

29 January 2010

Companies Announcement Office  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000  
AUSTRALIA**Electronic Lodgement****QUARTERLY REPORT  
FOR PERIOD ENDING – 31 December 2009**

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**HIGHLIGHTS**

- ***Uranium resource at Valhalla now stands at 69.9Mlb U<sub>3</sub>O<sub>8</sub>.***
  - ***Tenement amalgamation successfully completed.***
  - ***Uranium resource update completed at Skal, resource now stands at 14.5Mlb U<sub>3</sub>O<sub>8</sub>.***
  - ***30 holes drilled at Bikini with an additional 64 holes planned for early 2010.***
  - ***Year to date drilling figures - 206 holes for 33,917m.***
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**OVERVIEW**

A substantial amount of drilling was completed during the quarter with the commencement of the Bikini programme along with 29 holes at Woomera, approximately 1km north of Bikini. A number of cultural heritage clearances were undertaken during the quarter to allow for expedited drilling following the programmes at Valhalla and Skal. Ongoing environmental monitoring was undertaken including groundwater, air quality and dust. A significant number of historic and current drill sites (206) and costeans were rehabilitated.

Advice was received during the quarter that the previously requested tenement amalgamation application had been granted. The result is that the 11 previous tenements in the Mount Isa area have now been amalgamated into 4 near contiguous tenements. This is expected to significantly reduce tenement administration costs.

Mineral Resources estimates conforming to the JORC guidelines for Valhalla (69.9Mlb U<sub>3</sub>O<sub>8</sub>) and Skal (14.5Mlb U<sub>3</sub>O<sub>8</sub>) are detailed below. Mineral Resource estimates were released in the March quarter 2007 for Andersons (4.7Mlb) and Watta (3.8Mlb) and in July 2008 for Bikini (11.5Mlb).

The total JORC Mineral Resources under Summit management in the Mount Isa region now includes 65.4Mlb U<sub>3</sub>O<sub>8</sub> Measured and Indicated Resources and 38.9Mlb U<sub>3</sub>O<sub>8</sub> Inferred Resources. Of this 32.7Mlb U<sub>3</sub>O<sub>8</sub> Measured and Indicated Resources as well as 29.4Mlb U<sub>3</sub>O<sub>8</sub> Inferred Resources are attributable to Summit. 67% of the Mineral Resources are located at Valhalla; the rest is distributed over the Bikini, Skal, Andersons and Watta orebodies. Details are as follows:-

Individual Mineral Resource figures, conforming to the JORC guidelines, are quoted on 100% of project basis.

Deposit		Measured and Indicated Resources			Inferred Resources			Summit Share
	Cut-off ppm U <sub>3</sub> O <sub>8</sub>	Mt	Grade ppm	t U <sub>3</sub> O <sub>8</sub>	Mt	Grade ppm	t U <sub>3</sub> O <sub>8</sub>	
Valhalla	230	31.2	874	27,229	5.2	859	4,494	50%
Skal	250	4.3	575	2,458	8.4	491	4,129	50%
Bikini	250				10.1	517	5,200	100%
Andersons	230				2.0	1,050	2,100	100%
Watta	230				4.2	410	1,720	100%
<b>Total</b>		<b>35.5</b>	<b>836</b>	<b>29,687</b>	<b>29.9</b>	<b>590</b>	<b>17,643</b>	
<b>Total Resource Attributable to Summit</b>		<b>17.8</b>	<b>836</b>	<b>14,844 (32.7Mlb)</b>	<b>23.1</b>	<b>577</b>	<b>13,331 (29.4Mlb)</b>	

(Figures in the table above may not add due to rounding)

The Company's base metal projects are currently being explored by MM Mining Pty Ltd under joint venture and mineral rights agreements.

## REVIEW OF OPERATIONS

### MT ISA URANIUM JOINT VENTURE (QLD)

Interest: Summit Resources (Aust) Pty Ltd - 50%; Paladin Energy Ltd – 50%

Operator: Summit Resources (Aust) Pty Ltd

The Mount Isa Joint Venture includes the Valhalla and Skal orebodies. Last year's resource drilling programmes at both deposits have resulted in upgraded resource estimates. A new drilling programme at Valhalla including geotechnical and metallurgical drilling was completed in early May 2009 and an updated resource has previously been reported. A new drilling programme was also completed during the previous quarter at Skal and an updated resource estimate reported.

