



## **SUMMIT RESOURCES LIMITED**

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**QUARTERLY REPORT**  
PERIOD ENDED 31 MARCH 2007

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### **MARCH 2007 QUARTER HIGHLIGHTS**

- *Uranium resource drilling continued with 9,953 metres in 42 holes completed in the March quarter*
- *JORC compliant resource estimates for Andersons (4.7Mlb) and Watta (3.8Mlb) uranium deposits released during the quarter*
- *Resource drilling on the Valhalla, Skal, Andersons, Bikini and Mirrioola uranium deposits and the Carters Ridge exploration project reported*
- *Resource drilling and evaluation continues on eight uranium deposits at Mount Isa*
- *Summit has now identified a further eighteen uranium prospects within its Mount Isa Uranium Project area on which exploration is yet to commence*
- *\$5 million Georgina Basin uranium search underway with data acquisition complete and the airborne EM survey flown*
- *100 kilometre IP geophysical survey over copper targets completed at Isa South*
- **SPOT MARKET URANIUM OXIDE NOW US\$113 POUND**

## SUMMIT RESOURCES LIMITED

ACN 009 474 775

### QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2007

#### SUMMARY

Summit Resources Limited ("Summit") continued with its uranium resource definition drilling at Mount Isa in the March 2007 quarter with thirty nine holes drilled into five uranium deposits, totalling 9,245 metres of drilling. A further three holes for 708 metres were drilled into base metal targets at May Downs.

Substantial widths and high grade uranium oxide ("U<sub>3</sub>O<sub>8</sub>") and vanadium pentoxide ("V<sub>2</sub>O<sub>5</sub>") intersections have been reported for the Valhalla, Andersons, Skal, Mirrioola and Bikini deposits.

The company's uranium deposits and mineralised prospects being drilled and evaluated are all located from 15 kilometres east to 65 kilometres north of Mount Isa city.

A JORC compliant resource estimate for Valhalla (57Mlb) was released in 2006 and JORC compliant resource estimates for Andersons (4.7Mlb) and Watta (3.8Mlb) were released in the March quarter. Resource estimates for Skal, Bikini, Mirrioola and Warwai are being prepared and being subjected to independent audits by resource consultants Hellman & Schofield.

Further drilling is required at Tjilpa to commence modelling and calculation of a resource estimate. As all Summit's Mount Isa uranium deposits remain open further drilling is required to delineate the extent and size of the deposits. Drilling will continue during the remainder of 2007 to further expand and define these resources.

In addition to the deposits being drilled Summit now has identified eighteen uranium prospects within its Mount Isa Uranium Project area on which exploration is yet to commence. Each of the prospects will be progressively explored and drill tested as rigs become available.

Uranium exploration on the Georgina Basin project, covering 12,000km<sup>2</sup> of tenement applications to the west of Mount Isa, is underway. The airborne EM survey over approximately 8,000km<sup>2</sup> of the northern portion of the Basin and western margin of the Inlier, has been flown. As well data acquisition, review and modelling of satellite, geophysical, previous mineral exploration and water bore data to refine the geological model is being progressed. This data base will be combined with the airborne EM survey and night time thermal imagery to select targets and conductors for drill testing in 2007.

Copper exploration continues south of Mount Isa. The 100 line kilometre IP geophysical survey has been completed along the Mount Isa Paroo Fault zone on EPM14233. The IP data will be used to target the next round of drill tests searching for deep-seated high grade copper bodies similar to those being mined by Xstrata to the north at Mount Isa. Drilling of these copper targets will recommence in 2007.

ASX listing of Pacific Mines Limited, the subsidiary company holding the Constance Range iron ore assets, has been progressed. A draft independent geological report and prospectus have been prepared and an ATO taxation ruling on the proposed demerger received.

Summit has continued to prepare for its legal proceedings in the Supreme Court of Western Australia. Summit is seeking a declaration from the Court that it is entitled to exercise its option to acquire the 50% interest held by Mt Isa Uranium Pty Ltd in the Isa Uranium Joint Venture for 85% of its market value.

In December 2006 Summit applied for the Angela Pamela uranium deposit in NT known to contain uranium oxide resources of up 12,400t of U<sub>3</sub>O<sub>8</sub>. Approximately 40 companies have also applied for the deposits.

**Uranium oxide price continues its upward trend and is now US\$113.00 a pound on the spot market.**

## MARCH QUARTER 2007

### REVIEW OF OPERATIONS

#### 1. MOUNT ISA URANIUM (QLD)

**Interest: Summit Resources (Aust) Pty Ltd 100%**

**Operator: Summit Resources (Aust) Pty Ltd**

Uranium exploration and drilling continues on our Mount Isa tenements where the Company controls over 70 million pounds of reported measured, indicated and inferred uranium oxide resources in a number of deposits to the east and north of Mount Isa city. The six 100% owned, and two 50% owned and managed, uranium deposits and targets now being drilled by Summit at Mount Isa are all uranium bearing IOCG style hematite breccias.

A total of 7,733 metres of drilling has been completed in the March 2007 quarter at the Andersons, Mirrioola and Bikini uranium deposits.

Summit is yet to commence exploration and drilling on a further eighteen known uranium mineralised prospects within its Mount Isa Uranium Project area north of Mount Isa.

#### **ANDERSONS Uranium Deposit (100% Summit)**

Andersons uranium deposit is located 15 kilometres east of Mount Isa city on EPM14047.

Summit has now drilled forty four diamond holes and eight percussion holes at Andersons totalling 9,252 metres of drilling. Ten holes, ANDDH35 to ANDDH44 totalling 1,977 metres of drilling, were drilled in the March quarter. This drilling has confirmed the previous Queensland Mines drilling below 150 metres and tested the strike extent of the deposit to the west and east where it remains open.

A JORC compliant resources estimate for Andersons was released during the quarter. An inferred resource of 2.0 million tonnes at a grade of 2.31 pounds per tonne uranium oxide using a cut-off grade of 0.50lb/tU<sub>3</sub>O<sub>8</sub> was reported. The total contained U<sub>3</sub>O<sub>8</sub> is 4.7 million pounds or 2,100 tonnes. This resource is in the Inferred category.

The table below expresses the estimated resources at Andersons at a range of cut-off grades.

