

31 January 2008

Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000
AUSTRALIA

Electronic Lodgement

QUARTERLY REPORT FOR PERIOD ENDING – 31 December 2007

HIGHLIGHTS

- *Resource drilling and evaluation re-commenced on the Valhalla uranium deposit at Mount Isa with 3,903 metres completed in 22 holes for the December Quarter.*
- *Further assay results have been received from the Skal Uranium Project.*
- *A detailed aeromagnetic and radiometric survey was completed, along with a separate air photo survey, to provide inputs for the Baseline Environmental Study and to progress exploration for additional uranium resources.*
- *The non-uranium properties have been farmed out to MM Mining Plc. Summit is to retain all of the uranium rights for the properties, a 20% free carried interest in the non-uranium projects and a series of payments totalling A\$9 million. This agreement opens up the possibility of further arrangements with MM Mining Plc to enable the company to benefit from the significant base metal potential of its Mt Isa tenements*

OVERVIEW

Summit Resources (Aust) Pty Ltd is the manager of the Isa Uranium Joint Venture. As previously advised, the operating committee has approved a budget of A\$8,000,000 for the financial year 2007/08. This amount includes provision for an extensive RC and diamond drilling program, metallurgical test work along with environmental and radiation baseline studies.

A further A\$2,000,000 has been earmarked for work on Summit's 100% owned uranium Projects.

Summit continued with its detailed uranium resource definition drilling at Mount Isa in the December 2007 Quarter with 22 RC holes drilled into the Valhalla uranium deposit for a total of 3,903 metres.

The Company's uranium deposits and mineralised prospects being drilled and evaluated are all located within 15 km east to 65 km north of Mount Isa City. A JORC (2004) compliant indicated and inferred resource estimate for Valhalla (57Mlb U₃O₈) was released in 2006 and JORC (2004) compliant inferred resource estimates for Andersons (4.7Mlb) and Watta (3.8Mlb) were released in the March Quarter 2007.

Base metal exploration south of Mount Isa has been suspended pending the sale of the non-uranium properties, which have been farmed out to MM Mining Plc. Summit is to retain all of the uranium rights in the properties, a 20% free carried interest in the non-uranium projects and a series of payments totalling A\$9 million.

REVIEW OF OPERATIONS

MOUNT ISA URANIUM JOINT VENTURE (QLD)

Interest: Summit Resources (Aust) Pty Ltd 50%

Operator: Summit Resources (Aust) Pty Ltd

The Valhalla and Skal uranium deposits are within the Isa Uranium Joint Venture Agreement ("IUJV") area where Summit is manager, operator and holds a 50% interest. Paladin Energy Ltd's ("Paladin") wholly owned subsidiary, Mt Isa Uranium Pty Ltd ("Mt Isa Uranium") is a 50% contributing participant to the IUJV. Summit is the manager of the Joint Venture.

Drilling and other work at the Valhalla and Skal deposits

The 2007/2008 budget approval covers an extensive drilling program at both the Valhalla and Skal deposits - with the aim of both extending the existing resource envelopes along strike and improving the current resource classification. The proposed plan includes 147 drill holes at Valhalla for a total of 49,260m. Of this 33,030m will be RC and the remaining 16,230m Diamond drilling. The program is aimed at ensuring that the majority of the top 400m of the resource will fall into the Measured and Indicated Resource categories. This depth has been targeted as it is expected to be the current economic limit to any open pit development and extension into areas that would be mined from underground is not seen as a priority at this time.

The Valhalla RC program commenced on September 30th 2007 and is expected to continue through "the wet" and will take approximately nine (9) months to complete. During the Quarter, 22 RC holes were completed for a total of 3,903m.

To test the expected strike extension of the mineralisation a number of 80m spaced drill lines were completed. Radiometric (gamma) down-hole logging of these holes indicates very little mineralisation in the upper 200m vertical depth and it can now be confirmed that the Valhalla mineralisation has been closed off along strike to the south.

It should be noted that the Valhalla mineralisation has not been closed off down plunge to the south.

Summit is currently updating its petrographic model of the Valhalla ore body to better define the distribution of the mineralisation types to assist metallurgical studies scheduled to commence in the 1st quarter of 2008.

The Environmental Baseline Study for both the Valhalla and Skal sites is now underway. The study is being managed by Matrix Plus of Brisbane. Hydrological monitoring equipment was installed before the wet season so that data from the 2007 - 2008 wet season will be included in the study. A fauna and flora consultant has completed a site visit to the project areas to scope the extent of species expected.

The airborne radiometric and magnetic surveys have been completed to establish regional background levels. This data will also be used to further advance the exploration of the Isa North Project area. The information collected from the baseline studies will be used in project design and development.

VALHALLA Uranium Deposit (50% Summit)

The Valhalla uranium deposit is located immediately adjacent to the Barkly Highway, 40 km northwest of Mount Isa City on EPM 9221. Summit completed **3,903m of RC drilling in 22 holes** at the Valhalla uranium deposit during the Quarter. The drilling program which is designed to upgrade the current resource status to JORC compliant, Measured and Indicated status, includes approximately 50,000m of RC and Diamond drilling (the diamond drilling will be mostly as "tails" on pre-collared RC holes). The program is expected to take 9 months to complete, following which a new resource estimation will be undertaken.

