively supervised by Extract/WAGE expatriate staff.

13 SAMPLE PREPARATION, ANALYSIS AND SECURITY

13.1 Sample Security

The rapid submission of samples for analysis, and the close scrutiny of procedures by expatriate technical staff, provides little opportunity for sample tampering. Samples are currently transported directly to Windhoek, and then freighted to the laboratory. Equally, given the umpire assaying via an external international laboratory, any misleading analytical data would be readily recognised and investigated.

13.2 Analytical Laboratories

Genalysis Laboratory Services Pty Ltd has been used as the principal analytical laboratory. The sample preparation is completed in Johannesburg, South Africa, and the analytical laboratory in Perth, Australia, assay the pulps. Every sample duplicate virtually serves as an umpire assay check, which is completed by Set Point Laboratories in Johannesburg, South Africa.

The National Association of Testing Authorities Australia (NATA) has accredited Genalysis Laboratory Services Pty Ltd, following demonstration of its technical competence, to operate in accordance with ISO/IEC 17025 (1999) which includes the management requirements of ISO 9002:1994. This facility is accredited in the field of Chemical Testing for the tests, calibrations and measurements shown in the Scope of Accreditation issued by NATA.

Set Point Laboratories has been accredited to operate in accordance with ISO/IEC 17025 by the South African National Accreditation System (SANAS), which is responsible for the accreditation of laboratories (testing and calibration).

13.3 Sample Preparation and Analytical Procedure

The primary sample preparation and analysis is completed at the Genalysis preparation laboratory in Johannesburg, South Africa, and the Genalysis analytical facility in Perth, Australia. RSG Global has reviewed the Johannesburg facility and considers it to be well organised and run, with the technical staff well trained. The sample preparation includes crushing and pulverizing, and a flow sheet showing the complete preparation undergone by every sample is shown Figure 13.3_1.

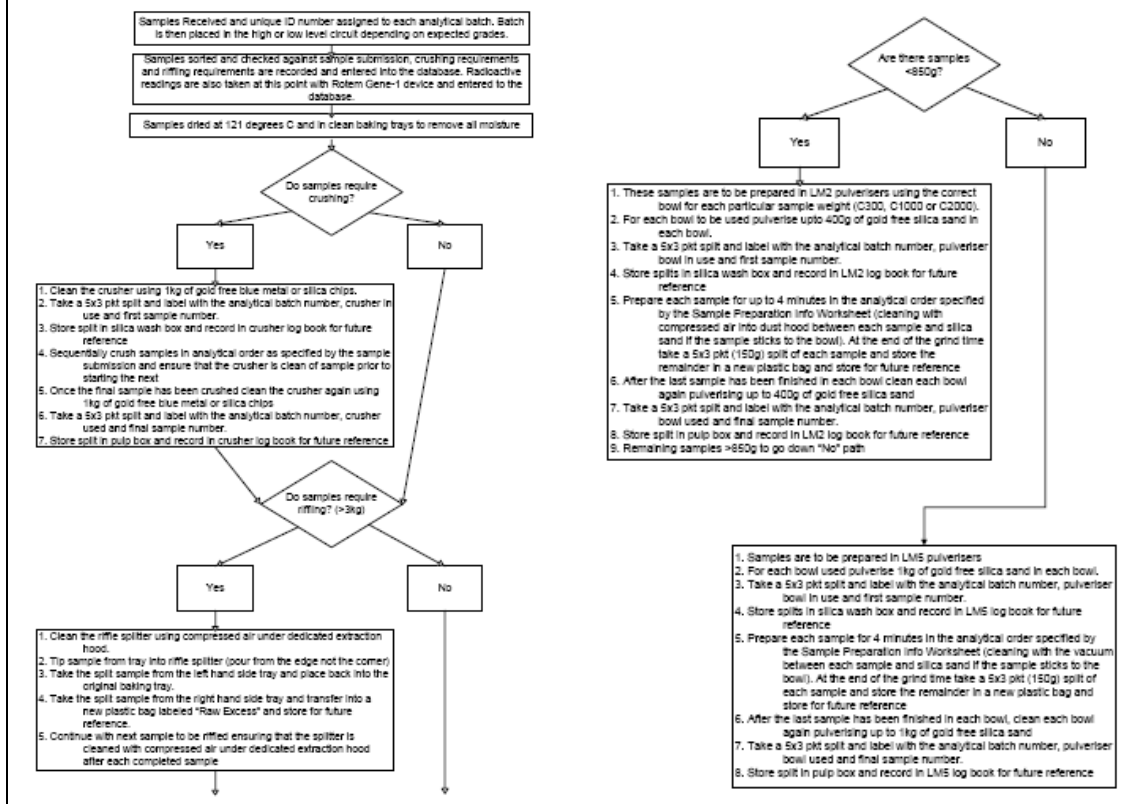
The primary sample pulps are sent to Genalysis analytical laboratory for Au, Ag, Cu, Ni, U, Zn analyses and specific gravity (SG) determinations. Umpire pulp duplicates are analysed by Set Point in South Africa for uranium only by pressed pellet XRF.

The majority of the U assaying has been completed using inductively coupled plasma atomic emission spectroscopy (ICP-AES) while inductively coupled plasma mass spectroscopy (ICP-MS) methods with appropriate collectors, for example 30g fire assay for gold and nickel sulphide collection for PGE's have also been applied.

A brief summary of the analytical methods used by Genalysis is provided below:-

- Au (detection limit=1ppb) by aqua regia digest, analysed by inductively coupled plasma (ICP) mass spectrometry (B/MS), and repeats analysed by graphite furnace atomic absorption spectrometry (B/ETA) with a detection limit of 1ppb.
- Ag (0.01ppm) and U (0.01ppm) by ICP-MS following an aqua regia digest (B/MS).
- Cu (1ppm), Ni (1ppm) and Zn (1ppm) by flame atomic absorption spectrometry following an aqua regia digest (B/AAS).

Figure 13.3_1
Flow Diagram of sample preparation at the Genalysis Sample Preparation facility in Johannesburg, South Africa



- Cu (0.01%) by modified (for higher precision) multi-acid digest including hydrofluoric, nitric, perchloric and hydrochloric acids, and analysed by flame atomic absorption spectrometry (AX/AAS).
- Cu by flame atomic absorption spectrometry following a four acid digest (AT/AAS).
- Uranium by ICP-MS following a four acid digest (AT/MS).
- Uranium by ICP-MS following a sodium peroxide fusion (DX/MS)
- Uranium by XRF (Pressed Pellet)
- SG by pycnometry. The pycnometer measures the volume of powdered and porous materials as well as solid objects. From this the density of the material can be calculated. Precision is enhanced by using as large a sample as possible.

