

Extract Resources Ltd

ASX Announcement

OUTRIGHT PURCHASE OF BURNAKURA PROJECT

Extract's interest in the Burnakura Project has increased to 100% by way of an agreement to acquire the joint venture partner's 30% interest in the project.

The Company is pleased to announce that it has entered into an agreement with St Barbara Mines Limited (SBM), to purchase outright ownership of the Burnakura Project. Under the terms of the purchase agreement, Extract will pay SBM \$1.0m, plus assume responsibility of the environmental bonds currently in place (\approx \$200,000).

Extract is a party to the Burnakura Joint Venture with SBM, in which Extract is in the process of earning their 70% interest on the project. The purchase agreement is to acquire SBM's 30% interest, thereby causing the joint venture to dissolve and effectively leaving Extract with 100% ownership of the project.

Extract intends to undertake a capital raising through a share placement to raise approximately \$1.5m to facilitate the acquisition and other activities. Details of the planned placement are currently being finalised.

Managing Director, Peter McIntyre, said that the acquisition is an investment in a project that Extract is obviously familiar with, and the projected returns on the investment are very favourable. He said that having 100% of the project gives more flexibility particularly with the project funding requirements, and negotiations were well advanced on securing the necessary project development finance. Extract is still planning to commence mining at NOA2 in the second quarter.

Peter Ironside
COMPANY SECRETARY

9 March 2004