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ANNOUNCEMENT

ADVICE TO SHAREHOLDERS IN RESPONSE TO HOSTILE PALADIN TAKEOVER OFFER

The board of Summit Resources Limited notes the announcement by Paladin Resources Ltd of its intention to make a hostile takeover offer for all of the shares in Summit Resources.

The Managing Director of Summit, Mr Alan Eggers, said today "Paladin has announced that it will serve its bidder's statement today and we will carefully consider that documentation before providing a formal response. The board of Summit will convene shortly after we receive the bid documentation".

In an immediate reaction, Mr Eggers said:

"This offer is not unexpected and, in my opinion, is designed to capture value that will otherwise flow to Summit's shareholders. We will be communicating more fully about this with our shareholders shortly."

"At this stage shareholders should take no action, ignore all communication from Paladin and await our further advice."

"Summit shareholders should also note that despite the disruption that this hostile offer will cause, it remains business as usual for Summit. We will continue to progress the development of the Mount Isa Uranium Project and to forge ahead on other fronts including the proposed spin out of Pacific Mines Limited, which we confirmed in our last quarterly report."

Summit has retained Gresham Advisory Partners Limited as financial advisers and Cochrane Lishman as legal advisers to provide advice in relation to the offer.

Summit Resources Limited
Perth 27 February 2007