



SUMMIT RESOURCES LIMITED

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12 March 2010

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

Half Year Financial Report – 31 December 2009

Attached please find the Half Year Financial Report for the half year ended 31 December 2009.

Yours faithfully
Summit Resources Limited

A handwritten signature in blue ink, appearing to read "Brendan O'Hara".

BRENDAN O'HARA
Executive Chairman



ACN 009 474 775

**HALF YEAR FINANCIAL REPORT
31 DECEMBER 2009**

Level 4, 502 Hay Street, Subiaco, Western Australia 6008
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CORPORATE INFORMATION

DIRECTORS

Executive Chairman
Brendan W O'Hara

Non-executive Directors
David W Berrie
Malcolm Randall

COMPANY SECRETARY

Joanne McDonald

REGISTERED OFFICE

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SHARE REGISTRAR

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Investor Enquiries: 1300 557 010

AUDITORS

Ernst & Young
11 Mounts Bay Road
West Perth, Western Australia 6005

STOCK EXCHANGE LISTING

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

REPORT TO SHAREHOLDERS

HIGHLIGHTS

- *Updated Uranium resource at Valhalla now stands at 69.9Mlb U₃O₈.*
- *Tenement amalgamation successfully completed.*
- *Updated Uranium resource update completed at Skäl, resource now stands at 14.5Mlb U₃O₈.*
- *30 holes drilled at Bikini with an additional 64 holes planned for early 2010.*
- *Year to date drilling figures - 206 holes for 33,917m.*

OVERVIEW

A substantial amount of drilling was undertaken during the period with the completion of drilling at Skäl East and Valhalla North and the commencement of the Bikini programme. A number of cultural heritage clearances were undertaken during the period to allow for expedited drilling following the programmes at Valhalla and Skäl. Ongoing environmental monitoring was undertaken including groundwater, air quality and dust. A significant number of historic and current drill sites and costeans were rehabilitated.

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

Mineral Resources estimates conforming to the JORC guidelines for Valhalla (69.9Mlb U₃O₈) and Skäl (14.5Mlb U₃O₈) are detailed below. Mineral Resource estimates were released in the March quarter 2007 for Andersons (4.7Mlb) and Watta (3.8Mlb) and in July 2008 for Bikini (11.5Mlb).

The total JORC Mineral Resources under Summit management in the Mount Isa region now includes 65.4Mlb U₃O₈ Measured and Indicated Resources and 38.9Mlb U₃O₈ Inferred Resources. Of this 32.7Mlb U₃O₈ Measured and Indicated Resources as well as 29.4Mlb U₃O₈ Inferred Resources are attributable to Summit. 67% of the Mineral Resources are located at Valhalla; the rest is distributed over the Bikini, Skäl, Andersons and Watta orebodies. Details are as follows:-

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

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

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

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

REPORT TO SHAREHOLDERS

REVIEW OF OPERATIONS

MT ISA URANIUM JOINT VENTURE (QLD)

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

Operator: Summit Resources (Aust) Pty Ltd

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

Valhalla Uranium Deposit

- The updated total Mineral Resource stands at 69.9Mlb U₃O₈, up from the previous 67.5Mlb U₃O₈.
- Measured and Indicated Mineral Resources increased by 9.9% to 60.0Mlb U₃O₈ for ongoing economic studies.
- There is potential for a further resource increase along strike to the south and at depth following additional planned drilling.

A resource estimate conforming to the JORC guidelines for the Valhalla uranium deposit was completed following validation and compilation of data from drilling undertaken earlier in the year. The estimate covers the original Valhalla deposit as well as the south-eastern extension, Valhalla South. The Valhalla Project is located 40km north of Mount Isa on EPM 17514; being ideally situated adjacent to the Barkley Highway, approximately 7km from Summit's Bikini deposit and 8km from Summit's 50% owned Skal project.

The updated Mineral Resource estimate for the Valhalla uranium deposit is quoted using a cut-off grade of 230ppm U₃O₈.