#### **ANDERSONS RESOURCE ESTIMATE**

*Inferred Resource estimate at 0.50, 1.00 and 1.50 pound cut-off grades*

| JORC CATEGORY | CUT OFF                           |                                   |                                | RESOURCE<br>Mt | GRADE                             |                                   |                                | METAL  |      |
|---------------|-----------------------------------|-----------------------------------|--------------------------------|----------------|-----------------------------------|-----------------------------------|--------------------------------|--------|------|
|               | lb/tU <sub>3</sub> O <sub>8</sub> | kg/tU <sub>3</sub> O <sub>8</sub> | %U <sub>3</sub> O <sub>8</sub> |                | lb/tU <sub>3</sub> O <sub>8</sub> | kg/tU <sub>3</sub> O <sub>8</sub> | %U <sub>3</sub> O <sub>8</sub> | Tonnes | Mlbs |
| Inferred      | 0.50                              | 0.23                              | 0.023                          | 2.0            | 2.31                              | 1.05                              | 0.105                          | 2,100  | 4.7  |
| Inferred      | 1.00                              | 0.46                              | 0.046                          | 1.8            | 2.55                              | 1.16                              | 0.116                          | 2,080  | 4.5  |
| Inferred      | 1.50                              | 0.69                              | 0.069                          | 1.4            | 2.86                              | 1.30                              | 0.130                          | 1,830  | 4.0  |

The diamond holes reported so far have intersected mineralised sediments and conglomerate with mineralised sections ranging from 3 to 66 metres down hole. Intersections reported include 66 metres at 2.44lb/tU<sub>3</sub>O<sub>8</sub> and 5.78lb/tV<sub>2</sub>O<sub>5</sub>.

Grades as high as 14.50lb/tU<sub>3</sub>O<sub>8</sub> and 16.06lb/tV<sub>2</sub>O<sub>5</sub> over metre intervals have been encountered in Summit's drill holes at Andersons.

Consistent widths and high grades of uranium vanadium mineralisation down to 300 metres depth have been encountered at Andersons in the main mineralised shoot that is mineralised from surface.

***Drill results reported for Andersons in the March Quarter include:***

|                  |            |  |              |  |
|------------------|------------|--|--------------|--|
| <b>ANDERSONS</b> | <b>20m</b> | <b>3.50lb/t (0.16%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>7.59lb/t (0.34%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>ANDERSONS</b> | <b>51m</b> | <b>3.83lb/t (0.17%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>6.38lb/t (0.29%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>ANDERSONS</b> | <b>54m</b> | <b>2.46lb/t (0.11%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>4.15lb/t (0.19%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>ANDERSONS</b> | <b>19m</b> | <b>3.36lb/t (0.15%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>5.70lb/t (0.26%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>ANDERSONS</b> | <b>38m</b> | <b>3.83lb/t (0.17%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>8.30lb/t (0.38%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>ANDERSONS</b> | <b>66m</b> | <b>2.44lb/t (0.11%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>5.78lb/t (0.26%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>ANDERSONS</b> | <b>22m</b> | <b>4.02lb/t (0.18%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>7.08lb/t (0.32%) V<sub>2</sub>O<sub>5</sub></b> |

Summit's drilling at Andersons has confirmed previous drilling on the deposit and a resource estimate is now being modelled, calculated and independently audited for the deposit. The resource estimate for Andersons will be revised, upgraded and released on receipt of the assays for holes ANDDH25 to ANDDH44.

**MIRRIOOLA Uranium Deposit (100% Summit)**

The Mirrioola uranium prospect is located 33 kilometres north of Mount Isa and 3 kilometres south of Bikini on EPM9221.

A total of 5,323 metres of drilling has now been completed in twenty six drill holes at Mirrioola with eight holes (MIDDH19 to MIDDH26 totalling 1,923m) completed in the March 2007 quarter.. Assay results are yet to be reported for holes MIDDH21, 22, 23, 25 and 26

Multiple zones of uranium mineralisation have been encountered in all 26 drill holes at Mirrioola. The intersections include 18 metres at 2.43lb/tU<sub>3</sub>O<sub>8</sub> and 1.48lb/tV<sub>2</sub>O<sub>5</sub>, 16 metres at 2.63lb/tU<sub>3</sub>O<sub>8</sub> and 1.51lb/tV<sub>2</sub>O<sub>5</sub> and 14 metres at 2.86lb/tU<sub>3</sub>O<sub>8</sub> and 1.61lb/tV<sub>2</sub>O<sub>5</sub>. The intersections include 5 metre high grade shoots of up to 6.41lb/tU<sub>3</sub>O<sub>8</sub> and 1.68lb/tV<sub>2</sub>O<sub>5</sub>.

Grades up to 11.18lb/tU<sub>3</sub>O<sub>8</sub> and 4.56lb/tV<sub>2</sub>O<sub>5</sub> over metre intervals have been encountered in Summit's drill holes at Mirrioola.

***Drill results reported for Mirrioola including holes drilled in the March Quarter include:***

|                  |            |  |              |  |
|------------------|------------|--|--------------|--|
| <b>MIRRIOOLA</b> | <b>18m</b> | <b>2.43lb/t (0.11%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.48lb/t (0.07%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>MIRRIOOLA</b> | <b>5m</b>  | <b>5.59lb/t (0.25%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.68lb/t (0.08%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>MIRRIOOLA</b> | <b>18m</b> | <b>2.11lb/t (0.10%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.36lb/t (0.06%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>MIRRIOOLA</b> | <b>5m</b>  | <b>4.08lb/t (0.19%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.54lb/t (0.07%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>MIRRIOOLA</b> | <b>16m</b> | <b>2.35lb/t (0.11%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.47lb/t (0.07%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>MIRRIOOLA</b> | <b>5m</b>  | <b>5.54lb/t (0.25%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.17lb/t (0.08%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>MIRRIOOLA</b> | <b>5m</b>  | <b>6.41lb/t (0.29%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.43lb/t (0.06%) V<sub>2</sub>O<sub>5</sub></b> |

Summit's drilling on the deposit has confirmed Queensland Mines Limited's drilling and a resource estimate is now being modelled, calculated and independently audited for Mirrioola.

**BIKINI Uranium Deposit (100% Summit)**

The Bikini prospect is located 36 kilometres north of Mount Isa, 8 kilometres southeast of the Valhalla and 3 kilometres northwest of the Skal uranium deposits on EPM9221.

A total of 3,833 metres of drilling was completed in fourteen drill holes at Bikini (BPDDH22 to BPDDH35) in the March 2007 quarter. The mineralisation outcrops at Bikini and wide zones of uranium mineralisation have been intersected in all the latest drill holes along a strike of 1,100 metres and up to 300 metres depth. Core samples have been despatched for assay.

Multiple zones of uranium vanadium mineralisation were reported from Bikini in holes BPDDH1 to 21 including 11 metres at 3.12lb/tU<sub>3</sub>O<sub>8</sub> and 1.83lb/tV<sub>2</sub>O<sub>5</sub>. Grades up to 10.86lb/tU<sub>3</sub>O<sub>8</sub> and 8.19lb/tV<sub>2</sub>O<sub>5</sub> over metre intervals were encountered in Summit's drill holes at Bikini.

