



ACN 009 474 775

ANNUAL REPORT 2016

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CONTENTS

CORPORATE DIRECTORY	3
OPERATING REVIEW	4
CORPORATE GOVERNANCE	10
DIRECTORS' REPORT	11
FINANCIAL STATEMENTS.....	20
CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME	20
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	21
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	22
CONSOLIDATED STATEMENT OF CASH FLOWS	23
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS	24
DIRECTORS' DECLARATION	46
INDEPENDENT AUDIT REPORT	47
SUPPLEMENTARY ASX INFORMATION	49

CORPORATE DIRECTORY

ACN 009 474 775

DIRECTORS

Executive Director

David Princep

Non-executive Directors

David W Berrie

Malcolm Randall

COMPANY SECRETARY

Mr Ranko Matic

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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SHARE REGISTER

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AUDITORS

Ernst & Young
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Perth Western Australia 6000

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed
on the Australian Securities Exchange (ASX)
Code: SMM

OPERATING REVIEW

OPERATING REVIEW

Summit Resources Limited (Summit or the Company), through its wholly owned subsidiaries Summit Resources (Aust) Pty Ltd (SRA) and Pacific Mines Pty Ltd (PML), controls or has an interest in approximately 2,190km² of tenements in three major project areas centred on the city of Mount Isa in northwest Queensland. The Isa North Project covers approximately 934km² and hosts a number of uranium prospects including the Valhalla, Odin, Skal and Bikini deposits. These deposits and multiple small prospects in the Mount Isa region are the principal focus of the Company's operations and are located 15km east and 65km north of Mount Isa (*fig. 1*). Mineral Development Licences (MDLs) were granted in September 2014 with an expiry of August 2019. The MDLs cover all 8 of the Company's currently identified mineral resources. In addition, the Isa North tenements were renewed for another 5 years in December 2014, during this process a net 130 sub blocks were relinquished. Metallurgical testwork is progressing at a steady pace due to the ongoing depressed uranium price. The Company has some minor involvement in base and precious metals exploration through its Isa North Mineral Rights Agreement and Isa West Joint Venture with Aeon Metals Limited (formerly Aston Metals).

Uranium resources under Summit management in the Mount Isa region total 142.1Mlb U₃O₈, of which 84.3Mlb U₃O₈ are attributable to Summit (*Table 1*). No Company mineral resources were updated during the year. The only work performed by the Company during the year was continuation of the ongoing environmental monitoring and metallurgical testwork (radiometric sorting and alkaline leach) by ANSTO in Sydney.

Bulk samples comprising drill core from all of the Company's deposits except Valhalla were sent to ANSTO in Sydney for comparative radiometric sorting and alkaline leach testwork in order to assess the amenability of these deposits to be processed using methodologies already trialled on the Valhalla deposit. The results received were broadly in line with the work previously completed indicating that material from all of the Company's deposits can be radiometrically sorted to some degree with no significant upgrade in carbonate material reporting to leach. The leach testwork on the sorted samples indicates that the material can be alkaline leached though with varying levels of recovery and reagent consumption. Future testwork will be targeted at improving alkaline leach recoveries and refining the process flowsheet.

Due to the ongoing depressed uranium price the Company continues to conserve cash as much as is practicable whilst maintaining all of its tenements in good standing.

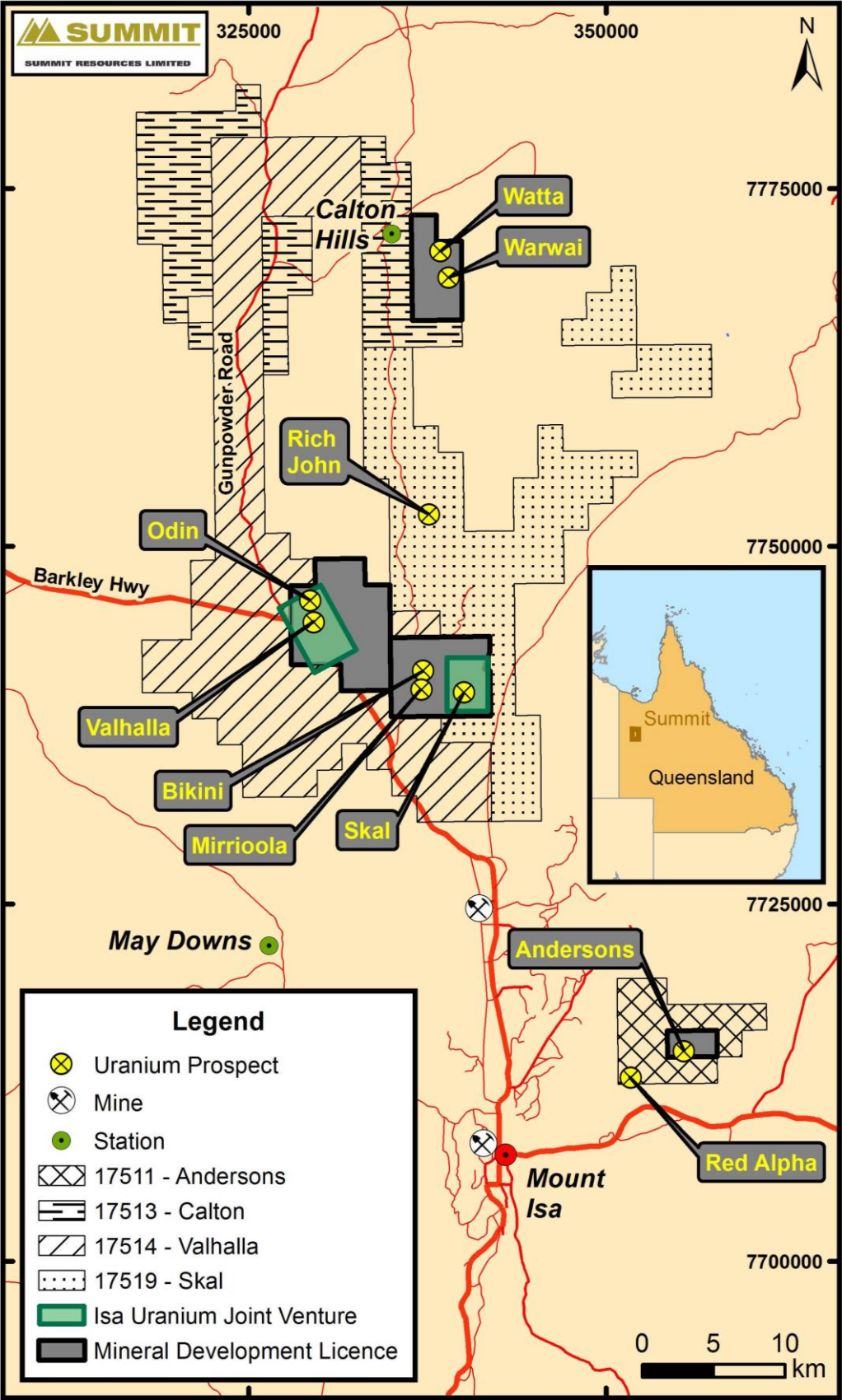


Fig. 1 Location map of Summit tenements and uranium projects, Isa North project

OPERATING REVIEW (CONTINUED)

Uranium Mineral Resources

Uranium resources under Summit management in the Mount Isa region total 142.1Mlb U₃O₈, of which 84.3Mlb U₃O₈ are attributable to Summit (*Table 1*). Valhalla, Odin and Skal are the most significant deposits and account for 82% of the resources managed by Summit. Valhalla is the largest deposit and contains 54% of the resources managed by Summit. The majority of the Mineral Resources reported below are based on drill holes that have been radiometrically 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 calibrated down hole gamma logging. Gamma derived grades have been validated against both XRF and chemical assay grades.

Table 1: Summit Mineral Resources, 30 June 2016, Mount Isa region

Deposit		Measured Resources			Indicated Resources			Inferred Resources			Summit Attribution
Cut-off ppm U ₃ O ₈		Mt	Grade ppm	t U ₃ O ₈	Mt	Grade ppm	t U ₃ O ₈	Mt	Grade ppm	t U ₃ O ₈	
Valhalla	230	16.0	819	13,116	18.6	840	15,662	9.1	643	5,824	50%
Skal	250				14.3	640	9,177	1.4	519	708	50%
Odin	250				8.2	555	4,534	5.8	590	3,430	50%
Bikini	250				5.8	497	2,868	6.7	493	3,324	100%
Andersons	250				1.4	1,449	2,079	0.1	1,639	204	100%
Watta	250							5.6	404	2,260	100%
Warwai	250							0.4	365	134	100%
Mirrioola	250							2.0	555	1,132	100%
Total		16.0	819	13,116	48.3	711	34,320	31.1	547	17,016	
Total Resource Attributable to Summit		8.0	819	6,558 (14.5Mlb)	27.8	708	19,634 (43.3Mlb)	23.0	523	12,035 (26.5Mlb)	

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

The information in the table above in relation to the Mount Isa area mineral resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with JORC Code 2012 on the basis that the information that the estimates are derived from has not materially changed since it was last reported.

