



SUMMIT RESOURCES LIMITED

ABN 86 009 474 775

Level 4, 502 Hay Street
Subiaco Western Australia 6008
PO Box 201, Subiaco Western Australia 6904
Telephone: **(+61 8) 9322 9100**
Fax: **(+61 8) 9381 4978**
Email: info@summitresources.com.au
Web: www.summitresources.com

7 December 2009

The Company Announcements Office
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Letter to Shareholders

Attached please find the letter to be dispatched to Summit shareholders today in respect of the Renounceable Rights Issue.

Yours faithfully
Summit Resources Limited

A handwritten signature in blue ink, appearing to read "Brendan O'Hara".

BRENDAN O'HARA
Chairman



SUMMIT RESOURCES LIMITED

ABN 86 009 474 775

Level 4, 502 Hay Street
Subiaco Western Australia 6008
PO Box 201, Subiaco Western Australia 6904
Telephone: **(+61 8) 9322 9100**
Fax: **(+61 8) 9381 4978**
Email: info@summitresources.com.au
Web: www.summitresources.com

7 December 2009

Dear Shareholder

Summit Resources Limited – Renounceable Rights Issue

Summit Resources Limited (**Summit**) is pleased to announce that it will be undertaking a fully underwritten 1 for 50 renounceable rights issue of fully paid ordinary shares in Summit (**New Shares**) at a price of \$1.93 for each New Share (**Rights Issue**) to raise approximately \$8.1 million.

Purpose and use of funds raised

The purpose of the Rights Issue is to raise funds to be used for further exploration work on Summit's Isa North tenements, to meet commitments under the Isa Uranium Joint Venture with Paladin Energy Limited (**Paladin**), to meet Summit's ongoing general operating and administration costs and for expenses associated with previously announced litigation.

Basis of participation

Under the Rights Issue, Eligible Shareholders (as defined below) will be entitled to apply for 1 New Share at a price of \$1.93 per New Share for every 50 Summit shares held by them at 4.00 pm (Perth time) on 14 December 2009 (**Record Date**) subject to the terms of the Rights Issue (**Rights**). The full terms of the Rights Issue are outlined in the Rights Issue Booklet that will be released to ASX today and mailed to Eligible Shareholders following the Record Date.

The Rights are renounceable. This means that Eligible Shareholders who do not wish to take up all or some of their Rights may sell or transfer some or all of their Rights.

Trading of Rights will commence on ASX on 8 December 2009 and will cease on close of trading on 29 December 2009. Rights to which Eligible Shareholders are entitled may be sold on ASX between these dates should they choose not to take up their Rights in full.

Eligible Shareholders

Summit is making the Rights Issue available to Eligible Shareholders only. Eligible Shareholders are those persons who:

- are the registered holder of Summit shares at the Record Date and have a registered address in Australia or New Zealand;
- are not in the United States or a U.S. Person or acting for the account or benefit of a U.S. Person (each as defined in rule 902 of the U.S. Securities Act of 1933, as amended); and
- are eligible under all applicable securities laws to take up or sell their Rights.

The Rights Issue is not being extended to any Summit shareholder with a registered address outside Australia and New Zealand.

Underwriting

The Rights Issue is fully underwritten by Patersons Securities Limited (**Patersons**) pursuant to an underwriting agreement between Patersons and Summit dated 3 December 2009 (**Underwriting Agreement**). The Underwriting Agreement includes terms that are customary in an agreement of this nature, including terms permitting Patersons to terminate the agreement on occurrence of certain events.

Patersons has entered into sub-underwriting agreements with Paladin and Areva NC Australia Pty Limited (**Areva**). Under these sub-underwriting agreements, Paladin and Areva have committed to Patersons to sub-underwrite the Rights Issue on terms consistent with the Underwriting Agreement by subscribing for New Shares in respect of Rights not taken up, or not able to be taken up, under the Rights Issue, in proportion to their respective shareholdings in Summit.

No Prospectus/Shareholder approval

The Rights Issue is being made pursuant to section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) which permits Summit to conduct the Rights Issue without issuing a prospectus. Instead, Summit has lodged with ASX a notice in accordance with section 708AA(2)(f) of the Corporations Act and Eligible Shareholders will receive the Rights Issue Booklet that contains information detailing how to participate in the Rights Issue and to sell their Rights if they choose to do so. A copy of the offer document has been lodged with ASX.

Shareholder approval is not required for the Rights Issue.

Timetable

Event	Date
Announcement of Rights Issue	3 December 2009
Lodgement of Appendix 3B, Cleansing Notice and Rights Issue Booklet with ASX	3 December 2009
Existing Summit shares quoted on an ex-Rights basis	8 December 2009
Rights trading on ASX commences	8 December 2009
Record Date for determining entitlements under the Rights Issue	4.00 pm (Perth time) 14 December 2009
Rights Issue Booklet and Entitlement and Acceptance Forms despatched, and Rights Issue open for acceptances	18 December 2009
Rights trading on ASX ends	29 December 2009
Closing time for renunciations, acceptances and payment in full of Rights	5.00 pm (Perth time) 6 January 2010
Placement of New Shares in respect of Rights not taken up, or not able to be taken up pursuant to the Underwriting Agreement	13 January 2010
New Shares issued and confirmation statements despatched	14 January 2010
New Shares commence trading on ASX on a normal settlement basis	15 January 2010

The timetable is indicative only and may change, subject to the requirements of the ASX Listing Rules and the Corporations Act.

Offer document and continuous disclosure

Eligible Shareholders should carefully read the Rights Issue Booklet that will be sent to them and have regard to all publicly available information on Summit, including all announcements made by Summit to ASX, including Summit's interim and annual reports, including the 2009 Annual Report dated 30 September 2009 (which are available from its website, www.summitresources.com.au, or from ASX's website, www.asx.com.au).

Capital structure

The following table sets out the capital structure of Summit as at the date of this announcement and on completion of the Rights Issue.

Securities	Number
Summit shares on issue as at the date of this announcement	210,517,950
New Shares to be issued under the Rights Issue	4,210,359
Total Summit shares on issue immediately following completion of the Rights Issue (assuming no other issues of Summit shares)	214,728,309

Effect of the Rights Issue on the major shareholders of Summit

As at the date of this announcement, Paladin and Areva hold a relevant interest in Summit shares of 81.99% and 10.03%, respectively.

Based on their current shareholdings, and their respective sub-underwriting commitments, but on the assumption that neither Paladin nor Areva acquires any further Shares on ASX, then upon completion of the Rights Issue, the shareholding interest of Paladin will be between 81.99% and 82.13% and the shareholding interest of Areva will be between 10.03% and 10.04%.

The actual shareholding interest of Paladin and Areva upon completion of the Rights Issue will depend upon the degree to which Rights are taken up. As noted above, Paladin and Areva have committed to Patersons to subscribe for New Shares in respect of Rights not taken up, or not able to be taken up, under the Rights Issue, in proportion to their respective current shareholdings in Summit.

Yours sincerely
Summit Resources Limited

BRENDAN O'HARA
Chairman