### Valhalla Uranium Deposit

- The updated total Mineral Resource stands at 69.9Mlb U<sub>3</sub>O<sub>8</sub>, up from the previous 67.5Mlb U<sub>3</sub>O<sub>8</sub>.
- Measured and Indicated Mineral Resources increased by 9.9% to 60.0Mlb U<sub>3</sub>O<sub>8</sub> for ongoing economic studies.
- There is potential for a further resource increase along strike to the south and at depth following additional planned drilling.

A resource estimate conforming to the JORC guidelines for the Valhalla uranium deposit has been completed following validation and compilation of data from drilling undertaken earlier in the year. The estimate covers the original Valhalla deposit as well as the south-eastern extension, Valhalla South. The Valhalla Project is located 40km north of Mount Isa on EPM 9221; being ideally situated adjacent to the Barkley Highway, approximately 7km from Summit's Bikini deposit and 8km from Summit's 50% owned Skal project.

The updated Mineral Resource estimate for the Valhalla uranium deposit is quoted using a cut-off grade of 230ppm U<sub>3</sub>O<sub>8</sub>.

	Mt	Grade ppm U <sub>3</sub> O <sub>8</sub>	t U <sub>3</sub> O <sub>8</sub>	Mlb U <sub>3</sub> O <sub>8</sub>
Measured Mineral Resources	12.66	833	10,549	23.2
Indicated Mineral Resources	18.53	900	16,680	36.7
<b>Total Measured &amp; Indicated</b>	<b>31.20</b>	<b>874</b>	<b>27,229</b>	<b>60.0</b>
<b>Inferred Mineral Resources</b>	<b>5.2</b>	<b>859</b>	<b>4,494</b>	<b>9.9</b>

(Figures in the table above may not add due to rounding)

Measured and Indicated Mineral Resources increased by 9.9% to 60.0Mlb U<sub>3</sub>O<sub>8</sub> (27,229t U<sub>3</sub>O<sub>8</sub>) from the previously announced 55.4Mlb U<sub>3</sub>O<sub>8</sub> (25,153t U<sub>3</sub>O<sub>8</sub>). The total Resources increased from 67.5Mlb U<sub>3</sub>O<sub>8</sub> to 69.9Mlb U<sub>3</sub>O<sub>8</sub>.

The main Valhalla deposit now has a strike length in excess of 1,100m with mineralisation extending from surface to a depth of over 650m. It is structurally controlled with a characteristic southerly plunge. Valhalla South is located approximately 600m along strike to the south-east of the main mineralised zone and has a strike length of at least 400m and appears open both along strike and at depth. Summit completed the planned drilling programme of 52 holes for 11,739 at both Valhalla and Valhalla South by the end of June 2009. These holes have been drilled on a nominal 80m x 40m grid pattern to infill the existing drill holes and replace some of the historic drill holes as well as extend the known mineralisation at Valhalla South along strike and at depth. The majority of these drill holes have been gamma logged down hole and gyroscopically surveyed to obtain an accurate hole orientation using company owned equipment. The resource dataset is a combination of chemical assays and appropriately calibrated down hole gamma logging. Gamma derived grades have been validated against both XRF and chemical assay derived grades. Examination of the recent and historic drilling with the conceptual geological model has identified areas at depth with sub-optimal drill coverage. It is expected that a number of deep, directionally drilled, holes will be completed in the next drilling program to infill these areas.

Following completion of laboratory testing of the 7 large diameter (PQ) core holes a preliminary geotechnical report has now been received. Results obtained so far are expected to have a positive impact on any proposed pit wall angles and consequently improve economic outcomes.

### Skal Uranium Deposit

- Initial Indicated Mineral Resource for Skal East now stands at 5.4Mlb U<sub>3</sub>O<sub>8</sub>, previous total Inferred Mineral Resource was 3.9Mlb U<sub>3</sub>O<sub>8</sub>.
- Total Mineral Resource for all Skal deposits stands at 14.5Mlb U<sub>3</sub>O<sub>8</sub>, up from 12.3Mlb U<sub>3</sub>O<sub>8</sub>.
- Potential remains for further resource increase along strike at Skal South and at depth at Skal East.

At Skal a total of 13 RC holes and 28 diamond core holes (for 5,724m) were completed by the end of June 2009 and this data was subsequently validated and incorporated into the existing Skal dataset. The drilling was successful in confirming the resource potential at Skal East (which had previously been identified by geological mapping and associated ground geophysical surveys).