ISA URANIUM JOINT VENTURE (QLD)

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

The Isa Uranium Joint Venture (IUJV) covers ground containing the Valhalla, Odin and Skal uranium deposits, centred 40km north of Mount Isa in Queensland (*Fig. 1*). Participants in the IUJV are SRA and Mount Isa Uranium Pty Ltd (MIU), each holding a 50% interest, with SRA managing the joint arrangement. MIU is a subsidiary of Paladin Energy Ltd. (Paladin). Ground subject to the IUJV covers 17km² at Valhalla and 10km² at Skal. These two areas lie within a much larger holding of tenements covering approximately 934km² held 100% by SRA.

Valhalla Uranium Deposit

Valhalla is the largest uranium deposit in the Mount Isa region and is the core asset managed by Summit. Valhalla is located 40km north of Mount Isa and 1km east of the Barkly Highway. The Valhalla mineralisation is defined by 40m x 40m spaced drilling over a total north-south distance of 2km, in excess of 600m vertical depth and up to 100m in width. Mineralisation is open at depth under the main zone. Valhalla is classified as a metasomatic, albitite-hosted uranium deposit. Dominant mineralogy includes albite, hematite, chlorite, magnetite and quartz with zirconium and rutile. Uranium mineralisation is hosted by a 30m to 80m thick package of albitised basalts and interbedded metasiltstones of Eastern Creek Volcanics of the Lower Proterozoic Haslingden Subgroup. Uranium mineralisation occurs along a N10°W-striking foliated zone that plunges to the south at approximately 40°. The deposit geometry is lenticular and sub-vertical with a bulge up to 90m wide at depths of approximately 400m. Previous deep drilling identified down-plunge, high-grade

OPERATING REVIEW (CONTINUED)

extensions of mineralisation in four holes at depths of 500-700m, these holes are expected to be followed up when drilling is next undertaken. There is a smaller and lower grade mineralised zone, Valhalla South, located 600m south of the main body, with dimensions of 400m long, 30m thick and 150m deep.

Data collection has continued over time in areas of environmental baseline work, mineralogical studies and metallurgical test work. Air quality monitoring (dust, passive radon monitoring), meteorological data collection, stream flow (pluviometer) monitoring, groundwater bore monitoring (water levels, chemistry and radionuclides) are continuing though with low priority.

Odin Uranium Deposit

At Odin, mineralisation plunging 20-30° to the south has been drilled over widths of 20-30m with grades in the range of 300-6,000ppm eU_3O_8 about 400m north of Valhalla. Higher-grade intervals occur within brecciated and albitised sandstones near contacts with basalt. Down-dip drilling to the east identified thick (40-70m) mineralised zones that flatten from -70°E to -40°E; grades in this area range from 200-700ppm eU_3O_8 .

Skal Uranium Deposit

The Skal deposit contains a number of mineralised lenses which have now been tested by a total of 319 drill holes and are concentrated in four zones within an area of approximately 2km². The mineralisation that comprises the Skal deposits vary in strike from 035° to 045° and dip steeply from -85°E to -75°W. Individual lenses can be up to 50m thick and have a combined strike length of over 1,300m. Grades ranged from 100 – 7,100ppm U_3O_8 . High grade intervals are associated with quartz veins within brecciated and albitised siltstones and basalts. The deposit area is structurally complex, and mineralisation is truncated and offset by faults.

MOUNT ISA NORTH URANIUM PROJECT (100% Summit)

Summit Resources (Aust) Pty Ltd 100%

The Mount Isa North uranium project is located 15km to 65km north and east of Mount Isa, and comprises five contiguous tenements covering approximately 934km² held 100% by SRA. The project includes the Bikini, Mirrioola, Watta/Warwai and Andersons uranium deposits and smaller uranium prospects.

Bikini Uranium Deposit

The Bikini uranium deposit is located 30km north of Mount Isa and 8km southeast of Valhalla. Smaller uranium prospects within 1km of Bikini including Mirrioola and Woomera. Uranium mineralisation at Bikini is exposed along a 1km northeast strike length of low ridges and shallow costeans. Mineralisation occurs as 3-15m thick en-echelon lenses of N40°E-striking, 75°SE-dipping zones in strongly foliated albitite, basalt and sandstone. Bikini has been defined by drilling over a length of 1km, to depths of 200-300m and up to 100m in total width. Drill hole spacing is nominally 40m x 40m. The northeast and southwest ends of Bikini are truncated by north west striking faults. Previous drilling focused on shallow targets at the southwest and northeast ends of Bikini, and returned narrow moderate grade intercepts in multiple sub-parallel zones.

Andersons Uranium Deposit

At Andersons mineralisation plunging 65° to the east has been drilled over widths of 15-20m and extends over 290m down plunge. Grades range from 100 – 4,000ppm U_3O_8 . The mineralisation was highlighted by hole ANDDH17 (17m-68m/51m @ 1,739ppm U_3O_8). High grade mineralisation is stratiform along east-west trending sandstone packages. North-south trending basalt dykes crosscut the stratigraphy and host minor mineralisation.

Mirrioola Uranium Deposit

A total of 54 holes have now been drilled at Mirrioola. Summit drilled 26 Diamond Drill holes (DD) and the remaining 28 drillholes consist of a mixture of diamond and percussion holes drilled in the 1970's by Queensland Mines Limited (QML). Mineralisation strikes 035°, dips steeply (-80°) to the east and consists of a number of individual zones with a combined thickness of up to 19m and a strike length of over 210m. Grades ranged from 100 – 4,000ppm U_3O_8 . High grade intervals occur within brecciated and albitised siltstones.

OPERATING REVIEW (CONTINUED)

Watta/Warwai Uranium Deposits

The Watta deposit contains one coherent mineralised zone up to 30m wide, striking north-south with a near vertical dip. It has been intersected in drilling to 150m in depth along a strike length of 870m. Mineralisation is structurally controlled, hosted within foliated quartzites and sandstones/siltstones.

Mineralisation at Warwai, located 1.5km south east of Watta, strikes north-south with a -80°E dip. Up to eight, thin and discontinuous mineralised zones were modelled. Zones range from 1m - 9.5m in width, clustered in an area approximately 40m wide. Lenses have been intersected in drilling to 70m depth and along a strike length of approximately 175m.

Tenement Status

Summit received notification of the approval of the tenement renewal from the Queensland Department of Natural Resources and Mines (DNRM) in December 2014. The renewal resulted in the relinquishment of 130 sub blocks. In September 2014 the Company was granted four MDLs which cover all the uranium deposits under Summit's management. The granting of the MDLs resulted in the relinquishment of an equivalent area (37 sub blocks) from the overlying tenements. These tenement renewals and MDLs secure Summit's tenure over the Isa North area for the foreseeable future.

WESTERN ISA BASE METALS JV WITH AEON METALS LIMITED

In December 2007, Summit entered into a farm-in and joint venture agreement with Aston Metals Limited (Aston). Aston subsequently went into receivership and the north Queensland assets were purchased by Aeon Metals Limited (AQR). AQR has earned its interest and transfer documents for its 80% interest have been submitted to the authorities.

As part of the consideration for this joint venture, Summit is entitled to 20 million 'incentive' shares upon a decision to mine on any of the tenements acquired by Aeon from Summit.

Due to the change in ownership to AQR, work on the JV has been limited to desktop studies and data reviews.

ISA NORTH BASE METALS RIGHTS AGREEMENT WITH AEON

On 27 October 2008, Summit entered into a mineral rights agreement with Aston to enable Aston to explore for, and potentially recover, base metals on certain areas within Summit's Isa North tenements. These rights have now been transferred to AQR which does not gain any rights to uranium but will inform Summit should it become aware of any uranium mineralisation in the course of its activities.

Summit has a 20% free carried interest in any non-uranium metals through to a decision to mine.

Isa North – EPM 17511, 17513, 17514 and 17519

Due to the change in ownership to AQR, work on the JV has been limited to the drilling of three Reverse Circulation (RC) holes for a total of 534m on the Hero prospect with assays substantiating previous exploration drilling along the Hero trend, follow-up planning work based on information from the drilling programme and desktop studies on other prospects within the JV area.

OPERATING REVIEW (CONTINUED)

Isa West and Isa South – All JV Tenements

Due to the purchase of Aston by AQR, minimal work has been conducted on the Isa West and Isa South tenements.