Table 13.3_1 summarizes the analytical techniques used for the Husab core.

Table 13.3_1 Summary of Assaying by Laboratory for Au, Ag, Cu, Ni, U, Zn and SG					
Element	Laboratory Code	Analytical Method	Detection Limits	Total Samples	Comment
Au	Genalysis	B/MS	1ppb		
	Genalysis	B/ETA	1ppb		
Ag	Genalysis	B/MS	0.01ppm		
Cu	Genalysis	B/AAS	1ppm		
	Genalysis	AX/AAS	0.01%		
	Genalysis	AT/AAS	1ppm		Standard Method used
Ni	Genalysis	B/AAS	1ppm		
U	Genalysis	B/MS	0.01ppm		
	Genalysis	AT/MS	0.01ppm		Standard Method used
	Genalysis	DX/MS	0.1ppm		
	Set Point	XRF	7ppm		Pressed Pellet
Zn	Genalysis	B/AAS	1ppm		
SG	Genalysis	/GPYCN	0.01g/cm ³		Gas Displacement pycnometer

13.4 Adequacy of Procedures

The analytical methods and laboratories adopted are considered entirely appropriate, however the quality control procedures can be enhanced by sourcing suitable check samples (standards and blanks) for insertion into the sample stream at regular intervals.

The sampling methods, chain of custody procedures, sample preparation procedures and analytical techniques are all considered appropriate and are compatible with accepted industry standards.

14 DATA VERIFICATION

The quality control data related to diamond drilling has been assessed statistically using a number of comparative analyses for each dataset. The objectives of these analyses were to determine relative precision and accuracy levels between various sets of assay pairs and the quantum of relative error. The results of the statistical analyses are presented as summary plots, which include the following:-

- *Thompson and Howarth Plot*, showing the mean relative percentage error of grouped assay pairs across the entire grade range, used to visualise precision levels by comparing against given control lines.
- *Rank % HARD Plot*, which ranks all assay pairs in terms of precision levels measured as half of the absolute relative difference from the mean of the assay pairs (% HARD), used to visualise relative precision levels and to determine the percentage of the assay pairs population occurring at a certain precision level.
- *Mean vs. % HARD Plot*, used as another way of illustrating relative precision levels by showing the range of % HARD over the grade range.
- *Mean vs. %HRD Plot* is similar to the above, but the sign is retained, thus allowing negative or positive differences to be computed. This plot gives an overall impression of precision and also shows whether or not there is significant bias between the assay pairs by illustrating the mean percent half relative difference between the assay pairs (mean % HRD).
- *Correlation Plot* is a simple plot of the value of assay 1 against assay 2. This plot allows an overall visualisation of precision and bias over selected grade ranges. Correlation coefficients are also used.
- *Quantile-Quantile (Q-Q) Plot* is a means where the marginal distributions of two datasets can be compared. Similar distributions should be noted if the data is unbiased.
- *Standard Control Plot* shows the assay results of a particular reference standard over time. The results can be compared to the expected value, and the $\pm 10\%$ precision lines are also plotted, providing a good indication of both precision and accuracy over time.

14.1 Analytical Quality Control (Extract)

14.1.1 Blanks

No blank reference material is currently being used by Extract.

Blanks are commonly used to test for contamination during the sample preparation process.

14.1.2 Standards

No standard reference material is currently being used by Extract, although the company has indicated that once suitable material is sourced and certified for uranium, these will be inserted in the future.

The standards assays provide a measure of relative analytical precision. Sample batches which fail outside specified tolerance ranges are flagged and investigated.

14.1.3 Field Duplicates

No field duplicates (or coarse reject duplicates in the case of diamond core) have been prepared from the submitted sample after primary crushing.

The field duplicate samples are used to determine sampling error.

14.2 Assay Quality Control (Laboratory)

Two main types of quality control samples were inserted for the drilling: internal laboratory duplicates (check samples) and internal lab standards and blanks. Two labs were used during the drilling phase, Genalysis in Perth, Australia, and Set Point in Johannesburg, South Africa.

14.2.1 Internal Laboratory Blanks

The laboratory has inserted blank material in order to monitor levels of contamination in the sample preparation process. Assessment of the data indicates that no sample preparation contamination is evident.

14.2.1.1 Genalysis Laboratory

There were 55 internal lab blanks samples inserted and assayed for a host of elements, including Au, Ag, Cu, Ni, U and Zn. Only Cu and U elements have been considered for this exercise. A total of 29 assayed above the detection limit of 0.01ppm, and apart from 5 blanks (ranging from 0.05ppm-0.15ppm U), the analysis show that contamination in the preparatory laboratory is negligible and within an acceptable range.

14.2.1.2 Set Point Laboratory

A total of 28 internal laboratory blank samples were inserted and assayed. All samples, with the exception of one sample that returned an assay of 461ppm U_3O_8 , yielded values inferior to 7ppm U_3O_8 , which is the detection limit on the blank material used. All the blanks are within acceptable range, and indicate that no contamination issues have arisen.

14.2.2 Internal Laboratory Standards

14.2.2.1 Genalysis Laboratory

An assessment of the Genalysis internal standards was completed by means of control plots. The focus of this investigation was uranium, although associated elements (i.e. Cu and Au) were also reviewed. In general, the internal standard assay results indicate that acceptable accuracy is being achieved, with the majority of standards falling within 90% of the standard tolerance values.

Relatively few standards reported results outside the tolerance range and appear due to mixing of standards.

14.2.2.2 Set Point Laboratory

The majority of the Set Point internal standards reviewed are targeting uranium accuracy. In general the results of the QA/QC analysis for SARM1 and UREM2 were mostly satisfactory (Figures 14.2.2.2_1 and 14.2.2.2_2), with the majority of standards falling within the tolerance range with little bias evident.

Standard U_QC_2 reported numerous results outside the tolerance range and these appear due to mixing of standards (Figure 14.2.2.2_3). Only 3 of the 24 standards were within the tolerance range, and the remaining 21 appear to have been mixed up with standard yielding an average value of 461ppm U_3O_8 instead of yielding mean values of 188ppm.

14.2.3 Internal Laboratory Duplicate

14.2.3.1 Genalysis Laboratory Checks

There were 116 internal lab duplicate samples taken and assayed for U and Cu. The duplicates correlate well with the original assaying and 90% of all the data fell within a 10% precision limit for U (Figure 14.3.4.1_1).

14.2.3.2 Set Point Laboratory Checks

No internal laboratory duplicates were carried out by Set Point.