At Skal East, located approximately 300m east of Skal North and South, drilling had previously identified a new uranium mineralisation zone in north-east trending albites along a strike length of 250 – 400m parallel to the existing Skal South and North deposits. The centre of the mineralisation is up to 30m thick narrowing to the north and south with at least 200m of depth extension.

An updated resource estimation for the Skal East deposit has now been completed and incorporated into the greater Skal Mineral Resource and is detailed below. All Skal Mineral Resources conform to the JORC guidelines. The resource dataset used is a combination of chemical assays and appropriately calibrated down hole gamma logging. Gamma derived grades have been validated against both XRF and chemical assay derived grades. Drilling, expected to be completed in the first half 2010, will be targeted at confirming both the depth extensions to Skal East and North as well as depth and strike extensions to Skal South.

**Skal Mineral Resource**

(Individual mineral resource figures are quoted on a 100% of project basis)

Updated Skal East Mineral Resource at 250ppm U<sub>3</sub>O<sub>8</sub> Cut-off

	Mt	Grade ppm U <sub>3</sub> O <sub>8</sub>	Tonnes U <sub>3</sub> O <sub>8</sub>	Mlb U <sub>3</sub> O <sub>8</sub>
<b>Indicated Mineral Resource</b>	<b>4.3</b>	<b>575</b>	<b>2,458</b>	<b>5.4</b>
<b>Inferred Mineral Resource</b>	<b>0.8</b>	<b>448</b>	<b>348</b>	<b>0.8</b>

Skal (All deposits) Mineral Resource at 250ppm U<sub>3</sub>O<sub>8</sub> Cut-off

	Mt	Grade ppm U <sub>3</sub> O <sub>8</sub>	Tonnes U <sub>3</sub> O <sub>8</sub>	Mlb U <sub>3</sub> O <sub>8</sub>
<b>Indicated Mineral Resource</b>	<b>4.3</b>	<b>575</b>	<b>2,458</b>	<b>5.4</b>
<b>Inferred Mineral Resource</b>	<b>8.4</b>	<b>491</b>	<b>4,129</b>	<b>9.1</b>

Total Mineral Resources for all three Skal deposits increased by 19% to 14.5Mlb U<sub>3</sub>O<sub>8</sub> (6,587t U<sub>3</sub>O<sub>8</sub>) from previous 12.2Mlb U<sub>3</sub>O<sub>8</sub> (5,560t U<sub>3</sub>O<sub>8</sub>).

**MOUNT ISA NORTH URANIUM PROJECT (100% Summit)**

Exploration continues on Summit's 100% owned Mount Isa North Uranium Project where Summit holds 1,356km<sup>2</sup> of granted tenements that are prospective for uranium, copper and base metals. The tenements are centred on the city of Mount Isa. The project includes the Bikini, Watta and Andersons uranium deposits as well as numerous other uranium prospects.

**Bikini Uranium Deposit**

Detailed geological and geophysical groundwork has now been completed at the Bikini deposits (which include the Woomera and Mirrioola Prospects to the north and south of Bikini) and have identified a number of new drill targets in this extensively uranium mineralised region. A drill program is partially complete having been postponed by the onset of the wet season. Six shallow RC drill holes were completed to the northeast of Bikini returning only limited zones of albitite alteration and sporadic uranium mineralisation. An additional 24 holes were drilled in the main Bikini deposit, as well as Pile to the south west, with the majority of holes containing thin (3-6m) mineralised (300-800ppm U<sub>3</sub>O<sub>8</sub>) zones of albitite and chlorite-albite schist. All existing drill core from Bikini has been re-logged to enable the generation of a consistent geological model for the area.

At Woomera, 800m north of Bikini, uranium mineralisation is confined to NNE striking albitite lenses in chlorite rich shears similar to Bikini. A program of 32 RC drill holes over an area of approximately 1km<sup>2</sup> was undertaken, targeting two radiometric anomalies of outcropping albitite and two partially buried anomalies. The drilling intersected thin, erratic zones of mineralisation with grades averaging approximately 400ppm U<sub>3</sub>O<sub>8</sub>. Only one drill section intercepted significant widths and grades with hole WOR024 intersecting 23m from 55m down hole at 1,120ppm U<sub>3</sub>O<sub>8</sub> and hole WOR029 intersecting 14m from 95m at 1,717ppm U<sub>3</sub>O<sub>8</sub>.

**Andersons**

Drill planning studies have now been finalised following on from ground work which has identified a number of promising targets. Drilling in this area is now expected to commence following on from work at Bikini and is expected to be completed during the March quarter 2010, weather permitting.