MINING OF URANIUM IN QUEENSLAND

At its national conference in April 2007, the Federal Australian Labor Party abandoned its traditional opposition to the development of new uranium mines. Subsequent to this change, the Labor Party was elected to Federal Government in November 2007. Its policy is to encourage further development of the uranium industry. As a result of this change in policy and government, approval or prohibition of uranium mining is now a matter within the residual jurisdiction of each state government to decide.

Queensland's last uranium mine closed in 1982 and since 1998 successive State Governments have had a policy of not granting mining leases for the extraction of uranium. This ban was briefly overturned in October 2012 when Queensland Premier Campbell Newman announced the formation of a Uranium Implementation Committee to oversee the resumption of uranium mining. In early 2015, there was a state election in Queensland and the Palaszczuk led Labor party formed government in March 2015. As a consequence of this the Minister for Natural Resources and Mines, Anthony Lynham, informed the media that the Labor government will not permit uranium mining within the state, this situation is expected to continue whilst the Labor party is in government.

MINERAL RESOURCE SUMMARY

The following table details the Company's Mineral Resources and the changes that have occurred within FY2016. There were no material changes to the Company's Mineral Resources during the year.

Mineral Resources		30 June 2015			30 June 2016			Change	
		M tonnes	grade % U ₃ O ₈	Metal t	M tonnes	grade % U ₃ O ₈	Metal t	M tonnes	Metal t
Queensland									
Measured	Valhalla	16.02	0.082	13,116	16.02	0.082	13,116	-	-
Indicated	Andersons	1.4	0.145	2,079	1.4	0.145	2,079	-	-
	Bikini	5.77	0.050	2,868	5.77	0.050	2,868	-	-
	Odin	8.2	0.055	4,534	8.2	0.055	4,534	-	-
	Skal	14.3	0.064	9,177	14.3	0.064	9,177	-	-
	Valhalla	18.64	0.084	15,662	18.64	0.084	15,662	-	-
Inferred	Andersons	0.1	0.164	204	0.1	0.164	204	-	-
	Bikini	6.7	0.490	3,324	6.7	0.490	3,324	-	-
	Mirrioola	2	0.056	1,132	2	0.056	1,132	-	-
	Odin	5.8	0.059	3,430	5.8	0.059	3,430	-	-
	Skal	1.4	0.052	708	1.4	0.052	708	-	-
	Valhalla	9.1	0.064	5,824	9.1	0.064	5,824	-	-
	Watta	5.6	0.040	2,260	5.6	0.040	2,260	-	-
	Warwai	0.4	0.036	134	0.4	0.036	134	-	-

All of the Company's Mineral Resources are internally peer reviewed at the time of estimation and are subject to ongoing review, as and when required. Should any Mineral Resources be utilised within a Bankable or Definitive Feasibility Study it is expected that an audit by independent experts would be conducted.

Declaration

The information in this Annual Report that relates to mineral exploration and mineral resources is based on information compiled by David Princep BSc, FAusIMM(CP) 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 a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Princep is a full-time employee of Paladin Energy Limited and consents to the inclusion of the information in this announcement in the form and context in which it appears.

CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors of Summit and the entities it controlled (Consolidated Entity or Group) is responsible for the corporate governance of the Group.

Summit has adopted systems of control and accountability as the basis for the administration of corporate governance. This Corporate Governance Statement outlines the key principles and practices of the Company which, taken as a whole, is the system of governance.

The Company reviews and amends its corporate governance policies as appropriate to reflect the growth of the Company, current legislation and good practice. The website (www.summitresources.com.au) includes copies or summaries of key corporate governance policy documents.

COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations was launched in March 2014. The Company is required to report on the extent to which it has followed these recommendations for the financial year ended 30 June 2016 (Reporting Period).

Summit's Corporate Governance Statement can be found in the Corporate Governance section of the Corporate Page on its website www.summitresources.com.au, along with the ASX Appendix 4G, a checklist cross-referencing the ASX Principles and Recommendations to disclosures in this statement, the current Annual Report and the Company website.

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Summit and the entities it controlled for the year ended 30 June 2016.

PRINCIPAL ACTIVITY

The principal activity of the Group was exploration and evaluation of uranium projects in Queensland, Australia.

There has been no significant change in the nature of the Group's activities during the year under review.

REVIEW OF OPERATIONS

A review of operations for the financial year, and the results of those operations, is presented in the Operating Review within this Annual Report.

Summit, through its wholly owned subsidiaries SRA and PML, controls or has an interest in approximately 2,190km² of tenements in three major project areas centred on the city of Mount Isa in northwest Queensland. The Isa North Project covers approximately 934km² and hosts a number of uranium prospects including the Valhalla, Odin, Skai and Bikini deposits. These deposits and multiple small prospects in the Mount Isa region are the principal focus of the Company's operations and are located 15km east and 65km north of Mount Isa (*fig. 1*). The Company's current priority objectives are to preserve ownership by covering all resources identified with MDL's and to preserve the company's cash by reducing operating expenditure to meet minimum tenement expenditure requirements. Additional metallurgical testwork following that completed early in the year is currently on hold due to the depressed uranium price. The Company has some minor involvement in base and precious metals exploration through its Isa North Mineral Rights Agreement and Isa West Joint Venture with Aeon Metals Limited (formerly Aston Metals).

Uranium resources under Summit management in the Mount Isa region total 142.1Mlb U₃O₈, of which 84.3Mlb U₃O₈ are attributable to Summit (*Table 1*). No Company mineral resources were updated during the year. The only work performed by the Company was continuation of the ongoing environmental monitoring.

The Group's loss after tax for the year was \$1,270,885 (2015: Loss \$210,477).

DIVIDENDS

No dividend was paid, declared or recommended during the year under review.

LIKELY DEVELOPMENTS, BUSINESS STRATEGIES AND FUTURE PROSPECTS

Information relating to likely developments in the operations of the Group, and the Group's business strategies and its prospects for future financial years, are contained in the Operating Review section of this Annual Report.

SUBSEQUENT EVENTS

Since the end of the financial year, the Directors are not aware of any matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years.

DIRECTORS' REPORT (CONTINUED)

SHARE OPTIONS

There are no options outstanding at the date of this report.

DIRECTORS

The following persons were Directors of Summit during the whole of the year and up to the date of this report, unless otherwise stated:

Brendan O'Hara (resigned 4 September 2015)
David Berrie
Malcolm Randall
David Princep (appointed 4 September 2015)

PROFILE OF DIRECTORS (Qualifications, Experience and Special Responsibilities)

CHAIRMAN (EXECUTIVE)

Brendan O'Hara, LLB, B.Juris (Hons) (resigned 4 September 2015)

Mr O'Hara, 61, graduated with Bachelors of Laws and Jurisprudence (Hons) from the University of Western Australia in 1988, before joining a national Australian law firm, specialising in mergers and acquisitions, fundraising, securities industry law and corporate regulation. He then spent 13 years with the Australian Securities Exchange in various roles including WA State Executive Director and acting National Manager, Companies. He is a Senior Fellow of the Financial Services Institute of Australia and a director of the Good Samaritans Industries. Mr O'Hara was General Manager – Special Projects for Paladin Energy Ltd.

DIRECTOR (EXECUTIVE)

David Princep, B.Sc, FAusIMM(CP) (appointed 4 September 2015)

Mr. Princep, 61, graduated with Bachelor of Science (Geology) from the University of Liverpool (UK) in 1976, before emigrating to Australia in 1978. He worked in a number of roles before returning, in 1992, to geology via the analytical industry as a database geologist. Since then he has held positions in mining and exploration before becoming a resources geologist. Prior to joining Paladin Energy Ltd as Principal Geologist – Resources he held the position of Geological Consultant with noted mineral resources specialists Hellman & Schofield. He is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional Geologist and an Affiliate of the Australian Institute of Company Directors.

DIRECTOR (NON-EXECUTIVE)

David Berrie, LLB, B.Juris

Mr Berrie, 54, has over 25 years' experience in the resources sector. Prior to joining Summit, Mr Berrie spent over 18 years with WMC Resources Limited, and subsequently BHP Billiton Limited following its takeover of WMC in 2005. During this time Mr Berrie had corporate, legal and commercial roles within their exploration, mining and project development groups. Mr Berrie holds Bachelor of Laws and Bachelor of Jurisprudence degrees from UWA.

DIRECTORS' REPORT (CONTINUED)

DIRECTOR (NON-EXECUTIVE)

Malcolm Randall, *B.Applied Chem, FAICD*

Mr Randall, 71, holds a Bachelor of Applied Chemistry Degree and is a Fellow of the Australian Institute of Company Directors.

He has extensive experience in corporate, management and marketing in the resource sector, including more than 25 years with the Rio Tinto group of companies. His experience has covered a diverse range of mineral activities including Iron Ore, Base Metals, Uranium, Mineral Sands and Coal.