To date, progress on drilling has been hampered by equipment issues. Summit currently have two drill rigs (one diamond and one RC rig) on site at Valhalla, both are drilling 24 hours a day.

Detailed aerial photography has been flown and satellite imagery purchased for the Valhalla – Skal area. In addition a contractor has completed the flying of a detailed aeromagnetic and radiometric survey of much of the Isa North Project. Data was also collected via a radar altimeter for the production of a detailed digital terrain model. This and other data sets will be used to provide background data for the environmental studies of the Valhalla – Skal ore bodies and to progress new exploration for additional uranium resources.

SKAL Uranium Deposit (50% Summit)

The Skal uranium deposit is located 32 km north of Mount Isa city on EPM14048.

Three mineralised shoots have now been identified at Skal. The uranium mineralisation in all three shoots (Skal South, Skal North, Skal Far North) is structurally controlled, brittle in style with abundant breccia bodies and is accompanied by intense albite–haematite-chlorite alteration. All three shoots dip approximately vertical and plunge to the south at around 40° – 50°. To date the three shoots have been closed off along strike but are yet to be closed off down plunge. All holes have been gamma logged but a significant number of assay results are still outstanding.

Summit expects to report the new resource estimate within the next quarter.

MOUNT ISA URANIUM (QLD)

Interest: Summit Resources (Aust) Pty Ltd 100%

Operator: Summit Resources (Aust) Pty Ltd

Exploration continues on our Mount Isa Projects where the Company controls over 1,938km² of applications and granted tenement that are prospective for uranium, copper and base metals. The tenements are centred on the city of Mount Isa.

Due to the extent of work undertaken at Valhalla and Skal, no new ground work was completed on the tenement package. However, as previously mentioned Summit completed an extensive detailed aeromagnetic and radiometric survey across much of the Isa North Project area during the Quarter.

The survey was flown on east – west oriented flight lines, at a flight height of 50m mean terrain clearance and at 50m flight line spacing's. The bulk of the survey was completed in December 2007, with the final, small portion, completed in early January 2008. Initial imaged products from the survey should be available in February 2008.

BIKINI Uranium Deposit (100% Summit)

The Bikini Project is located 36 km north of Mount Isa on EPM 9221. The deposit is 8 km southeast of the Valhalla and just 3 km northwest of the Skal uranium deposit.

No drilling was completed at Bikini during the Quarter. However all recently completed diamond drill holes that remained open (most of them) have been gamma logged with the Company's equipment and this information along with previously received drill core assay results will be used in a new resource estimate. It is likely that the resource estimate will be released within the next quarter.

GEORGINA BASIN (QLD)

Interest: Summit Resources (Aust) Pty Ltd 100%

Operator: Summit Resources (Aust) Pty Ltd

The Georgina Basin located to the west of the Mount Isa Inlier in northwest Queensland is prospective for palaeo-channel style uranium deposits. Summit has 17 Exploration Permits or applications covering approximately 11,800 km² of the basin. Newland Resources Limited ("Newland") has sole funded the first

\$1.065 million of exploration expenditure and has the right to fund a total of \$5.0 million expenditure for a 50% interest in the project. Summit is manager and operator of the joint venture.

Fugro Geophysics flew an airborne Tempest EM survey during the March Quarter 2007, over approximately 8,000 km² of the northern portion of the Basin and western margin of the Mount Isa Inlier. The EM data from the survey has been processed at Fugro offices and the processed data was made available in June 2007. Inversion of available gravity data by Fullagar Geophysics to produce depth-to-basement estimates was delayed, but was received during the September Quarter. The Fullagar report findings are very much in line with the estimates produced by the FrOGTech report. A large number of Open File reports, the Fullagar Report, the FrOGTech Report and a large quantity of additional information have been reviewed by Summit. A further report has been received from Fugro summarising their method of identification of paleo-channel targets in the Georgina basin. These reports will form the basis of discussions with our joint venture partner, Newland Resources Limited, to determine the course of future work on the Project.

One exploration permit was granted on February 2005. A further 11 exploration permits were granted on 30 October 2007 for a five year term. Grant of the remaining five EPM's is subject to the negotiation of access agreements with native title claimants. No on-the-ground field work has yet commenced

CORPORATE

Sale of Non-uranium properties

Summit Resources Ltd has entered into an agreement with unlisted UK company MM Mining Plc for the farm out of 80% of Summit's interest in a number of tenements in the Mt Isa region of North-West Queensland. Although highly prospective for base metals, these properties are not considered integral to Summit's primary uranium exploration and development program; however Summit will retain the right to continue to explore for uranium deposits on these tenements. Summit has achieved a highly beneficial result in positioning itself to take full advantage of the valuable exploration assets it holds. This agreement opens up the possibility of further arrangements with MM Mining Plc to enable Summit to retain an uplift from potentially significant non-uranium discoveries in the Mt Isa region..