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

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

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

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

REPORT TO SHAREHOLDERS

Skal Uranium Deposit

- Initial Indicated Mineral Resource for Skal East now stands at 5.4Mlb U_3O_8 , previous total Inferred Mineral Resource was 3.9Mlb U_3O_8 .
- Total Mineral Resource for all Skal deposits stands at 14.5Mlb U_3O_8 , up from 12.3Mlb U_3O_8 .
- Potential remains for further resource increase along strike at Skal South and at depth at Skal East.

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

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

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

Skal Mineral Resource

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

Updated Skal East Mineral Resource at 250ppm U_3O_8 Cut-off

	Mt	Grade ppm U_3O_8	Tonnes U_3O_8	Mlb U_3O_8
Indicated Mineral Resource	4.3	575	2,458	5.4
Inferred Mineral Resource	0.8	448	348	0.8

Skal (All deposits) Mineral Resource at 250ppm U_3O_8 Cut-off

	Mt	Grade ppm U_3O_8	Tonnes U_3O_8	Mlb U_3O_8
Indicated Mineral Resource	4.3	575	2,458	5.4
Inferred Mineral Resource	8.4	491	4,129	9.1

MOUNT ISA NORTH URANIUM PROJECT (100% Summit)

Exploration continues on Summit's 100% owned Mount Isa North Uranium Project where Summit holds 1,356km² of granted tenements that are prospective for uranium, copper and base metals. The tenements are centred on the city of Mount Isa. The project includes the Bikini, Watta and Andersons uranium deposits as well as numerous other uranium prospects.

Bikini Uranium Deposit

Detailed geological and geophysical groundwork has now been completed at the Bikini deposits (which include the Woomera and Mirrioola Prospects to the north and south of Bikini) and have identified a number of new drill targets in this extensively uranium mineralised region. A drill program is partially complete having been postponed by the onset of the wet season. Six shallow RC drill holes were completed to the northeast of Bikini returning only limited zones of albitite alteration and sporadic uranium mineralisation. An additional 24 holes were drilled in the main Bikini deposit, as well as at Pile to the south west, with the majority of holes containing thin (3-6m) mineralised (300-800ppm U_3O_8) zones of albitite and chlorite-albite schist. All existing drill core from Bikini has been re-logged to enable the generation of a consistent geological model for the area.

REPORT TO SHAREHOLDERS

At Woomera, 800m north of Bikini, uranium mineralisation is confined to NNE striking albitite lenses in chlorite rich shears similar to Bikini. A program of 32 RC drill holes over an area of approximately 1km² was undertaken, targeting two radiometric anomalies of outcropping albitite and two partially buried anomalies. The drilling intersected thin, erratic zones of mineralisation with grades averaging approximately 400ppm U₃O₈. Only one drill section intercepted significant widths and grades with hole WOR024 intersecting 23m from 55m down hole at 1,120ppm U₃O₈ and hole WOR029 intersecting 14m from 95m at 1,717ppm U₃O₈.

Andersons

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

Regional

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

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

Mt Isa (Cu)

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

Hero-Isa North JV

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

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

Carters Ridge– Western Isa JV

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

Bald Hills

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

Copper Valley

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

Apex – Western Isa JV

Apex is a copper prospect located within dolomitic sediments approximately 3kms north of Brampton. The field assays of the outcrop assayed up to 15.7%Cu and there are nearby CRA drill holes with >40m widths of copper mineralisation. A single hole to 290m depth has been completed. The hole intersected the prospective sediment sequence and intersected the copper mineralised shear zone.

REPORT TO SHAREHOLDERS

Phosphate – Western Isa JV

Dragon Energy Ltd has completed a series of 14 RC holes for 570m at the Big Toby phosphate target. The results of this work were released by Dragon to the ASX, no economic phosphate was intersected. Any further work is being re-assessed.

An agreement to terminate the Phosphate JV between Summit, MM Mining and Dragon was executed on October 6th. All tenements in the Phosphate JV have been released from the JV Agreement.

CORPORATE

Amalgamation of Tenements

Summit's strategy to consolidate and amalgamate its Isa North tenement holding covering 1,356 km² north and east of Mount Isa has been successful, with four tenements granted in early January 2010 to replace the previous eleven tenements. As previously advised, Summit has entered into an exploration agreement with the Kalkadoon native title claimants to facilitate continued exploration over the four new exploration tenements. This will simplify Summit's land management at Isa North and enable the company to retain its current land holding for a further two years without any reduction in area.