Mr Randall is presently a director of Thundelarra Exploration Ltd (since 2001), Royal Resources Limited (since 2006) and director and Chairman of MZI Resources Ltd (since 2009).

Directorships of listed companies in last three years

Iron Ore Holdings Ltd from 2003 to 2014

COMPANY SECRETARY

Joanne McDonald, *M.Sc., MPA, ACIS (resigned 21 August 2015)*

Ms McDonald has over 14 years' experience in corporate governance and administration for listed companies. From 2001 to 2006 she worked for Unilever plc in London as a Company Secretarial Manager gaining extensive experience of the London and New York stock exchanges. She holds a Master in Corporate Governance from London South Bank University.

In May 2007, Ms McDonald joined Paladin Energy Ltd as Assistant Company Secretary. Ms McDonald was appointed Company Secretary of Summit in November 2009. She graduated from Notre Dame University, Fremantle with a Master in Professional Accounting in 2008 and is an Associate member of the Governance Institute of Australia (formerly Chartered Secretaries of Australia).

Ranko Matic, *CA, BBus (appointed 21 August 2015)*

Mr Ranko Matic is a Chartered Accountant with over 25 years' experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic serves as a Non-Executive Director and Company Secretary for a number of public listed natural resources companies.

BOARD AND COMMITTEE MEETINGS

The following table sets out the number of Directors' meetings and meetings of committees held during the year ended 30 June 2016 and the number of meetings attended by each Director.

There was 1 Directors' meeting held during the financial year, with the majority of business conducted via circular resolution. The number of meetings attended by each Director during the year is as follows:

Name	Board of Directors		Audit Committee	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Mr Brendan O'Hara	-	-	-	-
Mr David Princep	1	1	2	2
Mr Malcolm Randall	1	1	2	2
Mr David Berrie	1	1	2	2

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (Audited)

This remuneration report outlines the Director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and the Corporations Regulations 2001. For the purposes of this report, key management personnel (Key Management Personnel) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

The Key Management Personnel of the Group are:

Directors

Mr Brendan O'Hara	Chairman (Executive) (resigned 4 September 2015)
Mr David Berrie	Director (Non-executive)
Mr Malcolm Randall	Director (Non-executive)
Mr David Princep	Director (Executive) (appointed 4 September 2015)

Principles used to determine the nature and amount of remuneration

Key Management Personnel services are provided to the Company under a Management and Technical Services Agreement (MTSA) dated 24 September 2007 between the Company and the Company's ultimate parent company, Paladin Energy Limited. Other than indirectly pursuant to the MTSA, the Company does not pay remuneration to Paladin's employees or Directors. The fee for services under the MTSA was reduced effective 1 November 2013 as a result of a 10% reduction by Paladin in the base salaries of certain management personnel due to economic circumstances resulting from continuing lower uranium prices. Under the MTSA, the total management fee for the year amounted to \$123,626 (2015: \$540,446) of which \$42,120 (2015: \$120,892) related to the provision of Key Management Personnel services.

Non-executive Directors

As approved by shareholders on 9 November 2007 in accordance with the Company's Constitution, the maximum aggregate amount of remuneration which may be paid to Non-executive Directors as Director's fees is set at \$150,000 per annum. Subject to this aggregate remuneration cap, fees and payments to Non-executive Directors are set at levels that reflect both the current market fees for non-executive directors and the demands which are made on, and the responsibilities of, the Non-executive Directors. Non-executive Directors' fees and payments are reviewed annually by the Board. There was a 10% reduction to directors' fees with effect from 1 November 2013.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (Audited) (continued)

Principles used to determine the nature and amount of remuneration (continued)

Executive Directors

D Princep and B O'Hara (resigned 4 September 2015), are not paid any remuneration directly by the Company or any entity within the Group but is remunerated by the Company's ultimate parent company, Paladin. The Group is charged for the services of D Princep and B O'Hara under the MTSA. The fee for services was reduced effective 1 November 2013 as a result of a 10% reduction by Paladin in the base salaries of certain of its management personnel due to economic circumstances resulting from continuing lower uranium prices. A further 10% salary reduction in FY2016 was accepted by Paladin's senior management team creating a further reduction in the fee for services charged under the MTSA.

Share Based Payment Plans

Options and share rights are not issued in the Company as consideration for services rendered. Individuals providing key management services to the Company under the MTSA between the Company and Paladin may receive a component of their remuneration through participation in the Paladin Share Rights Plan.

Company Performance

Amounts paid to Paladin for Key Management Personnel services pursuant to the MTSA are not linked to Company performance. Share rights granted under the Rights Plan are linked to Paladin's performance, as outlined above.

Summit's Basic earnings/(loss) per share (EPS) and share price for the last 5 years is as follows:

	30 June 2012	30 June 2013	30 June 2014	30 June 2015	30 June 2016
EPS	A\$(0.004)	A\$(0.003)	A\$(0.002)	A\$(0.001)	A\$(0.006)
Share Price	A\$1.50	A\$1.27	A\$0.23	A\$0.18	A\$0.10

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (Audited) (continued)

Compensation of Key Management Personnel

Details of remuneration paid to Key Management Personnel are set out as follows:

2016	Short-term			Total	Total Performance Related
Name	Benefits Salary & Directors Fees	Other	Post-Employment Superannuation		
	\$	\$	\$	\$	%
Directors					
Mr D W Berrie	47,000	-	4,465	51,465	-
Mr B O' Hara ⁽¹⁾⁽²⁾	-	8,647	821	9,468	-
Mr D Princep ⁽¹⁾⁽³⁾	-	20,082	1,750	21,832	-
Mr M Randall	51,500	-	4,892	56,392	-
Total	98,500	28,729	11,928	139,157	-

2015	Short-term			Share-Based Payment Share Rights	Total	Total Performance Related
Name	Benefits Salary & Directors Fees	Other	Post-Employment Superannuation			
	\$	\$	\$	\$	\$	%
Directors						
Mr D W Berrie	47,000	-	4,465	-	51,465	-
Mr B O' Hara ⁽¹⁾	-	94,340	6,727	867	101,934	0.9
Mr M Randall	51,500	-	4,892	-	56,392	-
Total	98,500	94,340	16,084	867	209,791	-

(1) The amount set out above reflects Paladin's charge to Summit and its subsidiaries under the MTSA in respect of services rendered by B.O'Hara and D.Princep during the year. The charge, based on time spent, is an allocation of B.O'Hara's and D.Princep's total compensation recognised by Paladin. Any amounts recorded in Share-Based Payment – Share Rights in the above table relates to rights granted by Paladin over Paladin shares and not rights granted by the Company.

(2) Mr Brendan O'Hara resigned effective 4 September 2015.

(3) Mr David Princep appointed effective 4 September 2015.

Option Holdings of Key Management Personnel

There were no options over Summit shares held by Key Management Personnel at 30 June 2016 or 30 June 2015.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (Audited) (continued)

Shareholdings of Key Management Personnel

No Key Management Personnel held shares during the years ended 30 June 2016 or 30 June 2015.

Other Transactions with Key Management Personnel

There were no other transactions with Key Management Personnel during the years ended 30 June 2016 or 30 June 2015.

Service agreements

D W Berrie, Non-executive Director

Term of agreement – no fixed term.

Base salary, exclusive of superannuation, of \$45,000.

Audit Committee fee of \$2,000 per annum.

No termination benefit is specified in the agreement.

M Randall, Non-executive Director

Term of agreement – no fixed term.

Base salary, exclusive of superannuation, of \$45,000.

Audit Committee Chairman fee of \$6,500 per annum.

No termination benefit is specified in the agreement.

B O'Hara, Executive Director *(resigned 5 September 2015)*

Neither the Company, nor any member of the Group, had an employment contract with B O'Hara. B O'Hara was employed by the Company's parent company, Paladin and the Group was charged for his services under the MTSA.

D Princep, Executive Director *(appointed 4 September 2015)*

Neither the Company, nor any member of the Group, have an employment contract with D Princep. D Princep is employed by the Company's parent company, Paladin and the Group is charged for his services under the MTSA.

Management and Technical Services Agreement (MTSA)

The Management and Technical Services Agreement states that Summit shall pay a Service Fee to Paladin by way of remuneration for its Management and Technical Services. The calculation of the Service Fee to be paid to Paladin will be based solely upon the principle of reimbursement for costs incurred. Summit is to reimburse Paladin each month for all costs, expenses, disbursements, outgoings of every kind and liabilities incurred and/or paid by Paladin. For employees of Paladin who are engaged in the provision of services to Summit, Paladin will be entitled to claim a percentage of the costs associated with that employee based on the proportion of time that the employee is engaged in work for Summit. The costs associated with an employee include all employee benefits, termination benefits, bonuses and share and option based payments plus all occupancy costs including storage and car parking.

Summit will pay the Service Fees as specified in the monthly invoice within 14 days of the date of invoice from Paladin.