The joint venture includes Summit's Isa South, May Downs and Mt Kelly base metals projects and the Constance Range iron ore and phosphate project. Summit will retain a 20% interest in these projects and will be free carried through to any decision to mine. To earn its interest, MM Mining Plc (who will be the Manager) must spend \$10 million within the next 2 years.

In return, Summit will receive A\$9 million being:

- A\$2 million (which has been received);
- A\$3 million within 6 months or upon MM Mining Plc listing on a stock exchange, whichever is the sooner; and
- A\$4 million within 18 months or within 12 months of MM Mining Plc listing on a Stock Exchange, whichever is the sooner.

Over recent years, the focus of Summit has shifted to its uranium projects to the point that these projects have assumed overwhelming significance. This joint venture will position Summit to focus its management time, in partnership with Paladin Energy Limited, on its exciting uranium projects.

Settlement of Supreme Court Proceedings with Resolute and Paladin – Areva seeks to intervene

On 3 August 2007, Summit announced that Summit Resources (Aust) Pty Ltd had agreed with Resolute Limited and Mt Isa Uranium Pty Ltd ("Defendants") to settle the Supreme Court proceedings ("Proceedings") commenced by Summit Resources (Aust) Pty Ltd.

Subsequently, Areva NC (Australia) Pty Ltd (a wholly owned subsidiary of French company, Areva NC) applied to the Supreme Court of Western Australia for orders under section 237 of the Corporations Act to be granted leave to intervene in the Proceedings.

In the meantime, Summit and the Defendants have been restrained from giving effect to the agreement to

settle the Proceedings. Areva has also been given access under section 247A of the Corporations Act to certain of Summit's records (including legal advices) in connection with the Proceedings.

To be successful in its latest legal proceedings, Areva has to establish that it is acting in good faith and that it is the best interests of Summit that Areva be granted leave to intervene in the Proceedings notwithstanding the decision to settle and the execution of a deed of settlement and release in favour of the Defendants. To date, proceedings have revolved around preliminary arguments, discovery and evidence. The proceedings are listed for directions on 5 March 2008.

Yours faithfully
Summit Resources Limited



BRENDAN O'HARA
Executive Chairman

Declaration

The information in this announcement that relates to mineral exploration is based on information compiled by David Princep BSc, MAusIMM who has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and as Qualified Persons within the meaning of Canadian National Instrument NI43-101. Mr Princep is a full-time employee of Paladin Energy. Each of the above named consents to the inclusion of the information in this announcement in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

SUMMIT RESOURCES LIMITED

ABN

86 009 474 775

Quarter ended ("current quarter")

31 December 2007

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration (refer Note 1.26)	(1,401)	(2,854)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	183	376
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Management fees	(10)	-
	Net Operating Cash Flows	(2,089)	(2,698)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(769)	(1,281)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities	(1)	(1)
1.11	Loans repaid by other entities		
1.12	Funds advanced on behalf of joint venture partner	(569)	(1,217)
1.13	Funds received from joint venture partner	354	354
	Net Investing Cash Flows	(985)	(2,145)
1.14	Total operating and investing cash flows (carried forward)	(3,074)	(4,843)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.14	Total operating and investing cash flows (brought forward)	(3,074)	(4,843)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.		
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.20	Other (provide details if material)		
Net Financing Cash Flows		-	-
Net increase (decrease) in cash held		(3,074)	(4,843)
1.21	Cash at beginning of quarter/year to date	10,246	12,015
1.22	Exchange rate adjustments to item 1.20		
1.23	Cash at end of quarter	7,172	7,172

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	45
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

1.2(d) – Payments for administration in the six month period to December 2007 is less than that for the December 2007 quarter because of GST credit inflows received in the September 2007 quarter arising from costs relating to takeover defence activities for the off-market takeover bid by Paladin Resources Ltd.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,500
4.2 Development	-
Total	1,500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,320	1,032
5.2 Deposits at call	853	1,750
5.3 Bank overdraft	-	-
5.4 Other (provide details) Short Term Bank Bills and Deposits	4,999	7,464
Total: cash at end of quarter (item 1.22)	7,172	10,246

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Queensland EPM 13415 EPM 13410 EPM 14040	Exploration Permits reduced in area by 50% during the quarter	100%	100%

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased	Queensland	Exploration Permits granted to Summit Resources (Aust) Pty Ltd 30 October 2007	Nil	100%
	EPM 15744			
	EPM 15745			
	EPM 15747			
	EPM 15748			
	EPM 15749			
	EPM 15752			
	EPM 15753			
	EPM 15754			
	EPM 15755			
	EPM 15756			
	EPM 15758			
		Granted 30 November 2007	Nil	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	206,390,020	206,390,020		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>

+ See chapter 19 for defined terms.

7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 31 January 2008

Print name:

Gill Swaby

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.