**Regional**

The detailed evaluation of the airborne radiometric and regional gravity data had previously identified 207 anomalies for follow up work of which 51 are considered priority 1. This work was continued during the quarter with a number of areas identified for follow up work including surface mapping and limited drill testing. This work is ongoing and will be reviewed periodically.

## **BASE METALS EXPLORATION (MM Mining Pty Ltd earning 80%)**

### **Mt Isa (Cu)**

Field activities were undertaken at Hero in the Isa North Project Area, at Carters Ridge in the Isa West area, and at Bald Hills and the Copper Valley areas in the Isa South project area.

#### **Hero**

The diamond drilling at Hero continued to intersect significant widths (>150m) of copper mineralisation with local higher grade zones. As previously reported the mineralisation is characterised by magnetite-haematite-pyrite-biotite and is the first recognised occurrence of magnetite associated copper mineralisation in the Western Fold Belt of Mt Isa.

As a result of the drilling, further Iron-Oxide-Copper targets are being assessed within the Isa North tenement package with ground magnetics and soil sampling programmes.

#### **Carters Ridge**

A further five diamond holes were completed at Carters Ridge to test the silica-dolomite alteration zone along strike for copper mineralisation. The holes continued to intersect Mt Isa style copper brecciated shales and disseminated copper mineralisation over widths of 30 to 150m. Again only weak copper mineralisation was intersected.

#### **Bald Hills**

A Sub-audio Magnetic survey was undertaken and five reverse circulation percussion holes were drilled to depths of 50m below surface to test a conductive zone. A narrow zone of copper mineralisation was encountered and results are now being reviewed.

#### **Copper Valley**

A stream sediment survey in the Copper Valley area south of Mount Isa has identified two zones of elevated copper-gold drainages to a peak value of 58ppb gold. Further work is planned over these hitherto unrecognised gold regions in the western Fold Belt of the Mount Isa Inlier.

## **CORPORATE**

### **Amalgamation of Tenements**

Summit's strategy to consolidate and amalgamate its Isa North tenement holding covering 1,356 km<sup>2</sup> north and east of Mount Isa has been successful, with four tenements granted in early January 2010 to replace the previous eleven tenements. As previously advised, Summit has entered into an exploration agreement with the Kalkadoon native title claimants to facilitate continued exploration over the four new exploration tenements. This will simplify Summit's land management at Isa North and enable the company to retain its current land holding for a further two years without any reduction in area.

The tenement amalgamation structure is as follows:

EPM's 14047, 15035 and 15871 have been amalgamated to form EPM 17511;  
 EPM's 13417, 13066 and 14758 have been amalgamated to form EPM 17513;  
 EPM's 9221, 9918 and 13033 have been amalgamated to form 17514; and  
 EPM's 13415 and 14048 have been amalgamated to form EPM 17519.

**Litigation**

On 3 December 2009, Summit Resources Limited (**Summit**) announced that it had entered into a conditional agreement with (amongst others) Areva NC (Australia) Pty Ltd (**Areva**), Resolute Limited (**Resolute**), Paladin Energy Ltd and Mt Isa Uranium Pty Ltd (**MIU**) (the **settlement agreement**).

The settlement agreement relates to Areva's application to the Supreme Court of Western Australia under section 237 of the Corporations Act 2001 (Cth) for leave to intervene in the proceedings that were brought by Summit's wholly owned subsidiary, Summit Resources (Aust) Pty Ltd, against Resolute and MIU.

The settlement agreement is conditional upon the Honourable Chief Justice making orders in the form sought by the parties.

Summit will make a further announcement to the market once it becomes known whether the Honourable Chief Justice will make the orders sought by the parties. There is no guarantee that such orders will be made, or made in the form sought by the parties.

Further information in relation to the settlement agreement may be found in Summit's announcement to the market dated 3 December 2009.

**Successful Capital Raising**

On 3 December 2009, Summit announced that it was undertaking a fully underwritten 1 for 50 renounceable rights issue. The issue was successfully completed in mid-January with Summit raising approximately AUD8.1 million.

Yours faithfully  
Summit Resources Limited



**BRENDAN O'HARA**  
**Executive Chairman**

Declaration

The information in this announcement that relates to minerals exploration and mineral resources 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 he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Princep is a full-time employee of Paladin Energy Ltd. Mr. Princep consents to the inclusion of the information in this announcement in the form and context in which it appears