

18 August 2006

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AUSTRALIA

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ANNOUNCEMENT

CAPITAL RAISING AT \$1.50 A SHARE PLACEMENT RAISES UP TO A\$14,400,000

Summit Resources Limited ("**Summit**") intends to complete a placement to a limited number of investors of shares ("**Placement Issue**") to raise further working capital and fund the Company's ongoing uranium, base metal and iron ore exploration and development activities at Mount Isa. The Placement Issue of up to 9,600,000 ordinary fully paid shares is to be made at an issue price of A\$1.50 per share. The Placement Issue will raise up to A\$14,400,000 and, with existing company funds, Summit will have \$18.5 million in cash less costs of a 3.5% fee.

The Placement Issue received Company Board approval by resolution today. The A\$14,400,000 raised will be utilised to finance the Company's ongoing uranium resource definition drilling, bulk metallurgical sampling, laboratory testwork, funding of the Constance Range iron ore project and base metal exploration at Mount Isa. Resource estimates are now being modeled and calculated for the Valhalla, Andersons, Skal, and Mirrioola uranium deposits with drilling underway at Watta and Warwai. Further drilling is required at Bikini and Tjilpa to commence modeling and calculation of resource estimates. As all Summit's eight uranium deposits remain open, drilling will continue in 2006 and into 2007 on each of the Company's deposits to further expand and define the resources.

The Appendix 3B application to list the Placement Issue shares will be lodged following bank clearance of the application monies and the allotment of shares.

All Placement Issue shares will rank equally in all respects with the existing ordinary shares of the Company on issue. On allotment immediate application will be made to the ASX and NZX to list the Placement Issue shares on both Stock Exchanges.

The Placement Issue is being made in Australia pursuant to excluded offers for the purposes of section 708 of the Corporations Act 2001. Directors or their associates have not participated in the Placement Issue.

The successful capital raising reflects strong institutional fund support for the Company, its exploration and development activities. The issue was supported and co-ordinated in London by institutional brokers Hargreave Hale Ltd and, in Australia, Bell Potter Securities Limited.

A handwritten signature in black ink, appearing to read 'Alan J Eggers', is positioned above the typed name and company information.

Alan J Eggers
Summit Resources Limited
PERTH 18 August 2006