14.3 Umpire Assaying

Independent re-assaying (umpire assaying) of pulps is routinely undertaken for all primary samples submitted.

Umpire assays provide a measure of relative analytical accuracy.

14.3.1 Set Point vs. Genalysis

In total, 2132 umpire assays (pulp duplicates) are available for investigation. Statistical analysis and plots for these data are provided in Figures 14.3.1_1 and 14.3.1_2.

The following key conclusions are provided:-

- The correlation is skewed because due to the number of data points below the detection limit, the two differing detective limits adopted by the laboratories, and the comparison of two different assay methods. The lower levels of detection (LLD) for Genalysis is 0.01ppm U, whereas the LLD for Set Point is 0.07ppm. In excess of 800 assays registered below detection at Set Point, which affects the percentage of data points lying within the precision limits (which stands at 44%). The umpire assays have therefore been filtered to remove all results below the detection limit, and the resulting 599 pairs show that 78.6% of the data is within precision limits of 10%. Overall, the relative accuracy is acceptable, with a mean half relative

difference (HRD) of 3.53%. Approximately 96% of the data is reported within +/-10% HARD representing a satisfactory outcome.

- The overall linear correlation is 0.97, while the rank correlation (Spearman CC) is also 0.97. In general, a weak positive bias in favour of the Genalysis results is noted although the relative accuracy as measured by the mean HARD is acceptable at 7.46%.

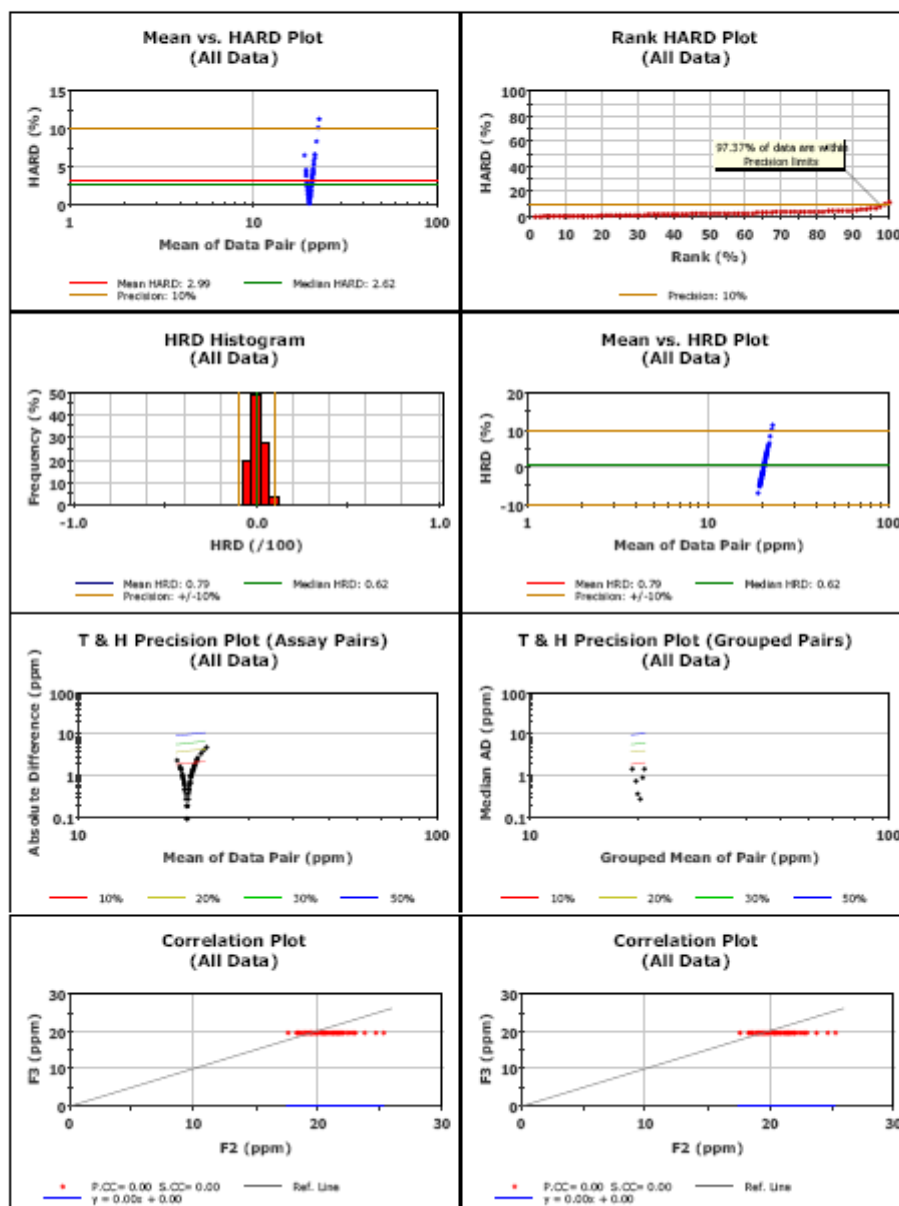
14.4 Data Quality Summary

With the exception of gold, the assaying is generally considered both accurate and precise, and is suitable for mine planning studies. The current quality control protocols need to be expanded to be fully consistent with high industry standards and should be maintained for future drilling programs. It is recommended that standard, blank and field duplicate samples be routinely inserted into the assay stream. Similarly, it is recommended that all quality control data is monitored and any issues resolved on a regular basis to ensure that no major remedial task accumulates. In addition, the submission of certified gold standards should be considered if the metal appears likely to provide a significant revenue contribution to the project.

Figure 14.2.2.2_1
Set Point: QC Plots for Standard SARM1

Set Point Internal Standard SARM1 for U3O8 (All Data)

	F2	F3	Units		Result
No. Pairs:	76	76		Pearson CC:	0.00
Minimum:	17.50	20.00	ppm	Spearman CC:	0.00
Maximum:	25.20	20.00	ppm	Mean HARD:	2.99
Mean:	20.37	20.00	ppm	Median HARD:	2.62
Median:	20.25	20.00	ppm	Mean HRD:	0.79
Std. Deviation:	1.50	0.00	ppm	Median HRD:	0.62
Coefficient of Variation:	0.07	0.00			



