

Extract Resources Ltd

ASX Announcement

NOA2 SCOPING STUDY COMPLETED

The NOA2 Mining Study confirms mine reserves of 53,200 ounces of gold in the initial phase of development.

The Company has completed a detailed underground mining study for the NOA2 deposit, 50 kms south-east of Meekatharra in Western Australia. This study was carried out by WA Mine Management and Engineering Services in conjunction with PVL Consulting.

The NOA2 Project is part of the Burnakura Joint Venture between Extract and St Barbara Mines Ltd (SBM). Extract is earning a 70% interest by covering the first \$2m of expenditure on the JV area, most of which is being directed at the NOA2 study and development. Other prospects on this 50 sq.km project area are also being evaluated, including resources already defined beneath the NOA7/8 and Alliance open-pits.

The purpose of the NOA2 study was to optimise an underground decline access to (firstly) expose the complex mineralised structures in order to provide a platform for further underground exploration of the system, and (secondly) to develop and produce from those lodes that already have a supporting resource base.

The study indicates that the first phase of development and mining will be 18 months, and has a fully diluted, recoverable Mine Reserve of 236,000 tonnes at 7.01 g/t for 53,200 gold ounces (Refer Table 1). Total project costs (excluding State royalties) are estimated to be A\$385 per ounce, after allowing for a 93% metallurgical recovery. The study assumes that the ore will be processed through SBM's Bluebird Plant, through which Extract has a toll-treatment agreement. The study is considered to have a limit of accuracy of $\pm 10\%$.

Extensions to NOA2 beyond the 18 months are clearly dependent on the success of further exploration which will occur after the development has established a drilling position, and the controlling geological structures are better understood. The mineralisation does remain open down-plunge and down-dip, and there is considerable scope to further expand the Geological Resource and the Mining Reserve.

The project capital is estimated at \$1.5m, and final feasibility is subject to the project financing being completed and statutory approvals being obtained.

The NOA2 ore-body is characterised by multiple stacked lenses. The mining strategy has been to locate the decline in the ore wherever possible, thereby minimising the waste development. Whilst not common, the geometry of the ore-body is conducive to this method, and it has been successfully implemented at a number of mines in Australia.

It is proposed to cut the decline access portal approximately 20m from the base of the NOA2 pit. As previously announced, de-watering of the NOA2 pit has commenced, and will take about 2 months to complete.

Table 1: NOA2 Reserve Data

	Proven		Probable		Total		
	tonnes	g/t	tonnes	g/t	tonnes	g/t	Ounces
Development	60,600	4.67	9,000	6.13	69,600	4.86	10,900
Stoping	147,100	7.70	19,300	9.52	166,400	7.91	42,300
TOTAL	207,700	6.82	28,300	8.43	236,000	7.01	53,200

Peter McIntyre
MANAGING DIRECTOR

28 January 2004

The NOA2 Underground Study was carried out by Mr Peter Van Luyt (PVL Consulting P/L) and Mr Scott Donaldson (WA Mine Management & Engineering Services P/L). Mr Van Luyt and Mr Donaldson have sufficient experience relevant to the style of mineralisation, type of deposit, and mining methods, to qualify as Competent Persons as defined in the Code for Reporting Resources and Ore Reserves. Mr Donaldson is a Corporate Member of AusIMM.