End of Audited Remuneration Report

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INDEMNITIES AND INSURANCE PREMIUMS

The Company has entered into a Deed of Indemnity, Access and Insurance (Deed) with each Director and Company Secretary. Under each Deed, to the extent permitted by law and to the extent and in the amount that the officer is not indemnified under any other indemnity, including an indemnity contained in any insurance policy, the Company indemnifies the relevant officer against all liabilities of any kind (including liabilities for legal expenses) incurred by the officer arising out of:

- the discharge of his or her duties as an officer of the Company or a subsidiary of the Company, or as an officer of any corporation in which the Company holds securities (Related Corporation) where the officer is representing the interests of the Company in relation to that Related Corporation; and
- the conduct of the business of the Company or a subsidiary of the Company, or a Related Corporation where the officer is representing the interests of the Company in relation to that Related Corporation.

No amount has been paid under any of these indemnities during the financial year under review.

During the year the Company has incurred premiums to insure the Directors and/or officers for liabilities incurred as costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and or its controlled entities. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

ROUNDING

The amounts contained in this report, the Financial Report and the Operating Review have been rounded to the nearest \$1,000 (where rounding is applicable) under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the Instrument applies.

DIRECTORS' INTERESTS

The Directors held no interests in securities of the Company at the date of this report.

ENVIRONMENTAL OBLIGATIONS

In Australia the Company's activities are subject to environmental regulations under the laws of the Commonwealth and States. The Company has a policy of complying with all applicable environmental legislation as a minimum standard and applying industry standards and, at the date of this report, is not aware of any breach of such regulations, and believes it has complied with all such legislation.

CORPORATE GOVERNANCE

The Directors aspire to high standards of corporate governance that are appropriate to the Company's circumstances.

A description of the Company's main corporate governance practices is set out in the Corporate Governance section of the Annual Report.

DIRECTORS' REPORT (CONTINUED)

AUDITOR

Ernst & Young are the appointed auditors for the Company.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The Directors received the following declaration from the auditor of the Company.



Ernst & Young
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Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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ey.com/au

Auditor's Independence Declaration to the Directors of Summit Resources Limited

As lead auditor for the audit of Summit Resources Limited for the year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Summit Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

D S Lewsen
Partner
29 September 2016

NON-AUDIT SERVICES

There was \$nil in non-audit services provided by the Company's auditor, Ernst & Young for the year ended 30 June 2016.

Signed in accordance with a Resolution of the Directors.

Dated at Perth this 29 day of September 2016

David Princep
Executive Director

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME for the year ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
Revenue			
Income	3	64	98
		<u>64</u>	<u>98</u>
Expenses			
Employee related expenses		(35)	(87)
Directors' fees		(108)	(108)
Audit fees		(26)	(40)
ASX fees		(34)	(38)
Impairment expense	7	(1,096)	-
Other administration expenses		(36)	(35)
		<u>(1,271)</u>	<u>(210)</u>
Net loss before income tax		(1,271)	(210)
Income tax expense	4	-	-
		<u>-</u>	<u>-</u>
Net loss after tax		(1,271)	(210)
Other comprehensive income/(expense) for the year, net of tax		-	-
		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		(1,271)	(210)
Loss per share			
Loss per share attributable to ordinary equity holders			
- Basic and diluted (cents per share)	16	(0.58)	(0.10)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS (continued)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2016

	Notes	2016 \$'000	2015 \$'000
CURRENT ASSETS			
Cash and cash equivalents	5	772	1,270
Other current assets	5	855	840
Other receivables	6	33	92
Total Current Assets		1,660	2,202
NON CURRENT ASSETS			
Property, plant & equipment	7	1,574	2,864
Exploration and evaluation expenditure	8	45,112	44,587
Total Non Current Assets		46,686	47,451
TOTAL ASSETS		48,346	49,653
CURRENT LIABILITIES			
Trade and other payables	9	50	86
Total Current Liabilities		50	86
NET ASSETS		48,296	49,567
EQUITY			
Contributed equity	10	99,381	99,381
Accumulated losses	11	(51,085)	(49,814)
TOTAL EQUITY		48,296	49,567

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS (continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2016

	Contributed Equity \$'000	Accumulated Losses \$'000	Total \$'000
CONSOLIDATED			
At 1 July 2014	99,381	(49,604)	49,777
Loss after tax	-	(210)	(210)
Total comprehensive loss for the period net of tax	-	(210)	(210)
At 30 June 2015	99,381	(49,814)	49,567
CONSOLIDATED			
At 1 July 2015	99,381	(49,814)	49,567
Loss after tax	-	(1,271)	(1,271)
Total comprehensive loss for the period net of tax	-	(1,271)	(1,271)
At 30 June 2016	99,381	(51,085)	48,296

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS (continued)

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
Cash Flows From Operating Activities			
Interest received		61	64
Rental income received		18	25
Payments to suppliers and employees		(209)	(348)
Net Cash Outflow Used In Operating Activities	5	(130)	(259)
Cash Flows From Investing Activities			
Loans to joint arrangement partner		(107)	(200)
Exploration and evaluation expenditure		(351)	(384)
Net Cash Outflow Used In Investing Activities		(458)	(584)
Cash Flows From Financing Activities			
Funds received from joint arrangement partner		105	199
(Funding)/Redemption/ of term deposit		(15)	1,300
Net Cash Inflow From Financing Activities		90	1,499
Net (Decrease)/Increase In Cash and Cash Equivalents		(498)	656
Cash and cash equivalents at the beginning of the financial year		1,270	614
Cash and Cash Equivalents at the End of the Financial year	5	772	1,270

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016

1. CORPORATE INFORMATION

The Financial Report of the Group for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors on 29 September 2016.

The Company is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the ASX. The ultimate parent of the Company is Paladin which owns 82.08% of the ordinary shares.

The Company's principal place of business is Hay Street, Subiaco, Western Australia. The nature of the operations and principal activities of the Group are described in the Directors' Report and Operating Review.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Report is a general purpose financial report, which complies with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Financial Report has been prepared on a historical cost basis. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The Financial Report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (A\$1,000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission (ASIC) Instrument 2016/191. The Company is an entity to which the Instrument applies.

(b) New accounting standards and interpretations

(i) Changes in accounting policy and disclosures

Apart from the changes in accounting policies noted below, the accounting policies adopted are consistent with those disclosed in the Financial Report for the year ended 30 June 2015.

From 1 July 2015 the Company has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2015. The nature and impact of each new standard and amendment is described below:

The Company has not elected to early adopt any new accounting standards and interpretations.

Reference	Title	Impact
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments The Standard contains three main parts and makes amendments to a number of Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.	There was no material impact on the Annual Report.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations (continued)

(i) Changes in accounting policy and disclosures (continued)

Reference	Title	Impact
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 <i>Materiality</i> The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	No direct impact on accounts but the changes apply to Standards relevant to Paladin.

(ii) Accounting Standards and Interpretations issued but not yet effective

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: <ul style="list-style-type: none"> (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not) (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2014-10 also makes an editorial correction to AASB 10. AASB 2015-10 defers the mandatory effective date (application date) of AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016.	1 January 2018	1 July 2018
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016

NOTES TO THE FINANCIAL STATEMENTS (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective (continued)

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 9	Financial Instruments	<p>AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.</p> <p>Classification and measurement</p> <p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities.</p> <p>The main changes are described below.</p> <p>Financial assets</p> <ol style="list-style-type: none"> Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. <p>Financial liabilities</p> <p>Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> ➤ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ➤ The remaining change is presented in profit or loss <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.</p> <p>Impairment</p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p>Hedge accounting</p> <p>Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p> <p>AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.</p> <p>AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on or after 1 January 2015.</p>	1 January 2018	1 July 2018

NOTES TO THE FINANCIAL STATEMENTS (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective (continued)

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	<p>AASB 2014-3 amends AASB 11 <i>Joint Arrangements</i> to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require:</p> <ul style="list-style-type: none"> (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. <p>This Standard also makes an editorial correction to AASB 11</p>	1 January 2016	1 July 2016
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 <i>Revenue from Contracts with Customers</i> replaces the existing revenue recognition standards AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i> and related Interpretations (Interpretation 13 <i>Customer Loyalty Programmes</i>, Interpretation 15 <i>Agreements for the Construction of Real Estate</i>, Interpretation 18 <i>Transfers of Assets from Customers</i>, Interpretation 131 <i>Revenue—Barter Transactions Involving Advertising Services</i> and Interpretation 1042 <i>Subscriber Acquisition Costs in the Telecommunications Industry</i>). AASB 15 incorporates the requirements of IFRS 15 <i>Revenue from Contracts with Customers</i> issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB).</p> <p>AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <ul style="list-style-type: none"> (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation <p>AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p>	1 January 2018	1 July 2018
AASB 1057	Application of Australian Accounting Standards	<p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. Accordingly, paragraphs 5 and 22 respectively specify the application paragraphs for Standards and Interpretations in general. Differing application paragraphs are set out for individual Standards and Interpretations or grouped where possible. The application paragraphs do not affect requirements in other Standards that specify that certain paragraphs apply only to certain types of entities.</p>	1 January 2016	1 July 2016

