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ANNOUNCEMENT

MOUNT ISA URANIUM COPPER PROJECT

SUMMIT RESPONSE TO BID FOR VALHALLA URANIUM LIMITED BY PALADIN RESOURCES LTD

Summit Resources Limited ("**Summit**") notes the takeover offer announced today by Paladin Resources Ltd ("**Paladin**") for all of the shares in Valhalla Uranium Limited ("**Valhalla**").

Summit is the operator and manager of the Isa Uranium Joint Venture which controls the Valhalla and Skal uranium deposits in Queensland. Summit has a 50% interest in Valhalla and Skal which covers two of eight uranium deposits (the remaining 6 being 100% owned by Summit) on which Summit is currently conducting resource definition drilling.

Based on the announcement made by Paladin today, it would appear that the proposed offer will not trigger any pre-emptive rights conferred on Summit under the Isa Uranium Joint Venture Agreement. Summit is seeking confirmatory legal advice on this issue.

Summit notes that, regardless of the outcome of Paladin's bid for Valhalla, the proposed offer will have no impact on our position as operator and manager of the Isa Uranium Joint Venture or on Summit's 100% owned uranium, base metal and iron ore interests at Mount Isa and our extensive 6,845km^2 tenement holdings in northwest Queensland.

Alan J Eggers
Summit Resources Limited
PERTH 11 July 2006