The tenement amalgamation structure is as follows:

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

Litigation

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

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

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

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

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

Successful Capital Raising

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

Declaration

The information in this announcement that relates to minerals exploration and mineral resources is based on information compiled by David Princep BSc, MAusIMM who has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Princep is a full-time employee of Paladin Energy Ltd. Mr. Princep consents to the inclusion of the information in this announcement in the form and context in which it appears

DIRECTORS' REPORT

The Directors present their report on the Group consisting of Summit Resources Ltd and the entities it controlled at the end of, or during, the six months ended 31 December 2009.

DIRECTORS

The following persons were Directors of Summit Resources Ltd (Company) during the whole of the six months and up to the date of this report unless otherwise indicated:

Brendan O'Hara (Executive Chairman)

Malcolm Randall (Non-executive Director)

David W Berrie (Non-executive Director)

PRINCIPAL ACTIVITIES

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

There has been no significant change in the nature of the economic entity's business activities during the period under review.

REVIEW OF OPERATIONS

A detailed operational and financial review of the consolidated entity is set out on pages 4 to 8 under the section titled Report to Shareholders.

The loss after tax attributable to the ordinary equity holders for the six months ended 31 December 2009 was \$3,417,000 (loss after tax of \$3,061,000 for the six months ended 31 December 2008).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 10, which forms part of the Directors' Report.

ROUNDING OF AMOUNTS TO THE NEAREST THOUSAND DOLLARS

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars (A\$1,000) in accordance with that class order.

This report is made in accordance with a resolution of the Directors.



Brendan O'Hara
Executive Chairman

Perth, Western Australia
12 March 2010

AUDITOR'S INDEPENDENCE DECLARATION



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

In relation to our review of the financial report of Summit Resources Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'G H Meyerowitz'.

G H Meyerowitz
Partner
Perth
12 March 2010

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2009

	Notes	31 December 2009 \$'000	30 June 2009 \$'000
CURRENT ASSETS			
Cash and cash equivalents	4	3,398	6,831
Other receivables	5	3,690	2,352
Financial assets classified as held for trading	6	954	1,245
Total Current Assets		8,042	10,428
NON CURRENT ASSETS			
Other receivables	5	-	2,793
Other financial assets		2,704	3,096
Property, plant & equipment	7	5,164	5,116
Exploration and evaluation expenditure	8	27,950	25,005
Total Non Current Assets		35,818	36,010
TOTAL ASSETS		43,860	46,438
CURRENT LIABILITIES			
Trade and other payables		3,796	4,962
Provisions		2,000	-
Total Current Liabilities		5,796	4,962
TOTAL LIABILITIES		5,796	4,962
NET ASSETS		38,064	41,476
EQUITY			
Contributed equity	9	83,297	83,297
Reserves		653	648
Accumulated losses		(45,886)	(42,469)
TOTAL EQUITY		38,064	41,476

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT for the half year ended 31 December 2009

	Notes	31 December 2009 \$'000	31 December 2008 \$'000
Revenue	3(a)	55	271
Other income	3(b)	94	60
Expenses			
Depreciation expense		(8)	(12)
Employee related expenses		(261)	(262)
Operating lease expense		(18)	(12)
Exploration and evaluation expenses		(2)	-
Impairment on available for sale financial assets		-	(124)
Movement in financial assets held for trading	6	(291)	(729)
Share of loss of an associate		-	(776)
Legal fees and litigation expense		(2,429)	(738)
Other expenses		(563)	(761)
Loss before income tax		(3,423)	(3,083)
Income tax benefit		6	22
Loss after tax attributable to the ordinary equity holders of the Company		<u>(3,417)</u>	<u>(3,061)</u>
Loss per share		Cents	Cents
loss per share from continuing operations attributable to ordinary equity holders			
– basic and diluted		(1.62)	(1.46)

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPEHENSIVE INCOME for the half year ended 31 December 2009