NOTES TO THE FINANCIAL STATEMENTS (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations (continued)

(iii) Accounting Standards and Interpretations issued but not yet effective

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2015-9	Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]	This Standard inserts scope paragraphs into AASB 8 and AASB 133 in place of application paragraph text in AASB 1057. This is to correct inadvertent removal of these paragraphs during editorial changes made in August 2015. There is no change to the requirements or the applicability of AASB 8 and AASB 133.	1 January 2016	1 July 2016
AASB 16	Leases	<p>The key features of AASB 16 are as follows:</p> <p>Lessee accounting</p> <ul style="list-style-type: none"> Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. AASB 16 contains disclosure requirements for lessees. <p>Lessor accounting</p> <ul style="list-style-type: none"> AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. <p>AASB 16 supersedes:</p> <ul style="list-style-type: none"> (a) AASB 117 Leases; (b) Interpretation 4 Determining whether an Arrangement contains a Lease; (c) SIC-15 Operating Leases—Incentives; and (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. <p>The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.</p>	1 January 2019	1 July 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective

Reference	Title	Summary	Application date of standard*	Application date for Group*
2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]	This Standard amends AASB 112 Income Taxes (July 2004) and AASB 112 Income Taxes (August 2015) to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017	1 July 2017
2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	1 January 2017	1 July 2017
IFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	<p>This standard amends to IFRS 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for:</p> <ul style="list-style-type: none"> ▶ The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments. ▶ Share-based payment transactions with a net settlement feature for withholding tax obligations. ▶ A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. 	1 January 2018	1 July 2018

* Designates the beginning of the applicable annual reporting period unless otherwise stated.

The Group is in the process of determining what impact the following accounting standards and amendments to the accounting standards will have on the financial statements, when applied in future periods. These include: AASB 9 Financial Instruments, AASB 15 Revenue from Contracts with Customers and AASB 16 Leases. The Group has elected not to early adopt these new standards or amendments in the financial statements.

For Standards and Interpretations effective from 1 July 2016, it is not expected that the new Standards and Interpretations will significantly affect the Group's financial performance.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Summit Resources Limited and its subsidiaries as at 30 June 2016 (the Group).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Business combinations are accounted for using the acquisition method.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of property, plant and equipment;

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The Group conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

The future recoverability of the property, plant and equipment is dependent on a number of key factors including: uranium price, discount rates used in determining the estimated discounted cash flows, foreign exchanges rates, tax rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources, future technological changes which could impact the cost of production and futures legal changes, including changes to environmental restoration obligations.

(ii) Carrying value of exploration and evaluation expenditure

The Group reviews the carrying value of exploration and evaluation expenditure at each reporting date. This requires judgement as to the status of the individual projects and their future economic value.

At June 2016, the Group reassessed the carrying value of its capitalised exploration and evaluation expenditure for indicators of impairment. Estimates of recoverable amounts are based on a number of market indicators including similar recent market transactions, net asset value calculations, brokers' sum-of-parts valuations and junior uranium company trading multiples. Based on this range of indicators the Group assessed that no impairment was required.

(e) Taxes

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of prior years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Taxes

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Impairment of non-financial assets other than goodwill

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(g) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised initially at fair value, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the group will not be able to collect the debt. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

(h) Exploration expenditure

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward where rights to tenure of the area of interest are current and;

- (i) it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- (ii) exploration and evaluation activities are continuing in an area of interest but have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

At each reporting date, the Directors assess the carrying value of the exploration expenditure carried forward in respect of each area of interest and where the carrying value exceeds the fair value of the tenement the value of the area of interest is either written down or provided against. Upon abandonment or relinquishment of an area all related expenditure is written off. Regional and other exploration expenditures are written off in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Property, plant & equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost amount, net of their residual values, over their estimated useful lives, as follows:

- Buildings 20 years
- Plant and equipment 3-6 years
- Leasehold improvements 2-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Income Statement.

(k) Investments and other financial assets

The Group classifies its investments into categories. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities of greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables in the Statement of Financial Position. Loans and receivables are carried at amortised cost.

(l) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

(n) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest revenue

Interest revenue from investments in cash and short-term deposits is recognised in the Income Statement as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(o) Interests in joint arrangements

The Group has an interest in a joint arrangement that is classified as a joint operation. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group determines the classification of joint arrangements based on the substance of the arrangement (i.e. contractual and other rights). The Group recognises its interest in joint operations by recognising its share of the assets, liabilities, income and expenses of the joint operation on a line-by-line basis.

(p) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. INCOME

	2016 \$'000	2015 \$'000
Income		
Interest revenue	48	71
Other	16	27
Total income	64	98

4. INCOME TAXES

(a) Income Tax Expense

	2016 \$'000	2015 \$'000
The major components of income tax (benefit)/expense are:		
<i>Current income tax</i>		
Current income tax expense	-	-
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of comprehensive income	-	-

Income Tax Expense

The aggregate amount of income tax attributable to the financial period differs from the amount calculated on the operating loss as follows:

Net loss before income tax	(1,271)	(210)
Prima facie tax benefit at 30% (2015: 30%)	(381)	(63)
Add tax effect of:		
Losses not recognised/derecognised	381	63
Income tax expense	-	-

(b) Deferred Income Tax

	2016 \$'000	2015 \$'000
<u>Deferred tax liabilities</u>		
Capitalised expenditure deductible for tax purposes	(13,534)	(13,376)
Other	-	-
<u>Deferred tax assets</u>		
Revenue losses available for offset against future taxable income	25,368	25,075
Expenses not yet deductible for taxation purposes	571	246
Net deferred tax asset	12,405	11,945
Deferred tax assets not recognised	(12,405)	(11,945)
	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. INCOME TAXES (continued)

(c) Tax Losses

At 30 June 2016, the Group has \$84,560,691 (\$25,368,207) tax effected at 30%) (2015: \$83,848,202 (\$25,075,416) tax effected at 30%) of tax losses that are available for offset against future profits of the Group. No deferred tax asset has been recognised in the Statement of Financial Position in respect of a portion of the amount of these losses shown below.

	2016 \$'000	2015 \$'000
<i>Unrecognised deferred tax balances</i>		
<i>Deferred tax assets</i>		
Tax losses – revenue	12,405	11,945

The potential deferred tax asset not yet recognised will only be obtained if:

1. assessable income is derived of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
2. conditions for deductibility imposed by the tax legislation are complied with; and
3. no change in tax legislation adversely affect the realisation of the benefit from the deductions.

(d) Members of the Tax Consolidation Group and the Tax Funding and Sharing Arrangements

Summit and its 100% owned Australian resident subsidiaries formed a tax consolidated group (the Group) with effect from 1 July 2006. Summit is the head entity of the Group. Members of the Group have entered into a tax sharing agreement that provides that the head entity will be liable for all taxes payable by the Group from the consolidation date. The parties have agreed to apportion the head entity's taxation liability within the Group based on each contributing member's share of the Group's taxable income.

5. CASH AND CASH EQUIVALENTS

	2016 \$'000	2015 \$'000
Cash at bank and on hand	16	37
Short-term deposit	756	1,233
Total cash and cash equivalents	772	1,270
Other current assets	855	840

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Other current assets are term deposits greater than 3 months.

Reconciliation of net cash outflow from operating activities to net loss after income tax

	2016 \$'000	2015 \$'000
Net loss after tax	(1,271)	(210)
Add/(less) non-cash items:		
Asset impairment	1,096	-
Movement in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	57	(2)
Decrease in trade and other payables	(12)	(47)
Net cash outflow used in operating activities	(130)	(259)

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. OTHER RECEIVABLES

	2016 \$'000	2015 \$'000
CURRENT		
Sundry debtors	8	24
GST refundable	-	2
Related party receivable*	16	43
Interest receivable	9	23
	<hr/>	<hr/>
Total current receivables	33	92

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. Sundry debtors are non-interest bearing. An allowance for impairment loss is recognised when there is objective evidence that an individual sundry receivable is impaired.