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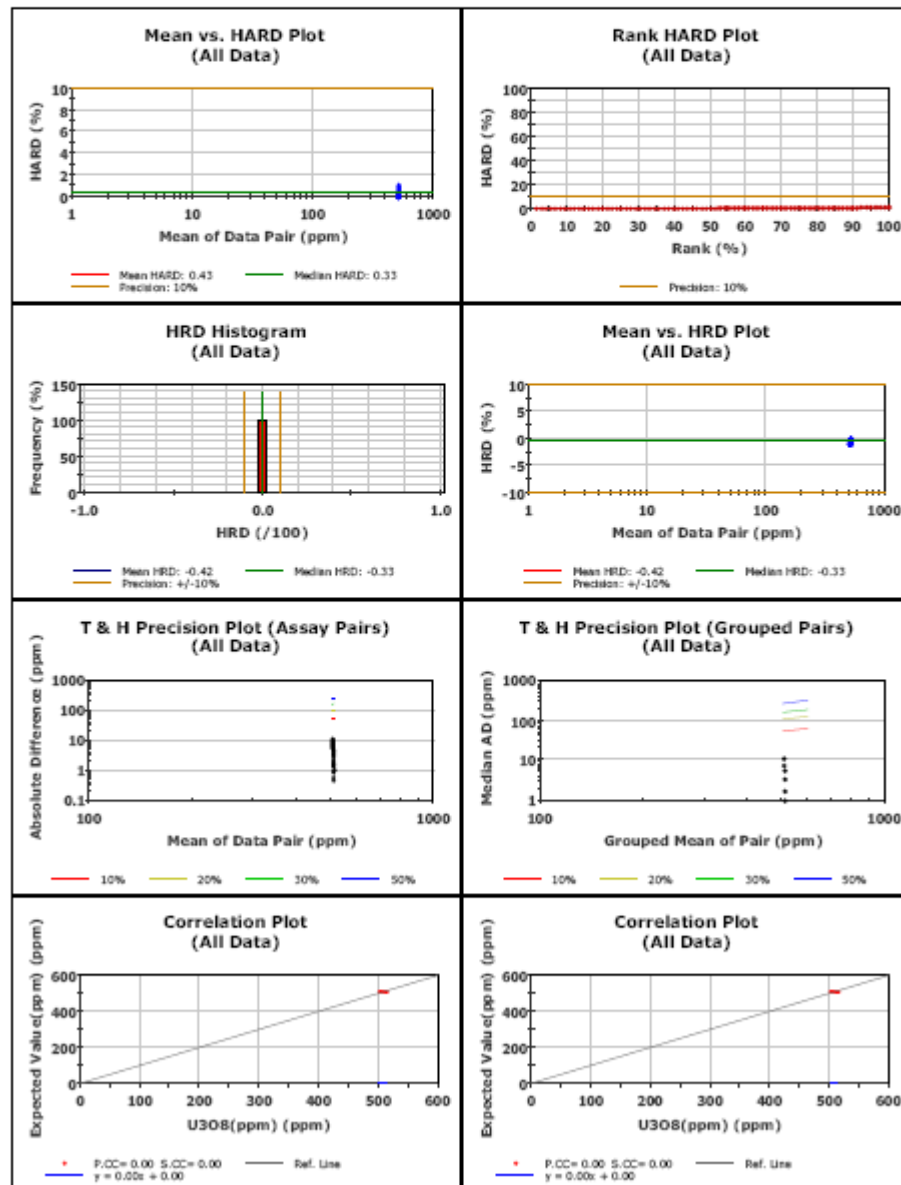
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Figure 14.2.2.2_2
Set Point: QC Plots for Standard UREM 2

Set Point Std UREM2 for U3O8 (ppm) (All Data)

	U3O8(ppm)	Expected Value(ppm)	Units		Result
No. Pairs:	76	76		Pearson CC:	0.00
Minimum:	501.70	513.00	ppm	Spearman CC:	0.00
Maximum:	514.10	513.00	ppm	Mean HARD:	0.43
Mean:	508.68	513.00	ppm	Median HARD:	0.33
Median:	509.60	513.00	ppm	Mean HRD:	-0.42
Std. Deviation:	3.63	0.00	ppm	Median HRD:	-0.33
Coefficient of Variation:	0.01	0.00			



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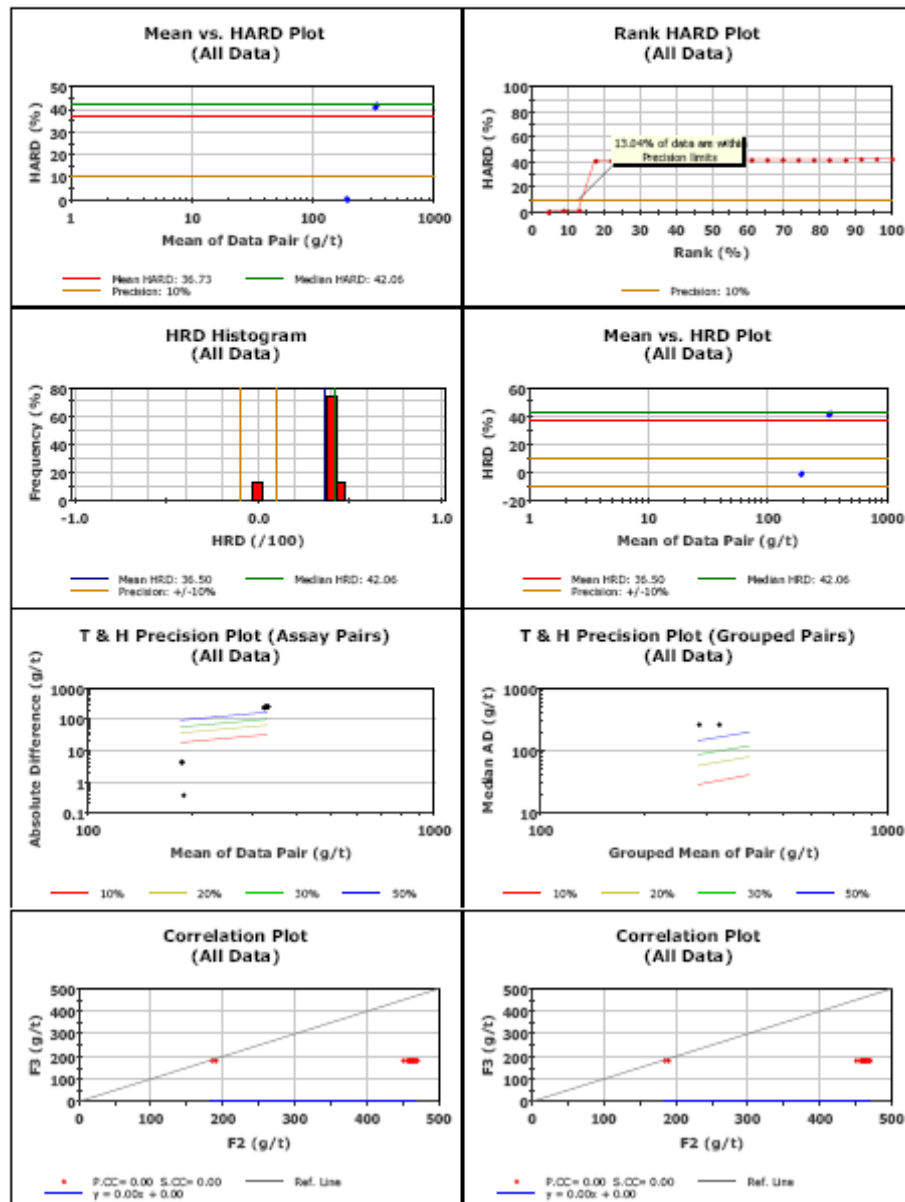
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Figure 14.2.2.2_3
Set Point: QC Plots for Standard U_QC_2

