

29 October 2007

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

Electronic Lodgement

**QUARTERLY REPORT
FOR PERIOD ENDING – 30 September 2007**

HIGHLIGHTS

- *Uranium resource drilling continued with 7,836.7 metres in 40 holes completed in the September Quarter*
- *Resource drilling and evaluation re-commenced on Skäl uranium deposit at Mount Isa*
 - *Extensions to know mineralisation identified*
- *Further assay results have been received from the Bikini Project.*
- *Encouraging assay results have been received from surface sampling of a number of previously untested prospects in the Mt Isa district. Further work will be completed in the December Quarter.*
- *Work commences on environmental baseline studies and preliminary metallurgical testing in accordance with the FY 07/08 budget approved by the Operating committee of the Isa Uranium Joint Venture.*

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 uranium resource definition drilling at Mount Isa in the September 2007 Quarter with 40 holes drilled into the Skäl uranium deposit, totalling 7,836.7 metres of diamond drilling.

Grades and widths of uranium oxide ("U₃O₈") and vanadium pentoxide ("V₂O₅") intersections are reported for the **Bikini uranium deposit**.

The Company's uranium deposits and mineralised prospects being drilled and evaluated are all located within 15 kilometres east to 65 kilometres 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.

Surface rock chip sampling at a number of previously untested prospects was completed during the Quarter. Assay results give significant encouragement for additional work. More comprehensive sampling and possible drill testing will be completed in the December Quarter.

Base metal exploration south of Mount Isa was limited to data interpretation. The 100 line kilometre IP geophysical survey has been completed along the Mount Isa Fault zone on EPM 14233. The IP data and all available drill information is currently being interpreted by Summit's consultant geophysicist and this will be used to target the next phase of drilling designed to search for deep-seated, high grade copper and base metal bodies similar to those being mined by Xstrata to the north at Mount Isa.

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 Resources 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 49,620m. 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.

Due to the lack of availability of suitable drilling equipment the Valhalla RC program did not commence until September 30th. The program is expected to continue through "the wet" and will take approximately nine (9) months to complete.

A number of 80m spaced drill lines have been planned to test the expected strike extension of the mineralisation and add to the Inferred portion of the resource. Radiometric down-hole logging will be used to check all drill holes in conjunction with geochemical assaying of selected drill holes for verification purposes. The aim of this is to accelerate the collection of data and aid in refining the drilling plan.

Drilling of **7,836.7m in 40 drill holes** has been completed during the Quarter at the **Skal** uranium deposit, with drilling designed to convert the current historic resources to JORC standards. The program was also aimed at extending and infilling the area between Skal North and the King George copper prospect. The program has identified a new zone of uranium mineralisation called **Skal Far North** located approximately 350m northwest of the Skal North mineralisation. The mineralisation has been defined by down hole gamma logging, but to date no assay data is available.

A preliminary metallurgical test work campaign has been devised and is scheduled to commence in the December quarter.

Scoping for environmental baseline studies at both the Valhalla and Skal sites was undertaken and technical experts were engaged to undertake the identified studies. The key studies commenced include hydrological studies to ensure that monitoring equipment is installed before the wet season so that data from the

2007/2008 wet season is collected. Other studies have been commissioned and will commence later this year and will continue through 2008. The information collected from the baseline studies will be used in project design and development.

SKAL Uranium Deposit (50% Summit)

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

A total of 7,836.7 metres of diamond drilling in forty (40) drill holes SKDDH19 to SKDDH58 was completed at Skal during the September Quarter. Three mineralised shoots have now been defined or identified at Skal. The uranium mineralisation in all three shoots (Skal South, Skal North, Skal Far North) is structurally controlled, is accompanied by intense albite–haematite-chlorite alteration and all three shoots dip approximately vertical and plunge to the south at around 40° – 50°. To date the shoots have been closed off along strike but are yet to be closed off down plunge.

VALHALLA Uranium Deposit (50% Summit)

The Valhalla uranium deposit is located 40 kilometres northwest of Mount Isa City on EPM 9221. No further drilling was completed at the Valhalla uranium deposit during the Quarter. The drilling program of approximately 50,000m at Valhalla started on the last day of the Quarter and will continue for approximately nine (9) months.

On-ground work included extensive preparation for the drilling program. Additionally, a large amount of petrological work was undertaken in order to better understand the alteration and ore mineral zonation of the Valhalla uranium deposit. This work is on-going and will greatly assist future metallurgical test work.

Detailed aerial photography and satellite imagery has been purchased for the Valhalla – Skal area. A contract has also been let to provide detailed aeromagnetic, radiometric and digital terrain details. This and other data sets will be used to provide background data for the environmental studies of the Valhalla – Skal ore bodies.

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 2,000km² of tenements that are prospective for uranium and, in total, over 18,800 km² of applications and granted tenements that are prospective for uranium, copper and base metals surrounding Mount Isa town.