Summit's drilling on the deposit has confirmed Queensland Mines Limited's drilling and a resource estimate is now being modelled, calculated and independently audited for Bikini.

**Drill results reported for Bikini include:**

|               |            |  |              |  |
|---------------|------------|--|--------------|--|
| <b>BIKINI</b> | <b>11m</b> | <b>1.53lb/t (0.07%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>2.78lb/t (0.11%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>BIKINI</b> | <b>13m</b> | <b>1.12lb/t (0.05%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.80lb/t (0.08%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>BIKINI</b> | <b>7m</b>  | <b>2.01lb/t (0.09%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.63lb/t (0.07%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>BIKINI</b> | <b>8m</b>  | <b>2.08lb/t (0.09%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>2.02lb/t (0.09%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>BIKINI</b> | <b>11m</b> | <b>3.12lb/t (0.14%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.83lb/t (0.08%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>BIKINI</b> | <b>7m</b>  | <b>2.04lb/t (0.09%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.61lb/t (0.07%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>BIKINI</b> | <b>3m</b>  | <b>2.51lb/t (0.11%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.52lb/t (0.07%) V<sub>2</sub>O<sub>5</sub></b> |

**WATTA Uranium Deposit (100% Summit)**

Watta is located 27 kilometres north of Bikini and 1 kilometre northwest of Warwai on EPM13066.

Queensland Mines Limited originally costeanned the prospect, drilled 43 percussion and 7 diamond drill holes in the late 1960's. Drilling results include two intersections of 9.14 metres at 1.43lb/tU<sub>3</sub>O<sub>8</sub> in WADDH01, 9.14 metres of 2.09lb/tU<sub>3</sub>O<sub>8</sub> in WADDH02 and 7.62 metres of 1.65lb/tU<sub>3</sub>O<sub>8</sub> in WADDH05. Agip Australia Pty Ltd acquired the lease in the early 1970's and drilled 4 diamond holes and calculated a resource. In a joint venture with Agip in 1982 Mary Kathleen Uranium Limited drilled two holes, undertook further assessment of the deposit and calculated a resource estimate.

Summit drilled eight diamond holes at Watta totalling 1,116 metres of drilling in 2006.

A JORC compliant resources estimate for Watta was released during the quarter. An inferred resource of 4.2 million tonnes at a grade of 0.9 pounds per tonne uranium oxide using a cut-off grade of 0.5lb/tU<sub>3</sub>O<sub>8</sub> was reported. The total contained U<sub>3</sub>O<sub>8</sub> is 3.8 million pounds or 1,720 tonnes. This resource is in the Inferred category.

The table below expresses the estimated resources at Watta for a range of cut-off grades.

**WATTA RESOURCE ESTIMATE**

*Inferred Resource estimate at 0.25, 0.50 and 1.00 pound cut-off grades*

| JORC CATEGORY | CUT OFF                           |                                   |                                | RESOURCE<br>Mt | GRADE                             |                                   |                                | METAL  |      |
|---------------|-----------------------------------|-----------------------------------|--------------------------------|----------------|-----------------------------------|-----------------------------------|--------------------------------|--------|------|
|               | lb/tU <sub>3</sub> O <sub>8</sub> | kg/tU <sub>3</sub> O <sub>8</sub> | %U <sub>3</sub> O <sub>8</sub> |                | lb/tU <sub>3</sub> O <sub>8</sub> | kg/tU <sub>3</sub> O <sub>8</sub> | %U <sub>3</sub> O <sub>8</sub> | Tonnes | Mlbs |
| Inferred      | 0.25                              | 0.11                              | 0.011                          | 5.2            | 0.81                              | 0.37                              | 0.037                          | 1,900  | 4.2  |
| Inferred      | 0.50                              | 0.23                              | 0.023                          | 4.2            | 0.90                              | 0.41                              | 0.041                          | 1,720  | 3.8  |
| Inferred      | 1.00                              | 0.46                              | 0.046                          | 1.3            | 1.36                              | 0.62                              | 0.620                          | 820    | 1.8  |

Wide low grade uranium intersections were reported in holes WADDH1 to 8 at Watta. These intersections include an 86 metre section of 0.65lb/tU<sub>3</sub>O<sub>8</sub> and 0.78lb/tV<sub>2</sub>O<sub>5</sub>, 55 metres at 1.02lb/tU<sub>3</sub>O<sub>8</sub> and 0.77lb/tV<sub>2</sub>O<sub>5</sub> and 47 metres at 1.15lb/tU<sub>3</sub>O<sub>8</sub> and 2.16lb/tV<sub>2</sub>O<sub>5</sub>. Grades up to 3.28lb/tU<sub>3</sub>O<sub>8</sub> and 8.97lb/tV<sub>2</sub>O<sub>5</sub> over metre intervals have been encountered in the Watta drill holes.

**Drill results reported for Watta include:**

|              |            |  |              |  |
|--------------|------------|--|--------------|--|
| <b>WATTA</b> | <b>47m</b> | <b>1.15lb/t (0.05%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>2.16lb/t (0.10%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>WATTA</b> | <b>7m</b>  | <b>2.32lb/t (0.11%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>4.76lb/t (0.22%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>WATTA</b> | <b>8m</b>  | <b>1.82lb/t (0.08%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.33lb/t (0.06%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>WATTA</b> | <b>13m</b> | <b>1.22lb/t (0.06%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.42lb/t (0.06%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>WATTA</b> | <b>4m</b>  | <b>2.08lb/t (0.10%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>3.52lb/t (0.16%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>WATTA</b> | <b>15m</b> | <b>1.69lb/t (0.08%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>1.09lb/t (0.05%) V<sub>2</sub>O<sub>5</sub></b> |
| <b>WATTA</b> | <b>12m</b> | <b>1.42lb/t (0.06%) U<sub>3</sub>O<sub>8</sub></b> | <b>&amp;</b> | <b>0.47lb/t (0.02%) V<sub>2</sub>O<sub>5</sub></b> |

Consistent widths and grades of uranium mineralisation down to 150 metres depth have been encountered at Watta confirming previous drilling of the deposit. The mineralised shoot remains open along strike and at depth.

### WARWAI Uranium Deposit (100% Summit)

Warwai is located 26 kilometres north of Bikini and 1 kilometre southeast of Watta on EPM13066.