Internal Std U_QC_2 for U3O8 (All Data)

	F2	F3	Units		Result
No. Pairs:	23	23		Pearson CC:	0.00
Minimum:	183.10	188.00	g/t	Spearman CC:	0.00
Maximum:	469.00	188.00	g/t	Mean HARD:	36.73
Mean:	425.38	188.00	g/t	Median HARD:	42.06
Median:	460.90	188.00	g/t	Mean HRD:	36.50
Std. Deviation:	93.20	0.00	g/t	Median HRD:	42.06
Coefficient of Variation:	0.22	0.00			



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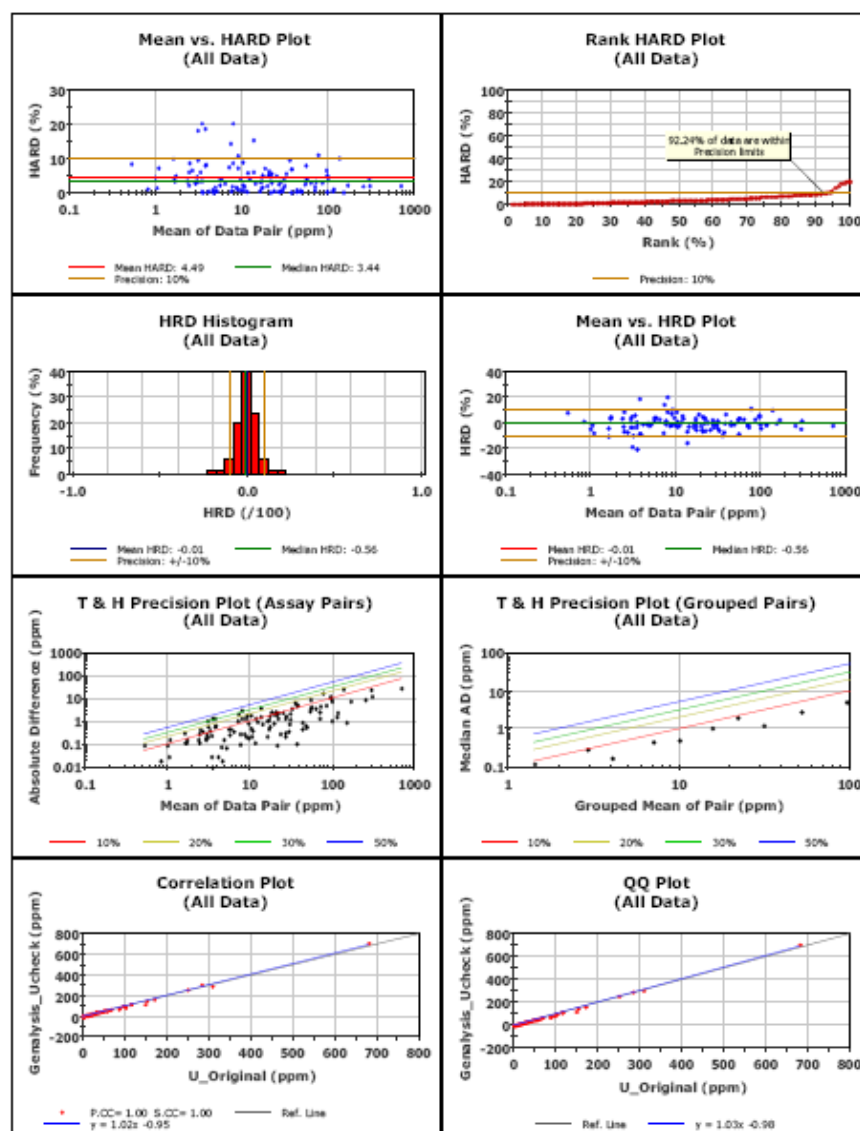
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Figure 14.2.3.1_1
Genalysis Internal Laboratory Check Sample QC Plots for Uranium

Genalysis Uranium Checks (ppm) (All Data)

	U Original	Genalysis_U check	Units		Result
No. Pairs:	116	116		Pearson CC:	1.00
Minimum:	0.57	0.48	ppm	Spearman CC:	1.00
Maximum:	680.18	709.63	ppm	Mean HARD:	4.49
Mean:	39.05	39.06	ppm	Median HARD:	3.44
Median:	13.21	15.04	ppm	Mean HRD:	-0.01
Std. Deviation:	79.75	81.85	ppm	Median HRD:	-0.55
Coefficient of Variation:	2.04	2.10			