	31 December 2009	31 December 2008
	\$'000	\$'000
Net loss after tax	<u>(3,417)</u>	<u>(3,061)</u>
Other comprehensive income		
Net gain/(loss) on available-for-sale financial assets	11	(50)
Income tax on items of other comprehensive income	<u>(3)</u>	-
Other comprehensive income for the period net of tax	<u>8</u>	<u>(50)</u>
Total comprehensive income for the period attributable to the ordinary equity holders of the Company	<u><u>(3,409)</u></u>	<u><u>(3,111)</u></u>

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the half year ended 31 December 2009

	Contributed Equity \$'000	Available for Sale Reserve \$'000	Accumulated Losses \$'000	Total \$'000
At 1 July 2008	73,153	50	(39,308)	33,895
Total comprehensive (loss) for the period, net of tax	-	(50)	(3,061)	(3,111)
Contributions of equity, net of transaction costs	10,144	-	-	10,144
At 31 December 2008	83,297	-	(42,369)	40,928
At 1 July 2009	83,297	648	(42,469)	41,476
Total comprehensive income/(loss) for the period, net of tax	-	8	(3,417)	(3,409)
Income tax on items taken directly to equity	-	(3)	-	(3)
At 31 December 2009	83,297	653	(45,886)	38,064

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

FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT for the half year ended 31 December 2009

	31 December 2009	31 December 2008
	\$'000	\$'000
Cash Flows from Operating Activities		
Interest received	59	242
Payments to suppliers and employees	(1,486)	(1,226)
Net Cash (Outflow)/Inflow from Operating Activities	(1,427)	(984)
Cash Flows from Investing Activities		
Purchase of fixed assets	(281)	(1,684)
Proceeds from sale of fixed assets	-	231
Proceeds from sale of tenement rights	25	20
Loans to related parties	(1,180)	(2,021)
Loans repaid by other entities	-	1
Exploration expenditure	(3,023)	(3,082)
Net Cash Outflow from Investing Activities	(4,459)	(6,535)
Cash Flows from Financing Activities		
Funds received from joint venture partners	2,453	2,265
Net proceeds from issue of shares	-	10,144
Net Cash Inflow from Financing Activities	2,453	12,409
Net increase/(decrease) in cash and cash equivalents	(3,433)	4,890
Cash and cash equivalents at beginning of period	6,831	5,518
Cash and cash equivalents at end of period	3,398	10,408

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The consolidated financial report of Summit Resources Limited (the Company) for the six months ended 31 December 2009 was authorised for issue in accordance with a resolution of the Directors on 12 March 2010.

Summit Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The ultimate parent of Summit Resources Limited is Paladin Energy Limited which owns 82.0% of the ordinary shares.

The nature of the operations and principal activities of the Group are described in the Directors' Report and Report to Shareholders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This general purpose condensed financial report for the six months ended 31 December 2009 has been prepared in accordance with Australian Accounting Standards Board (AASB) 134 *Interim Financial Reporting* and the Corporations Act 2001.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2009 and any public announcements made by Summit Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated.

From 1 July 2009 the Company has adopted all Australian Accounting Standards and Interpretations for annual periods on or after 1 July 2009 including:-

AASB 8 Operating Segments

AASB 8 replaced AASB 114 Segments Reporting upon its effective date. The Company concluded that it has one operating segment and results are the same as the Company results.

AASB 101 Presentation of Financial Statements

The revised Standard separates owner and non owner changes in equity. The statement of changes in equity includes only details of transaction with owners, with non owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

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

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) Class Order 98/100. The Company is an entity to which the class orders applies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE, INCOME AND EXPENSES

	31 December 2009 \$'000	31 December 2008 \$'000
(a) Revenue		
Interest revenue	55	266
Sundry income	-	5
Total revenue	<u>55</u>	<u>271</u>
(b) Other income		
Profit on sale of tenements	<u>94</u>	<u>60</u>

4. CASH AND CASH EQUIVALENTS

	31 December 2009 \$'000	30 June 2009 \$'000
Cash at bank and on hand	2,046	2,490
Short-term deposit	<u>1,352</u>	<u>4,341</u>
Total cash and cash equivalents	<u>3,398</u>	<u>6,831</u>