Here Queensland Mines Limited costeanned the prospect, drilled 7 percussion and 4 diamond drill holes in the late 1960's. Agip Australia Pty Ltd acquired the lease in the early 1970's and drilled 2 diamond holes and calculated a uranium resource. In 1982 Mary Kathleen Uranium Limited undertook further assessment of the deposit and calculated a resource estimate. Intersections include 9.10 metres of 5.29lb/tU<sub>3</sub>O<sub>8</sub> in WWDDH01 and 8.23 metres of 3.09lb/tU<sub>3</sub>O<sub>8</sub> in WWRCP02.

Summit drilled five RCP and diamond holes at Warwai totalling 550 metres of drilling in late 2006.

Narrow low grade uranium intersections were reported in holes WWDDH1 to 5 at Warwai. Grades up to 2.43b/tU<sub>3</sub>O<sub>8</sub> and 7.56lb/tV<sub>2</sub>O<sub>5</sub> over metre intervals have been encountered in the Warwai drill holes.

#### *Drill results reported for Warwai include:*

|        |    |  |   |  |
|--------|----|--|---|--|
| WARWAI | 2m | 1.52lb/t (0.07%) U <sub>3</sub> O <sub>8</sub> | & | 7.24lb/t (0.33%) V <sub>2</sub> O <sub>5</sub> |
| WARWAI | 4m | 1.01lb/t (0.05%) U <sub>3</sub> O <sub>8</sub> | & | 1.55lb/t (0.07%) V <sub>2</sub> O <sub>5</sub> |
| WARWAI | 7m | 1.04lb/t (0.05%) U <sub>3</sub> O <sub>8</sub> | & | 1.28lb/t (0.06%) V <sub>2</sub> O <sub>5</sub> |
| WARWAI | 3m | 0.90lb/t (0.04%) U <sub>3</sub> O <sub>8</sub> | & | 5.60lb/t (0.25%) V <sub>2</sub> O <sub>5</sub> |
| WARWAI | 2m | 0.95lb/t (0.04%) U <sub>3</sub> O <sub>8</sub> | & | 0.69lb/t (0.03%) V <sub>2</sub> O <sub>5</sub> |
| WARWAI | 3m | 0.69lb/t (0.03%) U <sub>3</sub> O <sub>8</sub> | & | 0.98lb/t (0.04%) V <sub>2</sub> O <sub>5</sub> |
| WARWAI | 9m | 0.72lb/t (0.03%) U <sub>3</sub> O <sub>8</sub> | & | 2.69lb/t (0.12%) V <sub>2</sub> O <sub>5</sub> |

Further drilling is required here to delineate the mineralisation, confirm previous drilling by Queensland Mines Limited, Agip and Mary Kathleen Uranium Limited and provide sufficient data to commence modelling and calculation of a resource estimate.

### TJILPA Uranium Deposit (100% Summit)

The Tjilpa uranium prospect is located 30 kilometres north of Mount Isa and 5 kilometres south of Bikini on EPM9221.

A total of 1,044 metres of drilling was completed by Summit in five drill holes at Tjilpa in 2006.

Multiple zones of uranium vanadium mineralisation have been encountered in a wide low grade intersections in the first drill holes reported from Tjilpa. Grades up to 5.48lb/tU<sub>3</sub>O<sub>8</sub> and 1.97lb/tV<sub>2</sub>O<sub>5</sub> over metre intervals have been encountered in the Tjilpa drill holes.

#### *Drill results reported for Tjilpa include:*

|        |      |  |   |  |
|--------|------|--|---|--|
| TJILPA | 194m | 0.49lb/t (0.02%) U <sub>3</sub> O <sub>8</sub> | & | 1.07lb/t (0.05%) V <sub>2</sub> O <sub>5</sub> |
| TJILPA | 5m   | 1.99lb/t (0.09%) U <sub>3</sub> O <sub>8</sub> | & | 1.73lb/t (0.08%) V <sub>2</sub> O <sub>5</sub> |
| TJILPA | 7m   | 1.68lb/t (0.08%) U <sub>3</sub> O <sub>8</sub> | & | 1.08lb/t (0.05%) V <sub>2</sub> O <sub>5</sub> |
| TJILPA | 10m  | 1.93lb/t (0.09%) U <sub>3</sub> O <sub>8</sub> | & | 1.35lb/t (0.06%) V <sub>2</sub> O <sub>5</sub> |
| TJILPA | 5m   | 1.63lb/t (0.07%) U <sub>3</sub> O <sub>8</sub> | & | 1.50lb/t (0.07%) V <sub>2</sub> O <sub>5</sub> |
| TJILPA | 4m   | 1.37lb/t (0.06%) U <sub>3</sub> O <sub>8</sub> | & | 1.57lb/t (0.07%) V <sub>2</sub> O <sub>5</sub> |

Further drilling is required at Tjilpa to delineate the mineralisation, confirm previous drilling by Queensland Mines Limited and provide sufficient data to commence modelling and calculation of a resource estimate.

### URANIUM PROSPECTS (100% Summit)

Summit is yet to assess and evaluate the potential of a further eighteen known uranium mineralised prospects within its Mount Isa Uranium Project area north of Mount Isa. Mapping, sampling and initial data reviews have now been completed on U1, U2, Azguard, Red Alpha, Western, Mixabe and Woomera and are planned for Hero, Crowbar, Mirrioola South, Mirrioola North, Pile, Drum, Rich John, Calton, Narpajin, Bull Frog and Ecotte in the coming months. The first Summit drill holes have also been drilled into and reported for Western, Pile and Woomera.



Previous exploration of these eighteen prospects includes rock chip sampling and drilling. Reported results include anomalous rock chip sample assays of 3.12lb/tU<sub>3</sub>O<sub>8</sub> at Western, 1.82lb/tU<sub>3</sub>O<sub>8</sub>, 936ppmCu, 2,320ppmPb, and 0.91lb/tV<sub>2</sub>O<sub>5</sub> at Mixabe, 1.69lb/tU<sub>3</sub>O<sub>8</sub> at Hero and 13.40lb/tU<sub>3</sub>O<sub>8</sub> at Drum. Drill results include 9 metres at 1.98lb/tU<sub>3</sub>O<sub>8</sub> at Red Alpha, 4 metres at 2.24lb/tU<sub>3</sub>O<sub>8</sub> at Woomera and 12 metres at 0.20% copper ("Cu") at Western.

## 2. 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 Resources Ltd's ("Paladin") wholly owned subsidiary, Mt Isa Uranium Pty Ltd ("Mt Isa Uranium") is a 50% contributing participant to the IUJV.

A total of 1,512 metres of drilling has been completed in the March 2007 quarter at the Valhalla and Skal uranium deposits.

### VALHALLA Uranium Deposit (50% Summit)

The Valhalla uranium deposit is located 40 kilometres northwest of Mount Isa city on EPM9221.