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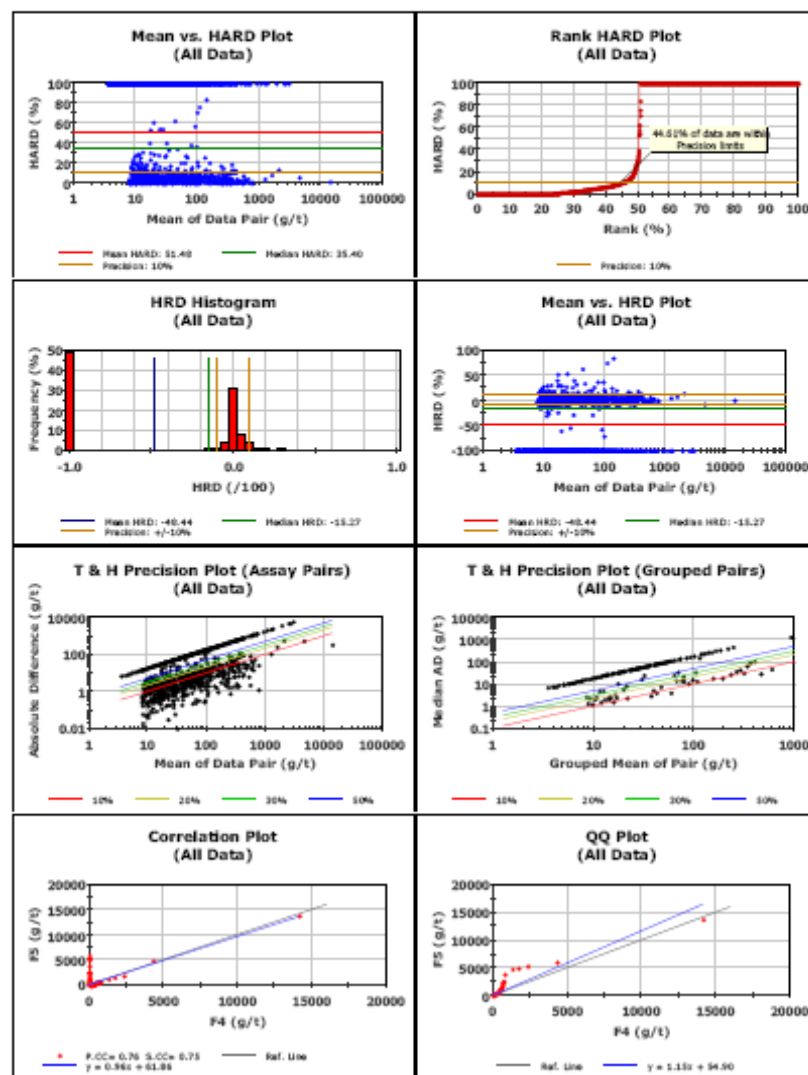
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Figure 14.3.1_1
Umpire Assays: Comparison Between Assays from Genalysis (ICP with MS finish) and
Set Point (XRF pressed pellet)

Umpire Assays for U3O8
(All Data)

	F4	F6	Units		Result
No. Pairs:	2,132	2,132		Pearson CC:	0.76
Minimum:	0.00	0.00	g/t	Spearman CC:	0.75
Maximum:	14,166.40	13,823.00	g/t	Mean HARD:	51.48
Mean:	35.99	95.35	g/t	Median HARD:	35.40
Median:	0.00	24.00	g/t	Mean HRD:	-48.44
Std. Deviation:	335.82	424.18	g/t	Median HRD:	-15.27
Coefficient of Variation:	9.33	4.40			



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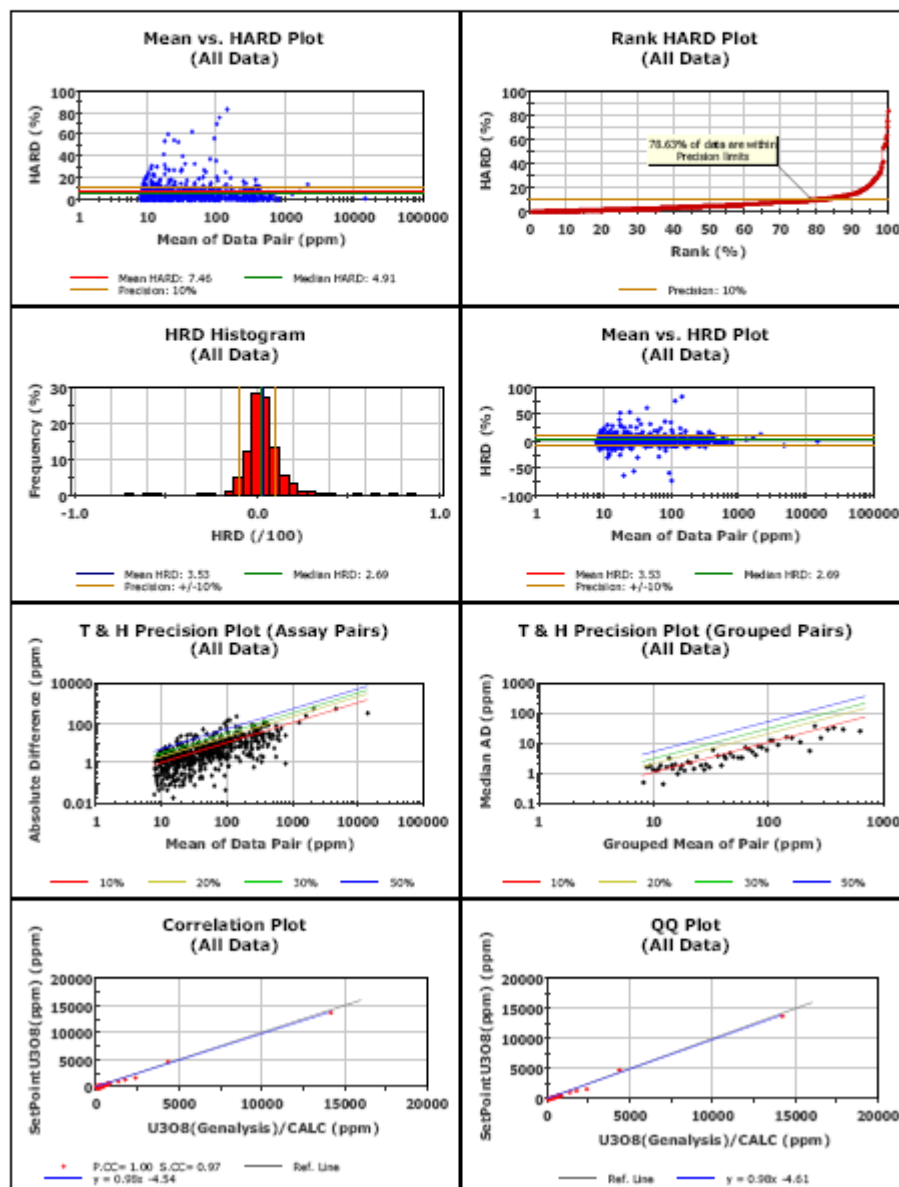
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Figure 14.3.1.2
Umpire Assays: Filtered Comparison Between Assays from Genalysis (ICP with MS finish) and Set Point (XRF pressed pellet)

Umpire Assays for U308 (All Data)

	U308(Genalysis)/CALC	SetPointU308	Units		Result
No. Pairs:	599	599		Pearson CC:	1.00
Minimum:	7.19	7.00	ppm	Spearman CC:	0.97
Maximum:	14,166.40	13,822.70	ppm	Mean HARD:	7.46
Mean:	128.11	120.89	ppm	Median HARD:	4.91
Median:	38.10	35.70	ppm		
Std. Deviation:	624.18	612.54	ppm	Mean HRD:	3.53
Coefficient of Variation:	4.87	5.07		Median HRD:	2.69



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14.5 Size Fraction Analysis

No routine size fraction analysis is undertaken by the sample preparation laboratory as a check on the size distribution and homogeneity of the sample at different stages during the sample preparation process.