New Prospects:

During the Quarter a number of previously untested radiometric anomalies were sampled for the first time. In total eight localities were sampled with anomalous results returned from at least five of them.

Rock chip samples were collected predominantly from altered material with well above background, scintillometer counts.

At the Carol Prospect located in highly altered and deformed Eastern Creek Volcanics approximately 10km east of Mt Isa rock chip samples returned strongly anomalous results including U (730 ppm), V (6,620 ppm) Cu (4,570 ppm) and Ti (12,300 ppm).

The Carol Prospect is located nearby to the Anderson uranium deposit and is in a very similar geological setting. The results are highly encouraging and warrant preliminary drill testing. However, access to the area is difficult and will require Aboriginal clearance before any work can commence.

At Asgaard, located 60km north of Mt Isa, sampling of altered quartzites returned anomalous Ag (0.57ppm), Cu (148ppm), U (67ppm) and Zn (400ppm) values. At the nearby U3, U4 and U5 radiometric anomalies associated with strongly foliated and altered quartz rich material returned anomalous Cu (2,270ppm), Mo (25 ppm), Ti (11,500 ppm), V (1,020 ppm), Zn (462 ppm), Zr (>500 ppm) and Ag (0.7ppm) values. These results are seen as very encouraging and warrant significant further follow-up.

BIKINI Uranium Deposit (100% Summit)

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

No drilling was completed at Bikini during the Quarter, however diamond core drilling assays have been received from the previous Quarter's drilling. As all assay results from the recent drilling program are now available, a new resource estimate will be completed.

Drill results reported for Bikini in the September Quarter include:

Hole Number	From	To	Width	U ppm	From	To	Width	V ppm
BPDDH24	141	151	10	239.5	141	151	10	386.0
BPDDH24	195	204	9	224.4	195	204	9	352.2
BPDDH34	164	173	9	244.8	164	173	9	334.4
BPDDH34	187	198	11	619.8	187	198	11	540.1
BPDDH34	164	198	34	284.0	164	198	34	386.9
BPDDH36	93	143	50	300.1	93	143	50	520.9
BPDDH36	156	164	8	1,197.6	156	164	8	441.6
BPDDH38	140	152	12	131.6	140	152	12	422.6
BPDDH38	173	183	10	216.6	173	183	10	351.9
BPDDH39	182	196	14	319.2	182	196	14	367.9
Hole_ID	From	To	Width	U ppm	From	To	Width	V ppm
BPDDH39	215	230	15	285.7	215	230	15	315.2
BPDDH41	201	205	4	251.0	201	205	4	353.0
BPDDH41	231	238	7	556.9	231	238	7	309.0
BPDDH41	256	269	13	451.0	256	269	13	307.2
BPDDH41	279	284	5	480.3	279	284	5	293.4
BPDDH42	178	190	12	101.3	178	190	12	339.2
BPDDH43	234	242	8	143.1	234	242	8	347.5
BPDDH43	262	278	16	205.6	262	278	16	363.1
BPDDH43	282	296	14	145.0	282	296	14	400.0
BPDDH43	300	328	28	317.3	300	328	28	382.1
BPDDH45	91	100	9	214.4	91	100	9	408.3
BPDDH45	116	123	7	303.7	116	123	7	334.6
BPDDH45	146	159	13	1,019.8	146	159	13	420.8
BPDDH45	235	248	13	165.9	235	248	13	422.5
BPDDH46	NSR							
BPDDH47	199	210	11	235.9	199	210	11	432.7
BPDDH47	238	246	8	452.5	238	246	8	466.3
BPDDH48	79	108	29	362.6	79	108	29	322.9
BPDDH49	315	340	25	269.5	315	340	25	344.4
BPDDH49	365	389	24	589.7	365	389	24	257.0
BPDDH51	16	21	5	730.0	16	21	5	458.0

BPDDH51	33	51	18	605.8	33	51	18	423.9
BPDDH51	74	86	12	411.7	74	86	12	470.8
BPDDH51	93	100	7	1,019.3	93	100	7	427.1
BPDDH51	205	212	7	155.0	205	212	7	440.0
BPDDH51	216	233	17	261.5	216	233	17	668.2
BPDDH52	276	292	16	355.3	276	292	16	402.5
BPDDH53	275	279	4	143.8	275	279	4	347.5
BPDDH54	134	138	4	266.5	134	138	4	326.5
BPDDH54	184	219	35	169.4	184	219	35	336.2
BPDDH54	258	266	8	164.9	258	266	8	408.4
BPDDH54	309	318	9	228.3	309	318	9	476.3
BPDDH55	2	21	19	477.0	2	21	19	389.5
BPDDH55	45	61	16	465.0	45	61	16	495.7
BPDDH55	65	72	7	852.0	65	72	7	522.1
BPDDH55	79	83	4	382.1	79	83	4	448.5

NSR = No significant results

GEORGINA BASIN (QLD)

Interest: Summit Resources (Aust) Pty Ltd 100%

Operator: Summit Resources (Aust) Pty Ltd

Exploration for uranium and base metals in the Georgina Basin, to the west of the Mount Isa Inlier in northwest Queensland has continued during the Quarter. Summit has 16 Exploration Permit applications covering approximately 11,800km² of the basin. 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.