In the March 2007 Quarter limited resource definition drilling was undertaken at Valhalla along with further metallurgical testwork on Valhalla and Skal core samples. The drilling and core sampling is designed to, when the results are reported, calculate a revised and updated JORC compliant resource estimate for the deposit and provide further samples, particularly in the top 100 metres of the mineralised system, for detailed metallurgical testwork.

Earthworks to establish drill site access, pads and sumps were completed and two holes, for a total of 696 metres of RCP and diamond drilling, were drilled at Valhalla (holes VDDH88 & VDDH89, pre-collar only) during the March Quarter. A total of 173 core samples from holes VDDH88 have been submitted for multi element analysis. The pre-collar for VDDH89 was drilled by RCP to 59m but, to date the drill hole has not been completed.

Assay results have been received for a large number of Valhalla drill holes VDDH63 to VDDH87. These assay results and mineralised intervals are summarised below. Assays are yet to be reported for RCP precollar samples in holes VDDH75 and VDDH81 and for all samples for holes VDDH84 and VDDH88. The assay results were delayed while issues of standards repeatability and accuracy were resolved with a number of laboratories. These issues have now been successfully resolved and the back-log of samples have all been assayed.

#### *Drill results reported for Valhalla in the March Quarter include:*

|          |      |  |   |  |
|----------|------|--|---|--|
| VALHALLA | 126m | 1.40lb/t (0.06%) U <sub>3</sub> O <sub>8</sub> | & | 3.66lb/t (0.17%) V <sub>2</sub> O <sub>5</sub> |
| VALHALLA | 18m  | 3.72lb/t (0.17%) U <sub>3</sub> O <sub>8</sub> | & | 3.17lb/t (0.14%) V <sub>2</sub> O <sub>5</sub> |
| VALHALLA | 75m  | 1.22lb/t (0.06%) U <sub>3</sub> O <sub>8</sub> | & | 4.66lb/t (0.21%) V <sub>2</sub> O <sub>5</sub> |
| VALHALLA | 105m | 1.61lb/t (0.07%) U <sub>3</sub> O <sub>8</sub> | & | 2.76lb/t (0.13%) V <sub>2</sub> O <sub>5</sub> |
| VALHALLA | 79m  | 1.22lb/t (0.06%) U <sub>3</sub> O <sub>8</sub> | & | 2.90lb/t (0.13%) V <sub>2</sub> O <sub>5</sub> |
| VALHALLA | 31m  | 2.54lb/t (0.11%) U <sub>3</sub> O <sub>8</sub> | & | 3.35lb/t (0.15%) V <sub>2</sub> O <sub>5</sub> |
| VALHALLA | 114m | 1.57lb/t (0.07%) U <sub>3</sub> O <sub>8</sub> | & | 2.77lb/t (0.13%) V <sub>2</sub> O <sub>5</sub> |
| VALHALLA | 20m  | 3.98lb/t (0.18%) U <sub>3</sub> O <sub>8</sub> | & | 2.87lb/t (0.13%) V <sub>2</sub> O <sub>5</sub> |

Metallurgical test work, including the development of a standard test procedure and further flotation studies on Valhalla samples, to establish the metallurgical flow sheet, recoveries and metallurgical compatibility with the Skal uranium mineralisation and Summit's other uranium deposits in the area is ongoing.

Further quality assurance and quality control check, standard, duplicate and repeat analyses were undertaken at two separate laboratories during the quarter. This work is part of the required validation and updating of the data base in preparation for, with inclusion of all the recent drill results, the preparation of a new resource model for the deposit and the calculation of an updated and revised JORC compliant resource estimate for release to the market.

### **SKAL Uranium Deposit (50% Summit)**

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

Two mineralised shoots have now been defined at Skal. The uranium mineralisation in both the southern and northern shoots at Skal is yet to be closed off by drilling either along strike or at depth.

A total of 816 metres of RCP and diamond drilling in five drill holes SKDDH15 to SKDDH18 have been completed at Skal during the Quarter. All four holes have been logged, sampled and samples despatched for analysis. The drilling program was designed to further test the southern and northern mineralised shoots at Skal. Earthworks to establish drill site access, pads and sumps for the proposed RCP and diamond drilling was commenced in the December Quarter and completed in the March Quarter.

As at Valhalla the same metallurgical test work to establish the metallurgical flow sheet, recoveries and metallurgical compatibility of the Skal uranium mineralisation with Valhalla and Summit's other uranium deposits in the area is ongoing.

Further quality assurance, quality control, re-assaying and data base validation work was also undertaken on the Skal data base during the Quarter. This work and validation is required for the preparation of a new resource model for the deposit and the calculation of a JORC compliant resource estimate for release to the market.

### **3. GEORGINA BASIN (QLD)**

**Interest: Summit Resources (Aust) Pty Ltd 100%**

**Operator: Summit Resources (Aust) Pty Ltd**

The Georgina Basin uranium search is underway over Summit's 16 Exploration Permit applications, covering approximately 12,000km<sup>2</sup> of the basin, to the west of the Mount Isa Inlier in northwest Queensland.

Newland Resources Limited ("Newland") is sole funding the first \$1.0 million of exploration expenditure and then 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.

This uranium search for Georgina Basin hosted calcrete channel, paleochannel, roll front and unconformity style deposits will also include Proterozoic basement uranium targets under the Cambrian sediments, associated with magnetic features similar to Summit's Mount Isa deposits, the Ernest Henry and Olympic Dam complex breccia deposits.

Exploration during the March Quarter has included Fugro Geophysics flying an airborne Tempest EM survey over approximately 8,000km<sup>2</sup> of the northern portion of the Basin and western margin of the Mount Isa Inlier. The survey has been completed and the aircraft de-mobilised.

The EM data from the survey is being processed at Fugro offices and the processed data will be available in May 2007. Inversion of available gravity data by Fullagar Geophysics to produce depth-to-basement estimates has started. Open File reports by previous uranium explorationists, especially Urangelsellschaft, have been reviewed.

Geophysical consultants are processing all available magnetic, radiometric and gravity data along with BHP's, MIM's and Aberfoyle's previous EM surveys in the area to model the basin and depth to basement of the Cambrian sediments. All available open file mineral exploration reports and water bore logs have been accessed and are being reviewed. FrogTech Consultants have commenced compiling the tectonic and sedimentary history of the basin area being explored and will utilise the satellite, geophysical, previous mineral exploration and water bore data to refine the geological model. Shuttle radar digital terrane mapping is underway, Landsat colour 12.5m resolution satellite imagery acquired and Modis satellite night time thermal imagery ordered.