5. OTHER RECEIVABLES

	31 December 2009 \$'000	30 June 2009 \$'000
CURRENT		
Sundry debtors - (a)	3,433	1,789
GST refundable	167	529
Prepayments	84	24
Interest receivable	6	10
Total current receivables	<u>3,690</u>	<u>2,352</u>
NON CURRENT		
Sundry debtors - (a)	-	2,793
Total non current receivables	<u>-</u>	<u>2,793</u>

- (a) Current sundry debtors include a \$2,866,000 (30 June 2009 non current debtor : \$2,793,000) debtor due from the sale of non-uranium properties and Georgina Basin Project held by Summit. At 30 June 2009 the debtor was classified as non-current as the repayment terms of the debtor is December 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. FINANCIAL ASSETS CLASSIFIED AS HELD FOR TRADING

	31 December 2009 \$'000	30 June 2009 \$'000
Options – unlisted	954	1,245

The Company has an investment in MM Mining Plc (MMM), an unlisted public UK company that explores for base metals. At 31 December 2009 the Company holds 20 million (30 June 2009 : 20 million) options. Each option entitles it to acquire one fully paid ordinary share in MMM at an exercise price of 15 GB pence. Each option expires on 31 December 2012.

As MMM is unlisted the options have been valued using the Black and Scholes option pricing methodology using the most recent market transaction to determine the appropriate underlying value.

The following table lists the inputs to the model used for the period ended 31 December 2009 and the year ended 30 June 2009:

	31 December 2009	30 June 2009
Dividend yield (%)	Nil%	Nil%
Expected volatility (%)	80%	80%
Risk-free interest rate (%)	1.83%	2.19%
Expected life of option (years)	3.0 years	3.5 years
Option exercise price (GBP)	£0.15	£0.15

7. PROPERTY, PLANT & EQUIPMENT

	31 December 2009 \$'000	30 June 2009 \$'000
Land & building – at cost	4,700	4,488
Less accumulated depreciation	(267)	(182)
Total land & buildings	<u>4,433</u>	<u>4,306</u>
Motor vehicles	458	403
Less accumulated depreciation	(281)	(238)
Total motor vehicles	<u>177</u>	<u>165</u>
Office furniture & equipment	316	286
Less accumulated depreciation	(186)	(128)
Total office furniture & equipment	<u>130</u>	<u>158</u>
Camp furniture & equipment	885	885
Less accumulated depreciation	(525)	(467)
Total camp furniture & equipment	<u>360</u>	<u>418</u>
Other equipment	92	92
Less accumulated depreciation	(28)	(23)
Total other equipment	<u>64</u>	<u>69</u>
Total property, plant & equipment	<u>5,164</u>	<u>5,116</u>

The depreciation charge of plant & equipment relating to the exploration tenements for the period in the Group has been capitalised to exploration on the Balance Sheet. Only part of the depreciation charge on Office Equipment (\$8,000) has been expensed in the Income Statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. EXPLORATION AND EVALUATION

Exploration & Evaluation expenditure costs brought forward in respect of areas of interest

	31 December 2009 \$'000	30 June 2009 \$'000
At cost		
Opening balance	25,005	19,539
Expenditure during year	2,945	5,466
Closing balance	27,950	25,005

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. CONTRIBUTED EQUITY

	31 December 2009 2008 Number of Shares		31 December 2009 2008 \$'000 \$'000	
Issued capital				
Ordinary shares – fully paid	210,517,950	210,517,950	83,297	83,297
Fully paid ordinary shares carry one vote per share and carry the right to dividends.				
Movement for period				
At 1 July	210,517,950	206,390,020	83,297	73,153
Placement #	-	4,127,930	-	10,278
	210,517,950	210,517,950	83,297	83,431
Less: Costs of issue	-	-	-	(134)
At 30 June	210,517,950	210,517,950	83,297	83,297

There were no options issued or exercised during the period and there was no movement for the half year ended 31 December 2009.

On 28 August 2008, the Company allotted 4,127,930 ordinary shares at \$2.49 per share pursuant to a renounceable rights issue raising \$10,278,546 before costs.