Fugro Geophysics flew an airborne Tempest EM survey during the March Quarter over approximately 8,000km² 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 Quarter. The Fullagar report is 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 consultant for Summit has produced a technical report. This report along with the recommendations put forward by Fugro will form the basis of discussions with Summit's joint venture partner, Newland Resources Limited, to determine the course of future work on the Project.

No on-the-ground field work will be completed until the granting of the tenements and the completion of the standard clearances. Some tenements are likely to be granted in the December Quarter.

ISA SOUTH (QLD)

Interest: Summit Resources (Aust) Pty Ltd 100%

Operator: Summit Resources (Aust) Pty Ltd

The Isa South Project comprises nine contiguous tenements (granted or at application stage) covering over 2,151km² of prospective Proterozoic terrane along the Mount Isa Fault ("MIF") from 25 to 160 kilometres south of Mount Isa.

EPM's 14233, 14040, 14620, 14821 and 15156 have been granted and the remaining four 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.

MT GUIDE JOINT VENTURE**Interest: Summit Resources (Aust) Pty Ltd 90%****Operator: Summit Resources (Aust) Pty Ltd**

The Mt Guide Joint Venture (EPM 14233) is located 35 kilometres south of Mt Isa and covers 13 kilometres of the southern strike extension of the Mount Isa Fault (MIF), 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.

Summit has a 90% interest in the JV and is the operator. 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.

By mid-April, Summit had completed 100 line kilometres of IP geophysical survey, along the MIF in EPM14233. The survey data is now being 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.

CORPORATECourt Proceedings against Newland Resources Ltd ("Newland")

On 6 July 2007, Summit and Summit Resources (Aust) Pty Ltd commenced proceedings in the Supreme Court of Western Australia against its former Managing Director, Alan Eggers, and its joint venture partner, Newland concerning Management rights to the Georgina Basin JV.

These proceedings were settled on 22 August 2007 on the basis that the heads of agreement was amended by deleting the provision purporting to confer on Newland the right to become manager of the joint venture in the event of a change in management or control of Summit. Summit continues as the manager.

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 Summits records (including legal advices) in connection with the Proceedings.

Background to Areva's involvement

In early April 2007, Areva and Summit entered into a strategic alliance and subscription agreement whereby Areva would subscribe for shares in Summit. If Areva completed the subscription, it would be entitled to marketing rights over two thirds of Summit's uranium production from its Australian projects. However, the share placement to Areva was conditional upon shareholder approval. On 16 April, the directors of Summit recommended acceptance of Paladin's revised takeover offer. Summit subsequently announced that

shareholder approval would not be sought. The directors concluded that it was pointless that a meeting of shareholders be held to consider the transaction, as Paladin had advised that it would vote against the resolution.

Soon after, Areva notified that it had acquired 10.46% of the shares in Summit. Areva did not accept that a shareholders' meeting was not called and unsuccessfully took proceedings in the Takeovers Panel to force a meeting of shareholders and force Paladin to vote in favour of the share placement. At the close of the offer, Paladin held 81.82% of Summit's shares. Areva has retained its shares.

Areva acquired its shareholding for approximately \$126 million at an average price of \$6.10 a share. Recently, Summit's shares have been trading at around \$3.00. No Areva representative sits on the board of Summit.

Latest 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.

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 Resources. 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")

30 September 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 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 1.25)	(1,453)	(1,453)
1.3 Dividends received	641	641
1.4 Interest and other items of a similar nature received	193	193
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Management fees	10	10
Net Operating Cash Flows	(609)	(609)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(512)	(512)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Funds advanced on behalf of joint venture partner	(648)	(648)
Net Investing Cash Flows	(1,160)	(1,160)
1.13 Total operating and investing cash flows (carried forward)	(1,769)	(1,769)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,769)	(1,769)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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 (provide details if material)		
	Net Financing Cash Flows		
	Net increase (decrease) in cash held	(1,769)	(1,769)
1.20	Cash at beginning of quarter/year to date	12,015	12,015
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	10,246	10,246

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
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 – Directors fees for the quarter were paid after the quarter end.

1.2(d) – Payments for administration in the current quarter is in a net receipt position because of GST credit inflows arising from the costs relating to takeover defence activities for the off-market takeover bid by Paladin Resources Ltd during the June quarter.

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 \$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	1,032	1,440
5.2 Deposits at call	1,750	3,203
5.3 Bank overdraft	-	-
5.4 Other (provide details) Short Term Bank Bills and Deposits	7,464	7,372
Total: cash at end of quarter (item 1.22)	10,246	12,015

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	N/A			
6.2 Interests in mining tenements acquired or increased	N/A			

Appendix 5B
Mining exploration entity quarterly report

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>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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 give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 29 October 2007

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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