The area has not been previously subjected to a uranium search. Anomalous uranium mineralisation has been reported by previous explorers in drill holes in the Georgina Basin sediments within Summit's application areas. As well, radiometric channel anomalies, identified in



Summit's regional airborne radiometric data, are present along existing and shallow palaeochannels in the area.

The satellite, geophysical, geological, exploration and airborne EM survey data will be used to identify anomalies and conductors for drilling. Drilling of targets is anticipated in 2007.

#### 4. **ISA SOUTH (QLD)**

**Interest: Summit Resources (Aust) Pty Ltd 100%**

**Operator: Summit Resources (Aust) Pty Ltd**

The Isa South project comprises nine contiguous tenement applications covering over 2,140km<sup>2</sup> of prospective Proterozoic terrane along the Mount Isa Paroo Fault ("MIPF") from 40 to 160 kilometres south of Mount Isa.

EPM's 14233, 14040, 14620 and 14821 have been granted and the remaining five EPM applications will now be offered for grant in the coming months. Glengarry Resources Ltd has a 10% carried interest to mine development in EPM14233.

EPM14233 covers 13 kilometres of the southern strike extension of the MIPF, which is known to be the structural control on a number of world class deposits to the north including the Isa copper and the Mount Isa, Hilton and George Fisher lead zinc mines at Mount Isa.

Three priority base metal targets, located 38 to 50 kilometres south of Mount Isa, have been delineated and the first holes drilled. Drilling intersected weakly mineralised silica dolomite breccias similar to those that surround the high grade sulphide copper deposits being mined at Mount Isa.

The 100 line kilometres of IP geophysical survey, along the MIPF in EPM14233, was completed by mid April 2007. The survey data is now being processed, modelled and interpreted.

The IP survey data will be used to target the next round of drill tests searching for deep-seated copper bodies similar to those being mined by Xstrata to the north at Mount Isa. Drilling of these copper targets will recommence in early 2007.

Summit has identified a number of base metal and gold targets along 150 kilometres of the MIPF structure within Isa South project area. These targets, including Apex, Red Dingo, Yappo Flats, Kahko Creek, Ardmore Ridge, Bald Hill, Split Creek, Black Crag and Spring Creek prospects, will be explored and drilled in the coming months as personnel and rigs become available and the tenements, to the south of EPM14233, are granted.

#### 5. **ISA NORTH (QLD)**

**Interest: Summit Resources (Aust) Pty Ltd 100%**

**Operator: Summit Resources (Aust) Pty Ltd**

Summit has defined and commenced drill testing a number of base metal targets in the Isa North tenements.

Further exploration and drill testing of the Barkly geophysical feature, located 5km west of the Valhalla uranium deposit, the Gidya ironstone 14 kilometres to the north of Barkly in EPM9221 and the Barkly South anomaly located 10 kilometres southwest of Valhalla in EPM13033 are being deferred whilst Summit concentrates on drilling and establishing its resource base for a number of uranium vanadium deposits within the Isa North project area.

#### 6. **MAY DOWNS (QLD)**

**Interest: Summit Resources (Aust) Pty Ltd 100%**

**Operator: Summit Resources (Aust) Pty Ltd**

Base metal and uranium targets have now been identified within the project area in EPM's 11897, 11898 and 15212.

A total of 708 metres of drilling was completed in three drill holes at Carters Ridge in the March 2007 quarter. The holes were targeted at copper and zinc geochemical anomalies. No significant mineralisation was intersected in the two 150 metre deep RCP drill holes (CRRCP1 and 2). Assays are yet to be reported for the 410 metre deep diamond drill hole (CRDDH1).

EPM15212 at May Downs covers the Big Toby uranium prospects to the west and south of the May Downs fault structure and the eastern margin of the Georgina Basin. The Big Toby uranium prospects were previously drilled by Urangasellschaft in the 1970's. On grant uranium exploration will recommence on these prospects and the structures associated with the Big Toby alkaline intrusive stocks in the area. The Georgina Basin airborne EM survey that has been flown also covers the western part of the May Downs tenements.

As for the Georgina Basin project, satellite, geophysical, geological and airborne EM survey data will be used to identify anomalies and conductors for drilling.

## 7. **CONSTANCE RANGE (QLD)**

**Interest: Pacific Mines Limited 100%**

**Operator: Summit Resources (Aust) Pty Ltd**

Pacific's Mines Limited's ("Pacific") Constance Range project covers 1,480km<sup>2</sup> in seven EPMs. Pacific is a wholly owned subsidiary of Summit.

The tenements are centred 50 kilometres southwest to 70 kilometres northwest of Zinifex's Century zinc mine in far northwest Queensland. Two of the tenements (EPM's 15129 and 15162) are subject to a joint venture where Pacific has the right to earn an 85% interest.

The Train Range Ironstone Member in the Proterozoic South Nicholson Basin is prospective for iron ore. Exploration by BHP in the late 1950's and early 1960's, identified 368 million tonnes ("Mt") of iron ore at 45%Fe, 9%SiO<sub>2</sub> and <1% phosphorous, of which 40Mt is oxidized iron ore at 57%Fe and 10%SiO<sub>2</sub>. The Constance Range A Extension, C, D, E Extension and H iron ore deposits and targets, are located within Pacific's EPMs.

Helicopter supported geological reconnaissance and preliminary rock chip sampling was completed in the June Quarter 2006. Rock chip sample results have identified several areas with greater than 50%Fe (maximum values of 59%Fe), silica between 8% and 17%, and with low Al and P contaminants. Contaminant values for 22 samples with greater than 35%Fe collected by Pacific from eight iron ore deposits and prospects in the area averaged 45%Fe and low 1.44%Al<sub>2</sub>O<sub>3</sub>, 0.08%TiO<sub>2</sub>, 0.48%Mn, 0.08%C, 0.04%CaO, 0.05%P, 0.07%S, 0.10%MgO, 0.04%K<sub>2</sub>O and 0.06%Na<sub>2</sub>O contaminants and 3.86%LOI. These results are seen to be very encouraging and a survey of the extent of the iron formations within the Train Range Ironstone Member is planned.

In the Georgina Basin, phosphorites at six main deposits, namely Highland Plains, Phantom Hills, Mount O'Connor, Babbling Brooke Hill, Mount Jennifer and Riversleigh, host over 200 million tonnes of phosphate mineralisation grading 15%P<sub>2</sub>O<sub>5</sub>. Pacific's EPM's include the Babbling Brooke Hill (38Mt inferred resource) and Riversleigh (11Mt inferred resource) phosphate deposits hosted within the Cambrian Georgina Basin with reported combined phosphate resources of around 50Mt of 17%P<sub>2</sub>O<sub>5</sub>.