14.6 Bulk Density Determinations

Specific gravity (SG) readings were determined by pycnometry at Genalysis, however no bulk density determinations have been carried out by Extract/WAGE. Density data needs to be collected by Extract in the future using billets selected from available diamond core.

For future reference, the method applied to density collection for Ida Central must include sun drying, weighing the core in air and weighing in water. The bulk density is then determined as a ratio of weight in air over weight in water. The weighing is completed using high quality electronic scales with regular calibration of the scales completed.

The method represents an industry standard approach to dry bulk density collection when no porosity is present in the rocks, as is the case for the sulphide / fresh mineralization. However, when the rock is partly or completely oxidised the methodology is inappropriate as moisture is absorbed during the water immersion step.

RSG Global recommends that a suite of transitional and oxide samples be tested using a method that includes oven drying of the core billet, sealing of the core with paraffin wax prior to standard immersion method density determinations.

The following procedure is used if the sample is porous and must be coated with wax before immersion:-

- Oven dry the sample overnight at 105°C - 110°C and then allow cooling to room temperature.
- Connect the weighing harness to the balance under hook. Level the balance and zero the display.
- Place the sample in the harness and weigh the sample in air. Record this weight (W1).
- Immerse the sample in a container of molten paraffin wax to apply an impervious wax coating.
- Allow the wax to solidify and the sample to return to room temperature. Weigh the wax coated sample and record this weight (W2).
- Place the coated sample in the harness and suspend the sample and harness in a container of water, ensuring that the sample is completely immersed and the harness is not in contact with any part of the container. Record the weight of the immersed sample (W3).
- Calculate the density or specific gravity of the sample as follows:-

$$\text{Specific gravity} = \frac{W_1}{(W_2 - W_3) - \{(W_2 - W_1) / \rho\}}$$

Where ρ = density of the wax

15 ADJACENT PROPERTIES

The highly prospective Central Zone of the Damara Orogeny contains the Rössing uranium mine, which produces approximately 7% of world supply, the Valencia deposit owned by a subsidiary of Forsys Metals Corporation (TSX-V:FSY), and the Goanikontes Prospect owned 80% by Bannerman Resources Limited (Figure 15_1). The proximity of these significant deposits and occurrences, and the close similarity in style of mineralization to that identified within the Extract properties, **is not necessarily indicative of the mineralization on the property that is the subject of the technical report.**

Figure 15_1
Location of Uranium Deposits on Properties Adjacent to the Extract Tenement Holdings



All the information pertaining to the adjacent properties is disclosed publically by the owner or operator of the adjacent properties through their websites.

15.1 Rössing Uranium Mine

The Rossing Mine, operated by a subsidiary of Rio Tinto, is located approximately 6 kilometres from the northern boundary of the Husab Project, and the uranium bearing stratigraphy is interpreted to trend into the project areas under superficial cover (Rössing South Prospect). The bulk of the economic mineralization associated with the Rössing deposit is hosted by alaskite on the northern limb of the “mine” synclinorium. The alaskite is preferentially emplaced into the pyroxene-hornblende gneiss and biotite-amphibole schist units of the Khan Formation in the northern ore zone, and into biotite-amphibole schist/lower marble/lower biotite-cordierite gneiss of the Rössing Formation in the central ore zone.

The alaskite is widely distributed beyond the limits of the open pit, but is not uniformly uraniferous. Portions are entirely barren or only slightly mineralized and only a few restricted sections are sufficiently mineralized to support exploitation. Alaskite hosts all primary and most of the secondary uranium minerals.

15.2 Goanikontes “A” Prospect

The Goanikontes “A” Prospect, currently the subject of drilling by Bannerman Resources, is located 6.5 kilometres west of the Husab JV, although the eastern extension of the Goanikontes Dome trends into project area, where uranium mineralization occurs on both sides of the tenement boundary (Extract’s ‘Hildenhof Prospect’ and Bannerman’s ‘East Anomaly’).

15.2.1 Langer Heinrich Deposit

The region also hosts a number of secondary uranium occurrences, the best documented of which is the Langer Heinrich calcrete-hosted uranium deposit, located approximately 30km southeast of Husab. Paladin Resources Ltd has commenced mining on the deposit in December 2006 and is in the process of commissioning the processing plant.

Calcrete cemented sediments of Tertiary age are widely distributed throughout the region and represent viable exploration targets, including in areas of alluvial cover where radiometric geophysical surveying is not effective.

16 MINERAL PROCESSING AND METALLURGICAL TESTING

No test work has been undertaken on the uranium-enriched rocks to determine the mineralogical and metallurgical properties of the various uranium mineralised zones within the project area.

Metallurgical test work has only been carried out on representative samples collected from the abandoned Husab fluorite mine. The prospect was examined with a view to ascertaining the feasibility of producing a saleable CaF_2 product from the hydrothermal quartz-fluorspar veins which are common in the area, at the same time investigating whether the base metals (copper-lead) and uranium mineralization associated with the fluorite veins could produce a viable co-product.

16.1 Metallurgical Sampling

Three 20kg samples of representative material were initially collected from the Husab mine dumps. These samples ranged in character from relatively clean fluorspar derived from hand sorted stockpiles to those relatively contaminated with ferruginous material, showing evidence of base metals (copper and lead), and in some cases secondary uranium minerals. The samples were crushed, bagged, and dispatched to ChemQuest (Pty) Ltd in South Africa for initial flotation test work.

16.2 Test work Summary

The samples were subjected to various flotation tests., with two options identified as being potentially viable. However, further test work indicated that the base metal and uranium contaminants proved problematic, as did the generally low CaF_2 concentrate produced.

17 MINERAL RESOURCES AND MINERAL RESERVES

No formal Mineral Resource estimates have been generated and reported for the uranium prospects.

RSG Global has elected not to categorise any estimates of mineralization generated by AAP in accordance with the criteria laid out in the Canadian National Instrument 43-101 (“CNI43”) and the JORC Code, as the information on which these estimates are based was incomplete or unavailable for review.

18 PRIMARY MINING INVESTIGATIONS

No primary mining investigation studies have been completed as no resources have as yet been delineated. There are no current resource estimates on any of the project leases.

The project status ranges from early stage exploration on EPL3327 and EPL3328, through to more advanced targets such as Anomaly A and D within EPL3439, which are sufficiently advanced to commence resource definition drilling.

