

13 March 2007

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AUSTRALIA

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PALADIN'S TAKEOVER OFFER

Dear fellow shareholder,

While I understand you are receiving a large amount of information about Paladin's takeover offer for Summit Resources, I wanted to keep you informed about the latest developments.

Paladin Resources Ltd will despatch its offer documents to Summit's shareholders in the next day or so.

NO ACTION IS REQUIRED BY SUMMIT SHAREHOLDERS ON RECEIPT OF PALADIN'S OFFER DOCUMENTS

Summit directors believe the Paladin offer is inadequate and we unanimously recommend that you REJECT the offer. To do so, all you need to do is IGNORE all correspondence and other communication from Paladin.

Your directors believe that the offer does not adequately compensate you for the unrealised short, medium and long term potential of Summit's uranium deposits and prospects at Mount Isa, the Georgina Basin greenfields uranium project, our base metal, iron ore and phosphate exploration interests and our extensive mineral exploration tenement holdings in northwest Queensland.

None of your directors will be accepting the offer.

We are currently preparing our formal response to Paladin's offer (our Target's Statement) which we hope to send to you within the next week. You should wait to receive our Target's Statement before making a final decision in relation to Paladin's offer.

There is no need for Summit shareholders to take any action in relation to Paladin's offer before you receive Summit's Target's Statement.

Since Paladin announced its hostile offer, we have received wide ranging support from our shareholders for which we are very grateful. We look forward to your continuing support and can assure our shareholders that your board and management team is committed to working hard to unlock the tremendous potential of our Mount Isa Uranium Project and our extensive exploration tenement holdings in northwest Queensland for the benefit of all of our shareholders.

The shareholder line for all enquiries in relation to Paladin's offer is **1 800 104 758** (toll free within Australia) or **+61 2 8268 3961** (international callers).

To sign off on a positive note, you will no doubt be interested to know that uranium oxide spot price is now US\$90 a pound!



Alan J Eggers
Summit Resources Limited
PERTH 13 March 2007

- * The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Alan J Eggers who is a Corporate Member of the Australasian Institute of Mining and Metallurgy and is an executive director of the Company. Alan J Eggers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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". Alan J Eggers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.