In addition to iron ore and phosphate, extensive parts of the area within the folded middle Proterozoic Lawn Hill Platform terrane are prospective for base metal (copper, lead, zinc and silver) deposits. The world class Century zinc-lead-silver mine, with reported reserves and resources of 135Mt at 12%Zn, 1.5%Pb, 35g/tAg, currently being mined by Zinifex Ltd, is located close to Pacific's project areas and has similar geological and structural settings. Within Pacific's project areas (EPM's 14712, 14713, 14935 and 15186) exploration by others has identified base metal mineralisation in favourable host rocks at the Stockyard Creek, Musselbrook, Malachite, Lilydale, Anomaly 214, Lily Hill and Valmay prospects. In some instances this mineralisation provides immediate targets for detailed exploration, drilling and assessment.

Summit intends to spin out its Constance Range iron ore, phosphate and base metal assets by separately funding and listing Pacific on ASX and distributing Pacific shares to existing Summit shareholders. Pacific has appointed an independent geological consultant to prepare a report on

the Constance Range project for the board's review and a draft prospectus is being prepared. An ATO taxation ruling, on the proposed demerger, has been received..

**8. MOUNT KELLY (QLD)**

**Interest: Summit Resources (Aust) Pty Ltd 100%**

**Operator: Summit Resources (Aust) Pty Ltd**

The six sub block EPM14694 (20km<sup>2</sup>) near CopperCo's Mount Kelly copper gold discovery, 95 kilometres northwest of Mount Isa, was granted in October 2005. The target here is copper gold mineralisation in middle Proterozoic shales along northwest trending fault structures.

Satellite imagery and geophysical survey data has been acquired for the area, a review of all previous exploration is underway and field mapping and geochemical sampling, to delineate drill targets, will be undertaken during the 2007 field season.

**ACQUISITIONS AND GENERATIVE**

Summit continues to concentrate on the Mount Isa metals province in northwest Queensland to discover and develop mineral resources and create shareholder wealth and growth within the Company.

The prime commodities sought are uranium, copper, gold and base metals. Other commodities targeted include iron ore and phosphate rock. The Company continuously monitors key target areas and competitor projects in northwest Queensland and northern Australia that may complement its strategic tenement holdings and exploration program. All opportunities in the area, to advance Summit's interests and add value for its shareholders, are assessed as they present themselves.

In December Summit submitted an exploration licence application to the Northern Territory government for the Angela Pamela uranium deposits. The two uranium deposits have been drill delineated and are known to contain uranium oxide resources in various categories with varying levels of confidence of up 12,400t of U<sub>3</sub>O<sub>8</sub>. These resources are from near surface to around 800m depth over a strike length of 5.7 kilometres.



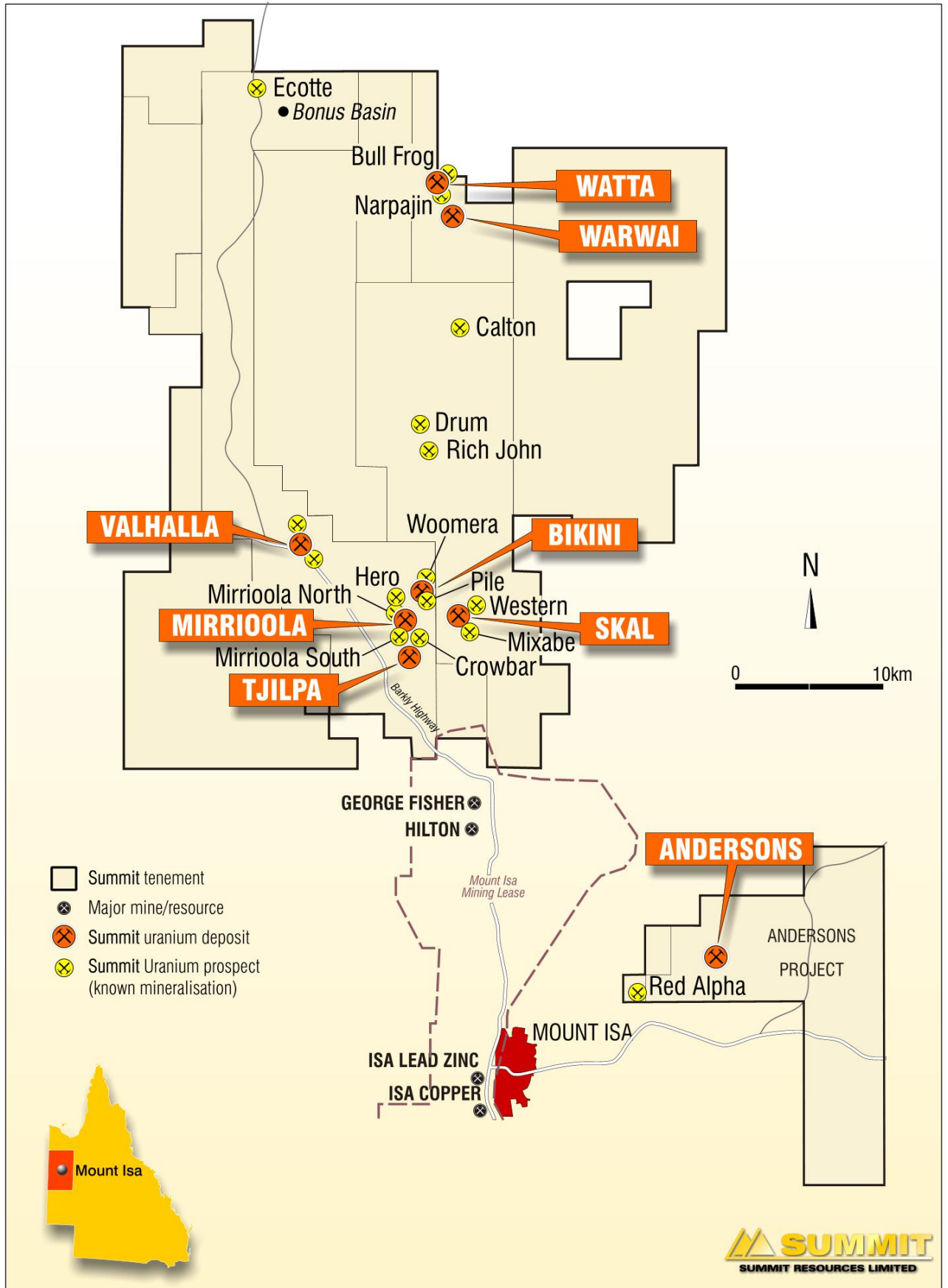
**ALAN J EGGERS**  
**Managing Director**  
**30 April 2007**