19 CONCLUSIONS AND RECOMMENDATIONS

19.1 Husab JV Project Area (EPL's 3138 and 3439)

The Husab Project is located within a significant metallogenic terrain characterised by polymetallic base metal-uranium-gold mineralization. The regional geology is dominated by structural domes, major regional shear zones and abundant intrusions with compositions enriched in metals, including uranium, each of which appears to be locally important in a wide range of mineral occurrences. In particular, significant mineral occurrences appear to have formed as a number of events with differing ages, either during or after the Damara Orogeny.

19.2 Uis Project Area (EPL's 3327 and 3328)

At this stage it is too early to evaluate the potential of the northern licenses as little work has been carried out in the past and current exploration is at an immature stage.. Regardless, recent rock chip sampling completed by WAGE identified the presence of uraniferous rocks

19.3 Exploration Potential

At the Husab fluor spar mine, widely distributed fluor spar veining has not been the subject of any systematic exploration. Whilst RSG Global has not reviewed the world fluor spar market in the context of this report, we note that the veins are abundant, widespread, and host a polymetallic suite of commodities including base metals, gold, silver, and uranium. The veins are exposed over several kilometres, within which area previous activities are effectively confined to surface prospecting. The occurrence is mapped within Proterozoic basement rocks, but no intrusions of Damara or younger age have been identified. The extent and character of this prospect is considered sufficient to justify detailed evaluation.

Copper mineralization at the Ida Mine is developed over a significant strike extent, but is narrow. Good exposures of the shear and mineralization in the Swakop River valley have not resulted in a significant discovery and previous exploration is considered to have effectively tested the near surface portions of the structure. If a significant deposit is to be discovered, exploration will require a systematic approach utilising geophysical surveying aimed at identifying buried mineralization and targeting the potential for both polymetallic and uranium deposits.

19.4 Conclusions

Current drilling carried out at the Ida Central, on 160m centres, and Ida East prospects is testing an approximately 960m long portion of the combined potential 5km long uranium mineralized Ida trend that has intermittently been highlighted by ground spectrometry. Drilling results indicate that several zones of potentially economic grades of uranium mineralization are present within the Ida Central Zone. The potential lies in that most of the trend is yet to be tested, and mineralization is open to the north and the south.

In a regional context, a large portion of the project area is covered by recent sediments that obscure the bedrock. These sediments have the potential to host secondary calcrete

uranium mineralization. The geology beneath cover is well mapped by airborne magnetic data, showing the presence of unexplored basement domes similar to those at the Ida mine that represent a potential source for secondary uranium deposits. Recent reconnaissance mapping and GPR work at Rössing South has determined the existence of palaeochannels prospective for secondary uranium mineralization. The area has the potential to host a considerable uranium mineralized system at shallow depth.

19.5 Recommendations

The majority of work completed within the Extract tenement holding ranges from grass roots exploration within the Uis Project area, largely comprising limited rock chip sampling, to reconnaissance mapping, GPR, ground radiometry and drilling in the Husab Project area. Exploration completed to date has highlighted the need for extensive drilling in areas such as Hildenhof, Rössing South, Ida Central and Ida East, and further evaluation of the Husab fluorspar mine area.

Historic exploration carried out by AAP identified uranium mineralization at Anomalies A and D, which require verification and follow-up drilling.

A resource definition drilling program at Anomaly A and D, working north towards Ida Central and Ida East, would represent a significant exercise. In order to test an estimated 3,000m of strike length to a nominal depth of 150m below surface, following up on the AAP drilling on a nominal hole spacing of 50m x 50m, would require at least 37,500m of drilling.

The required budget estimated by RSG Global to achieve these objectives is summarised in Table 19.4_1 below.

Table 19.4_1 Namibia Uranium Projects Proposed Exploration Expenditure for 2007 and 2008			
Item/Activity	2007 (US\$)	2008 (US\$)	Cost (US\$)
Data Review	\$25,000		\$25,000
Target Generation, Surveys (Regional & Husab JV)	\$800,000	\$200,000	\$1,000,000
Geophysics	\$40,000	\$60,000	\$100,000
Drilling RAB	\$500,000		\$500,000
RC	\$3,500,000	\$2,000,000	\$5,500,000
DDH	\$1,500,000		\$1,500,000
Resource Estimation/Definition	\$750,000	\$750,000	\$1,500,000
Pre-Feasibility Studies		\$1,000,000	\$1,000,000
Administration (Namibia)	\$1,000,000	\$1,000,000	\$2,000,000
Corporate	\$1,500,000		\$1,500,000
Total	\$9,615,000	\$5,010,000	\$14,625,000

The proposed expenditure of US\$14,625,000 over the initial 24 month period is considered to be consistent with the potential of the project, providing it is appropriately staged such that the results of each phase can be reviewed before proceeding to the next stage.

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21 CERTIFICATES

Certificate of Qualified Person

As a reviewer and author of the report entitled “Namibia Uranium Project – Technical Report” dated January, 2007, on the Uranium Projects of Extract Resources Limited (the “Study”), I hereby state:-

1. My name is Vincent Paul Ignace Morel, Exploration Projects Manager International with the firm of RSG Global Consulting Limited of 1162 Hay Street, West Perth, WA, 6005, Australia. My residential address is 15 Brockwell Place, Hillarys, WA 6025, Australia.
2. I am a practising geologist and a member of the Australasian Institute of Geoscientists (No 3327).
3. I am a graduate of Rand Afrikaans University and hold a Bachelor of Science in Geology and Physics (1991) and have obtained a Master of Science Degree in Geology from Rand Afrikaans University (1996).
4. I have practiced my profession continuously since 1994.
5. I am a “qualified person” as that term is defined in National Instrument 43-101 (Standards of Disclosure for Mineral Projects) (the “Instrument”).
6. I visited the Uranium Exploration Projects for 4 days in December of 2006. I have reviewed files and data supplied by Extract Resources Limited from December of 2006 to January of 2007.
7. I am responsible for all the sections of this report.
8. As of the date of this certificate, to the best of my knowledge, information and belief, Sections 1-6, 10-15 and 17-20 of the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
9. I am independent of Extract Resources Limited pursuant to section 1.4 of the Instrument.
10. I have read the National Instrument and Form 43-101F1 (the “Form”) and the Study has been prepared in compliance with the Instrument and the Form.
11. I do not have nor do I expect to receive a direct or indirect interest in the Uranium properties of Extract Resources Limited, and I do not beneficially own, directly or indirectly, any securities of Extract Resources Limited or any associate or affiliate of such company.

Dated at Perth, Western Australia, on 22 February, 2007.



Vincent Morel
Exploration Projects Manager International

BSc (Hons) Geology MSc (Geol) MAIG