10. SEGMENT INFORMATION

The Company is solely involved in mineral exploration in Australia and management (the chief operating decision makers) monitor the Company 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 Company has only one reportable segment and the results are the same as the Company results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. COMMITMENTS AND CONTINGENCIES

There are no outstanding commitments or contingencies, which are not disclosed in the financial report of the Group as at 31 December 2009 other than:

	31 December 2009	31 December 2008
	\$'000	\$'000
(a) Tenements		
Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	55	3,140
Later than one year but not later than 5 years	16,570	-
More than 5 years	-	-
	<u>16,625</u>	<u>3,140</u>

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.

(b) Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases:

Within one year	56	18
Later than one year but not later than 5 years	-	-
More than 5 years	-	-
	<u>56</u>	<u>18</u>

The Group has entered into various property leases relating to rental of offices and residential accommodation.

These non-cancellable leases have remaining terms of less than one year. All leases include a clause to enable upward revision of rental charge on an annual basis according to prevailing market conditions.

(c) Legal actions

Isa Uranium Joint Venture

On 11 April 2007, Summit Resources Limited (Summit) and Areva NC (Australia) Pty Ltd (Areva) entered into a strategic alliance whereby Areva would subscribe for shares. That strategic alliance was documented in the Strategic Alliance Agreement, the Subscription Deed and the Deed of Undertaking executed by Summit and Areva on 11 April 2007. The terms of the documents comprising the strategic alliance were detailed in the supplementary target's statement released by Summit to the market on 11 April 2007.

On 3 August 2007, Summit announced that its wholly owned subsidiary, Summit Resources (Aust) Pty Ltd (SRA), had agreed with Resolute Limited and Mt Isa Uranium Pty Ltd (MIU) to settle the legal proceedings commenced against them by SRA on 28 July 2006 (the underlying proceedings).

Areva subsequently applied to the Supreme Court of Western Australia for orders under section 237 of the Corporations Act 2001 (Cth) seeking leave to intervene in the underlying proceedings in the name of SRA.

The background to, and a summary of, Areva's application to intervene in the underlying proceedings is set out in the announcement made by Summit on 6 August 2007.

Areva's application to intervene in the underlying proceedings was heard by the Honourable Chief Justice Martin in May and June 2009. Judgment is yet to be delivered by the Honourable Chief Justice.

On 16 October 2009, Summit entered into a conditional agreement with (amongst others) Areva, Resolute, Paladin Energy Ltd (Paladin) and MIU (the settlement agreement). The conditional settlement is made without any party admitting liability to another.

If the settlement agreement becomes unconditional by the Honourable Chief Justice making orders in the form sought by the parties:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. COMMITMENTS AND CONTINGENCIES (continued)

(c) Legal actions (continued)

Isa Uranium Joint Venture (continued)

- the underlying proceedings and Areva's application to intervene in the underlying proceedings will be dismissed with no order as to costs;
- Areva and Summit (along with its related parties) will provide broad releases to one another;
- Summit will pay the sum of A\$4.5 million to Areva of which A\$2.5 million is paid in satisfaction of the break fee that Summit agreed to pay Areva in the event that the strategic alliance did not proceed; and
- Areva's existing rights (if any) under the terms of the Strategic Alliance Agreement will be assigned to Paladin and the strategic alliance will otherwise be brought to an end.

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

The Company has recognised an expense for the expected litigation settlement amount.

12. EVENTS AFTER THE BALANCE SHEET DATE

Renounceable Rights Issue

On 14 January 2010, the Company allotted 4,210,359 ordinary shares at \$1.93 per share pursuant to a renounceable rights issue raising \$8.1 million before costs. The issued capital of Summit Resources Limited following the allotment is 214,728,309 fully paid shares.

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) give a true and fair view of the financial position as at 31 December 2009 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Brendan O'Hara
Executive Chairman

Perth, Western Australia
12 March 2010

INDEPENDENT AUDITOR'S REVIEW STATEMENT



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To the members of Summit Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Summit Resources Limited, which comprises the statement of financial position as at 31 December 2009, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Summit Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

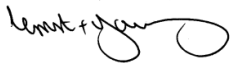
Independence

In conducting our review, 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.


Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Summit Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'G H Meyerowitz'.

G H Meyerowitz
Partner
Perth
12 March 2010



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