\* The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by A.J. Eggers who is a Corporate Member of the Australasian Institute of Mining and Metallurgy and is an executive director of the Company. A.J. Eggers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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" A.J. Eggers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**For further information, please contact Mr Alan J Eggers at:**

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June 28 2006

MOUNT ISA PROJECT  
 ISA URANIUM PROVINCE  
**URANIUM TARGETS AND PROSPECTS**

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**SUMMIT RESOURCES LIMITED**

ABN

86 009 474 775

Quarter ended ("current quarter")

31 March 2007

### Consolidated statement of cash flows

|   | Current Quarter<br>\$A'000 | Year to date<br>(9 Months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>Cash flows related to operating activities</b>               |                            |                                       |
| 1.1 Receipts from product sales and related debtors             | 53                         | 349                                   |
| 1.2 Payments for  |                            |                                       |
| (a) exploration and evaluation                                  | (2,247)                    | (4,779)                               |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) administration  | (582)                      | (1,723)                               |
| 1.3 Dividends received  | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 288                        | 518                                   |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes paid   | -                          | -                                     |
| 1.7 Other (provide details if material)                         | -                          | -                                     |
| <b>Net operating cash flows</b>                                 | <b>(2,488)</b>             | <b>(5,635)</b>                        |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 1.8 Payment for purchases of                                    |                            |                                       |
| (a) prospects   | -                          | -                                     |
| (b) equity investments  | -                          | -                                     |
| (c) other fixed assets  | (350)                      | (1,123)                               |
| 1.9 Proceeds from sale of                                       |                            |                                       |
| (a) prospects   | -                          | -                                     |
| (b) equity investments  | -                          | -                                     |
| (c) other fixed assets  | 3                          | 3                                     |
| 1.10 Loans to other entities                                    | -                          | (196)                                 |
| 1.11 Loans repaid by other entities                             | 40                         | 40                                    |
| 1.12 Other (provide details if material)                        | -                          | -                                     |
| <b>Net investing cash flows</b>                                 | <b>(307)</b>               | <b>(1,276)</b>                        |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(2,795)</b>             | <b>(6,911)</b>                        |

|   |  |         |         |
|---|--|---------|---------|
| 1.13  | Total operating and investing cash flows (brought forward) | (2,795) | (6,911) |
| <b>Cash flows related to financing activities</b> |  |         |         |
| 1.14  | Proceeds from issues of shares, options, etc.              | -       | 14,265  |
| 1.15  | Proceeds from sale of forfeited shares                     | -       | -       |
| 1.16  | Proceeds from borrowings                                   | -       | -       |
| 1.17  | Repayment of borrowings                                    | -       | -       |
| 1.18  | Dividends paid   | -       | -       |
| 1.19  | Other – costs of issues                                    | -       | (535)   |
| <b>Net Financing Cash Flows</b>                   |  | -       | 13,730  |
| <b>Net increase (decrease) in cash held</b>       |  | (2,795) | 6,819   |
| 1.20  | Cash at beginning of quarter/year to date                  | 13,603  | 3,989   |
| 1.21  | Exchange rate adjustments to Item 1.20                     | -       | -       |
| 1.22  | <b>Cash at end of quarter</b>                              | 10,808  | 10,808  |

**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<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 203                        |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

Explanation necessary for an understanding of the transactions

Includes payment of executive director salary and statutory superannuation payments, payments to Wesmin Geological Consultants for geological and management services, to Mineral Administration Services Pty Ltd for administration and company secretarial services and to Claymore Law for legal services.

**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

+ See chapter 19 for defined terms.

## Financing facilities available

*add notes as necessary for an understanding of the position*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | -                           | -                      |
| 3.2 Credit standby arrangements | -                           | -                      |

### Estimated cash outlays for next quarter

|                                | \$A'000      |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 4,500        |
| 4.2 Development                | -            |
| <b>TOTAL</b>                   | <b>4,500</b> |

### Reconciliation of cash

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

|   | Current Quarter<br>\$A'000 | Previous Quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                                | 114                        | 91                          |
| 5.2 Deposits at call  | 857                        | 120                         |
| 5.3 Bank overdraft  | -                          | -                           |
| 5.4 Other – investment commercial bills of 6 months or less | 9,837                      | 13,392                      |
| <b>Total: cash at end of quarter (item1.22)</b>             | <b>10,808</b>              | <b>13,603</b>               |

### Changes in interests in mining tenements

|     | Tenement<br>Reference | Nature of Interest<br>[note (2)]                              | Interest at<br>Beginning of<br>Quarter | Interest at End<br>of Quarter |
|-----|-----------------------|---|--|-------------------------------|
| 6.1 |                       | Interests in mining tenements relinquished, reduced or lapsed |  |                               |
| 6.2 |                       | Interests in mining tenements acquired or increased           |  |                               |

+ See chapter 19 for defined terms.



**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) (cents) | Amount paid up per security (see note 3) (cents) |
|---|--------------|---------------|---|--|
| 7.1 <b>Preferences securities</b><br><i>(description)</i>   |              |               |   |  |
| 7.2 Changes during quarter<br>(a) increases through issues<br>(b) decreases through returns of capital, buybacks, redemptions |              |               |   |  |
| 7.3 <b>Ordinary securities</b>  | 197,440,020  | 197,440,020   |   |  |
| 7.4 Changes during quarter<br>(a) increases through issues<br>(b) decreases through returns of capital, buybacks              |              |               |   |  |
| 7.5 <b>Convertible debt securities</b>  |              |               |   |  |
| 7.6 Changes during quarter<br>(a) increases through issues<br>(b) decreases through securities matured, converted             |              |               |   |  |
| 7.7 <b>Options</b>  |              |               | <i>Exercise price</i>                         | <i>Expiry date</i>                               |
| Unlisted options SMMAI  | 850,000      | -             | 200   | 09/10/2011                                       |
| Unlisted options SMMAK  | 7,000,000    | -             | 200   | 01/09/2011                                       |
| Unlisted options SMMAM  | 500,000      | -             | 200   | 01/09/2011                                       |
| 7.8 Issued during quarter<br>Unlisted options SMMAI<br>Unlisted options SMMAK<br>Unlisted options SMMAM                       |              |               |   |  |
| 7.9 Exercised during quarter<br><i>Unlisted options</i>   |              |               |   |  |
| 7.10 Expired during quarter   |              |               |   |  |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>  |              |               |   |  |
| 7.12 <b>Unsecured notes</b><br><i>(totals only)</i>   |              |               |   |  |

+ See chapter 19 for defined terms.

## 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/~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ***Signed***..... Date: 30 April 2007  
(Director/Company Secretary)

Print name: **KAREN E V BROWN**

## 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 the topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.