*Relates to the Group's joint operation (refer to Note 19) and is on 30 day terms.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. PROPERTY, PLANT & EQUIPMENT

	2016 \$'000	2015 \$'000
Land & buildings – at cost	3,900	4,040
Less: Accumulated depreciation and impairment	(2,370)	(1,236)
Total land & buildings	1,530	2,804
Motor vehicles	195	195
Less: Accumulated depreciation	(195)	(190)
Total motor vehicles	-	5
Office furniture & equipment	343	343
Less: Accumulated depreciation	(340)	(339)
Total office furniture & equipment	3	4
Camp furniture & equipment	872	872
Less: Accumulated depreciation	(860)	(851)
Total camp furniture & equipment	12	21
Other equipment	87	87
Less: Accumulated depreciation	(58)	(57)
Total other equipment	29	30
Total property, plant & equipment	1,574	2,864

There are no assets pledged as security for liabilities.

The depreciation charge for plant & equipment relating to the exploration tenements for the year in the Group has been capitalised to exploration on the Statement of Financial Position. No portion of the depreciation charge has been expensed in the Income Statement.

Reconciliations

Reconciliations of the carrying amounts of each class of property plant and equipment at the beginning and end of the year are set out below:

	Total \$'000	Land & Buildings \$'000	Motor Vehicles \$'000	Office Furniture & Equipment \$'000	Camp Furniture & Equipment \$'000	Other Equipment \$'000
2016						
Carrying amount at start of year	2,864	2,804	5	4	21	30
Additions	-	-	-	-	-	-
Depreciation expense	(194)	(178)	(5)	(1)	(9)	(1)
Impairment of assets ⁽¹⁾	(1,096)	(1,096)	-	-	-	-
Disposals	-	-	-	-	-	-
Carrying amount at end of year	1,574	1,530	-	3	12	29

⁽¹⁾Impairment charge relates to the impairment of Summit's office building in Mount Isa. The building's recoverable amount was determined using fair value less costs to dispose on the basis of an independent valuation using comparable prices adjusted for specific market factors such as nature, location and condition of the property (level 3 in the fair value hierarchy).

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. PROPERTY, PLANT & EQUIPMENT (continued)

	Total \$'000	Land & Buildings \$'000	Motor Vehicles \$'000	Office Furniture & Equipment \$'000	Camp Furniture & Equipment \$'000	Other Equipment \$'000
2015						
Carrying amount at start of year	3,071	2,983	20	4	33	31
Additions	-	-	-	-	-	-
Depreciation expense	(207)	(179)	(15)	-	(12)	(1)
Disposals	-	-	-	-	-	-
Carrying amount at end of year	2,864	2,804	5	4	21	30

8. EXPLORATION AND EVALUATION EXPENDITURE

	2016 \$'000	2015 \$'000
At cost		
Opening balance	44,587	43,999
Expenditure during year	525	588
Closing balance	45,112	44,587

The value of the exploration expenditure is dependent upon:

- the continuance of the rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The entity's activities in the mining industry are subject to regulations and approvals including mining, heritage, environmental and the implications of the High Court of Australia decision in the "Mabo", "Wik" and other cases, the existing and future State and Federal legislation and any implications resulting from those. Approvals, although granted in most cases, are discretionary. The question of native title has yet to be determined on most tenement areas and could affect any mining title area whether granted by the State or not. At the date of this report the Directors are unable to quantify the financial impact of any such claims.

9. TRADE AND OTHER PAYABLES

	2016 \$'000	2015 \$'000
CURRENT		
Trade and other payables	50	86

Trade payables are unsecured and payable on supplier credit terms, usually payable within 30 days of recognition. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The unsecured loans from ultimate parent entity are interest free and are repayable on demand.

(a) Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

(b) Interest rate and liquidity risk

Information regarding interest rate and liquidity risk exposure is set out in Note 18.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. CONTRIBUTED EQUITY

	2016 Number of Shares	2015	2016 \$'000	2015 \$'000
Ordinary shares – fully paid	217,981,769	217,981,769	99,381	99,381
Fully paid ordinary shares carry one vote per share and carry the right to dividends.				
Movement for year				
At 1 July	217,981,769	217,981,769	99,381	99,381
At 30 June	217,981,769	217,981,769	99,381	99,381

There were no options issued or exercised during the year.

11. ACCUMULATED LOSSES AND RESERVES

	2016 \$'000	2015 \$'000
Opening balance	(49,814)	(49,604)
Loss for the year	(1,271)	(210)
Closing balance	(51,085)	(49,814)

12. SEGMENT INFORMATION

The Group is solely involved in mineral exploration in Australia and management (the chief operating decision makers) monitor the Group based on actual versus budgeted expenditure incurred by project. Discrete financial information about each of these projects is reported to management on a monthly basis. As the projects are within one area of interest and have similar economic characteristics, they have been aggregated to form one reportable segment.

Accordingly, the Group has only one reportable segment and the results are the same as the Group results.

All non-current assets for the Group are held in Australia and all revenue is earned in Australia.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. DIRECTOR & EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

(i) Directors

Mr Brendan O' Hara	Executive Chairman (resigned 5 September 2015)
Mr David Berrie	Non-executive Director
Mr Malcolm Randall	Non-executive Director
Mr David Princep	Director (Executive) (appointed 4 September 2015)

The Executives are remunerated pursuant to the MTSA between the Company and the Company's ultimate parent company, Paladin. Pursuant to that agreement, Paladin makes payments determined in accordance with that agreement to the Executives, and the Company is obliged to pay Paladin an equivalent amount, for the services they provide to the Group. Details of the remuneration paid by Paladin to the Executives pursuant to these arrangements are set out below. The fee for services was reduced effective 1 November 2013 as a result of a 10% reduction by Paladin in the base salaries of certain management personnel due to economic circumstances resulting from continuing lower uranium prices. Other than indirectly pursuant to the MTSA, the Company does not pay remuneration to its Executives. Refer to Note 14 for payments made under the MTSA.

(b) Compensation of Key Management Personnel: Compensation by Category

	2016 \$	2015 \$
Short-term	127,229	192,840
Post-employment	11,928	16,084
Share-based payment	-	867
	<u>139,157</u>	<u>209,791</u>

14. RELATED PARTIES

(a) Subsidiaries

Interests in subsidiaries are set out in Note 21(b).

(b) Ultimate parent

The ultimate parent entity is Paladin (82.08% ownership) (2015: 82.08%).

Under the MTSA between the Company and Paladin dated 24 September 2007, the total transactions during the year amounted to \$123,626 (2015: \$540,446). The balance outstanding at 30 June 2016 was \$24,011 (2015: \$44,505), included in trade and other payables.

(c) Key Management Personnel

Details relating to Key Management Personnel can be found at Note 13(a).

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. COMMITMENTS AND CONTINGENCIES

There are no outstanding commitments or contingencies, which are not disclosed in the financial statements as at 30 June 2016 other than:

	2016 \$'000	2015 \$'000
Tenements		
Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	-	61
Later than one year but not later than 5 years	1,434	1,455
More than 5 years	-	-
	<hr/>	<hr/>
Total tenements commitment	1,434	1,516

These include commitments relating to tenement lease rentals and exploration expenditures to meet the minimum expenditure requirements of the various mines departments. These obligations will be fulfilled in the normal course of operations, which may include farm-out, joint venture and direct exploration expenditure.

16. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and data used in the basic and diluted earnings per share computations:

	2016 \$'000	2015 \$'000
Net loss attributable to ordinary equity holders of the Company from continuing operations	(1,271)	(210)

	2016 Number of Shares	2015 Number of Shares
Weighted average number of ordinary shares for basic earnings per share	217,981,769	217,981,769

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. EVENTS AFTER THE BALANCE DATE

Since the end of the financial year, the Directors are not aware of any matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent years.

18. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives & policies

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to:

- meet all its financial commitments; and
- maintain the capacity to fund corporate growth activities.

The Group monitors its forecast financial position on a regular basis.

Market, liquidity and credit risk (including interest rate risk) arise in the normal course of the Group's business. These risks are managed under Board approved directives which underpin treasury practices and processes. The Group's principal financial instruments comprise of cash and short-term deposits. Other financial instruments include trade receivables, available-for-sale financial assets, financial assets held for trading and trade payables, which arise directly from operations.

The Group's forecast financial risk position with respect to key financial objectives and compliance with treasury practice are regularly reported to the Board.

(b) Market risk

Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates that will decrease returns on cash and short and long term deposits. All other financial assets and liabilities in the form of receivables, investments in shares and payables are non-interest bearing.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

The financial instruments exposed to movements in interest rates are as follows:

	2016 \$'000	2015 \$'000
Financial assets		
Cash and cash equivalents	772	1,270
Other current assets ⁽¹⁾	855	840

⁽¹⁾ Other current assets are term deposits greater than 3 months.

Based on the Company's net exposure at the balance sheet date, a reasonably possible change in interest rates would not have a material impact on profit or equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet its financial commitments in a timely and cost effective manner.

The Group treasury function continually reviews the Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The ageing of payables at the reporting date was as follows:

	Payables maturity analysis				
	Total \$'000	<1 year \$'000	1-2 years \$'000	2-3 years \$'000	>3 years \$'000
2016					
Trade and other payables	50	50	-	-	-
Total payables	50	50	-	-	-

	Payables maturity analysis				
	Total \$'000	<1 year \$'000	1-2 years \$'000	2-3 years \$'000	>3 years \$'000
2015					
Trade and other payables	86	86	-	-	-
Total payables	86	86	-	-	-

(d) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. The carrying amount of financial assets represents the maximum credit exposure. The Group trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Cash is held in AA rated institutions.

The maximum exposure to credit risk at the reporting date was as follows:

	2016 \$'000	2015 \$'000
Current		
Cash and cash equivalents	772	1,270
Other current assets ⁽¹⁾	855	840
Other receivables – sundry debtors	17	49
Other receivables – related party receivable	16	43

⁽¹⁾ Other current assets are term deposits greater than 3 months.

No receivables at the reporting date were past due or impaired (2015: nil).

(e) Capital management

When managing capital, management's objective is to ensure adequate cash resources to meet the Company's commitments are maintained, as well as to maintain optimal returns to shareholders through ensuring the lowest cost of capital available to the entity.

The Company utilises a combination of debt and equity to provide the cash resources required. Management reviews the capital structure from time to time as appropriate.

The Group treasury function is responsible for the Group's capital management, including management of any long-term debt and cash as part of the capital structure. This involves the use of corporate forecasting models which enable analysis of the Group's financial position including cash flow forecasts to determine the future capital management requirements. To ensure sufficient funding for operational expenditure and growth activities, a range of assumptions are modelled so as to provide the flexibility in determining the Group's optimal future capital structure.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. JOINT ARRANGEMENTS

Joint operation details Isa Uranium Joint Venture

The Isa Uranium Joint Venture, which includes the Valhalla and Skal uranium deposits, is involved in the identification of and exploration for uranium resources in Queensland, Australia. SRA is manager and operator, holding a 50% interest. MIU holds the other 50% interest. Paladin ultimately owns 82.08% of SRA and 100% of MIU. This is accounted for as a joint operation under AASB 11.

20. AUDITOR'S REMUNERATION

The auditor of the Group for the year ended 30 June 2016 is Ernst & Young.

	2016 \$	2015 \$
<i>Amounts received or due and receivable by Ernst & Young for:</i>		
Audit or review of financial reports and other audit work under the Corporations Act 2001	31,351	36,968
Taxation services:		
Tax compliance	-	-
Other non-audit services	-	-
Total remuneration of auditors	31,351	36,968

The Company is satisfied that the non-audit services provided are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

21. PARENT ENTITY INFORMATION

	2016 \$'000	2015 \$'000
(a) Information relating to the Company		
Current assets	1,692	2,170
Total assets	47,433	49,323
Current liabilities	23	35
Total liabilities	2,385	2,421
Issued capital	99,381	99,381
Accumulated losses	(52,664)	(52,478)
Total shareholders' equity	46,717	46,903
Net loss after tax	(186)	(228)
Total comprehensive loss	(186)	(228)

(b) Investments in Controlled Entities

Name	Country of Incorporation	Percentage of Equity Held by Consolidated Entity	
		2016	2015
Summit Resources (Aust) Pty Ltd	Australia	100	100
Pacific Mines Pty Ltd	Australia	100	100

All equity interests are in ordinary shares of the controlled entities.

(c) Details of any Contingent Liabilities of Parent Entity

There are no material commitments or contingencies at the date of signing this report.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Summit Resources Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a);
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

On behalf of the Board



David Princep
Executive Director

Perth, Western Australia
29 September 2016

Independent auditor's report to the members of Summit Resources Limited

Report on the financial report

We have audited the accompanying financial report of Summit Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

- a. the financial report of Summit Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Summit Resources Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



D S Lewsen
Partner
Perth
29 September 2016

SUPPLEMENTARY ASX INFORMATION

Pursuant to the Listing Requirements of Australian Securities Exchange Limited as at 29 September 2016:

1. TENEMENTS HELD IN QUEENSLAND

URANIUM PROJECTS

Project	Tenements	Interest %	JV Partner/s	Operator	Note
Isa North	5 EPM's	100.00%	(see Note 1)	SRA	1, 2
	4 MDL's	100.00%		SRA	

NON-URANIUM PROJECTS

Project	Tenements	Interest %	JV Partner/s	Operator	Note
Isa South	6 EPM's	20.00%		Aeon Metals	3
	1 EPM	18.00%	CML	Aeon Metals	3, 4
May Downs	2 EPM's	20.00%		Aeon Metals	3
Mount Kelly	1 EPM	20.00%		Aeon Metals	3
Constance Range	4 EPM's	20.00%		Aeon Metals	3

Three of the Constance Range tenements are held by PML; all the other tenements are held by SRA. PML and SRA are both wholly owned subsidiaries of Summit Resources Limited.

Operators

SRA	Summit Resources (Aust) Pty Ltd
Aeon Metals	Aeon Metals Limited
PML	Pacific Mines Pty Limited
CML	Centaurus Minerals Limited (formerly Glengarry Resources Limited)

Tenement Types

EPM	Exploration Permit for Minerals
MDL	Mineral Development Licence

Notes

- The Valhalla and Skal uranium deposits lie within the Isa North tenement block within defined blocks of land (17km² and 10km² respectively) subject to the IUJV between SRA (50% and Operator) and Mount Isa Uranium Pty Ltd (50%).
- SRA has entered into a mining rights agreement with Aeon Metals to explore for, and potentially recover, base metals on certain areas within SRA's Isa North tenements. Aeon Metals have earned the exclusive right to explore for, mine and develop and process base metals in the Isa North Cooperative Area, through expenditure of more than \$3.5M during the period 27th October 2008 to 26th October 2011.
- The Isa South, May Downs, Mount Kelly and Constance Range tenements are subject to a Farm-In and Joint Venture Agreement with Aeon Metals. Under the terms of the agreement Aeon Metals has earned an 80% interest in the tenements through expenditure of \$8.0 million as of 30 of November 2010. SRA retains the right to explore for and develop uranium deposits on these tenements.
- SRA earned a 90% interest through expenditure of \$500,000 within four years of grant. CML retains a 10% free carried interest to completion of a bankable feasibility study. Aeon Metals, as part agreement (see Note 3), have earned 72% interest in this tenement leaving SRA with 18% and CML 10%.

SUPPLEMENTARY ASX INFORMATION (CONTINUED)

2. ANALYSIS OF SHAREHOLDINGS

There are 659 holders of fully paid ordinary shares listed on the Company's share register at 20 September 2016.

(i) Twenty largest security holders

ORDINARY SHAREHOLDINGS

Holder	No. of Shares	%
Paladin Energy Ltd	178,911,682	82.08
BNP Paribas Noms Pty Ltd <DRP>	22,085,462	10.13
Revelation Special Situations Fund Ltd	10,899,100	5.00
JP Morgan Nominees Australia Limited	609,845	0.28
Citicorp Nominees Pty Limited	545,406	0.25
M & K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/C>	327,326	0.15
The Straits Investments Pty Ltd	220,000	0.10
The Straits Nominees Pty Ltd <The Straits A/C>	200,000	0.09
Merrill Lynch (Australia) Nominees Pty Limited	175,604	0.08
HSBC Custody Nominees (Australia) Limited	168,648	0.08
HSBC Custody Nominees (Australia) Limited<Euroclear Bank SA NV A/C>	124,115	0.06
Mr Peter Harry Hatch	111,046	0.05
Mr Robert Dobson	104,000	0.05
National Nominees Limited	103,752	0.05
Purser Family Super Pty Ltd	99,737	0.05
Mr Allen David Perry & Mrs Merlita Perry <Under1cloud Superfund A/C>	95,238	0.04
Canning Basin Petroleum P/L	93,800	0.04
Mr Jonathan Sun-Yeh Chong	71,526	0.03
Mr John Robert Collinson	68,000	0.03
Monk Nominees Pty Ltd <Monk Super Fund A/C>	66,667	0.03
Total	215,080,954	98.67

(ii) Spread of security holders

ORDINARY SHAREHOLDINGS

Size of Holding	No. of Holders	No. of Shares	%
1 - 1,000	274	120,911	0.06
1,001 - 5,000	212	533,251	0.24
5,001 - 10,000	86	678,298	0.31
10,001 - 100,000	73	2,063,323	0.95
100,001 - maximum	14	214,585,986	98.44
Total	659	217,981,769	100.0

462 holders hold less than a marketable parcel of ordinary shares.

(iii) Voting rights

For all shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

(iv) Substantial shareholders

	No. of Shares Held	%
Paladin Energy Ltd	178,911,682	82.08
BNP Paribas Noms Pty Ltd <DRP>	22,085,462	10.13
Revelation Special Situations Fund Ltd	10,899,100	5.00



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