SUMMIT

SUMMIT RESOURCES LIMITED

ACN 009 474 775

ANNUAL REPORT 2017

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CONTENTS

CORPORATE DIRECTORY

ACN 009 474 775

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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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AUDITORS

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STOCK EXCHANGE LISTING

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

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 1,974km^2 of tenements in three major project areas centred on the city of Mount Isa in northwest Queensland. The Isa North Project covers approximately 934km^2 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 continues to be progressed all be it at a slower rate 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.

Uranium resources under Summit management in the Mount Isa region total 142.1Mlb U_3O_8, of which 84.3Mlb U_3O_8 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 planning for exploration activities to be undertaken in early FY2018 in order to meet tenement commitments.

No additional metallurgical test work has been completed however the company stands ready to recommence the test work programme should uranium prices show signs of recovery. At present the work previously undertaken has met all of the statutory commitments for the first three years of the tenure of the MDL's and it is expected that metallurgical work will again be used to cover off on commitments for the remaining two years before renewal.

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.

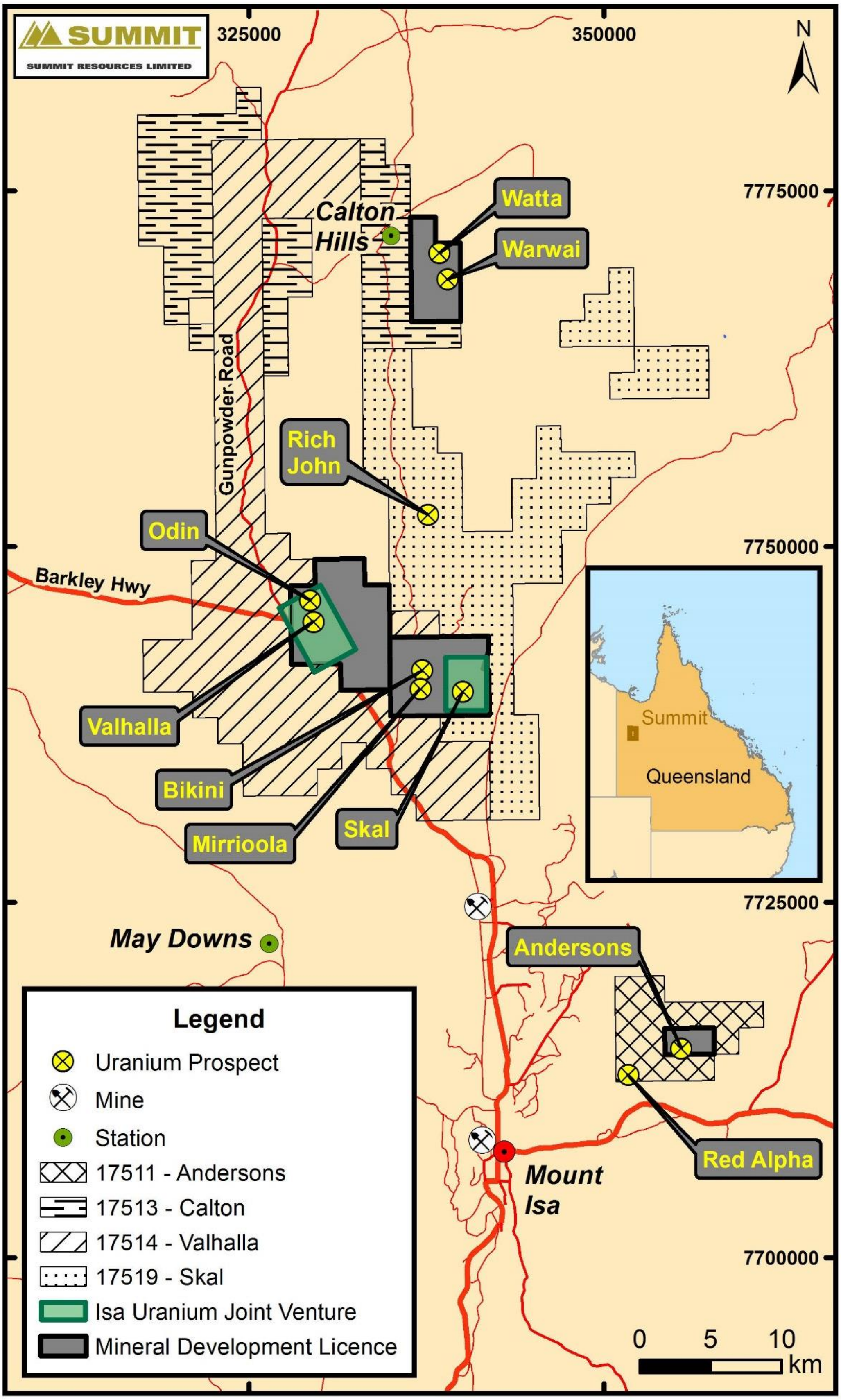

Fig. 1 Location map of Summit tenements and uranium prospects, Isa North project

Uranium Mineral Resources

Uranium mineral resources under Summit management in the Mount Isa region total 142.1Mlb U_3O_8, of which 84.3Mlb U_3O_8 are attributable to Summit *(Table 1)*. Valhalla, Odin and Skal are the most significant deposits and account for 82% of the mineral 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 2017, Mount Isa region

Deposit		**Measured Resources**			**Indicated Resources**			**Inferred Resources**			**Summit Attribution**
Cut-off ppm U_3O_8		**Mt**	**Grade ppm**	**t U_3O_8**	**Mt**	**Grade ppm**	**t U_3O_8**	**Mt**	**Grade ppm**	**t U_3O_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 (2004) Code. It has not been updated since to comply with JORC (2012) Code on the basis that the information that the estimates are derived from has not materially changed since it was last reported. It is likely that the company's mineral resources will be re-visited during FY2019 in order to bring them to compliance with the JORC (2012) Code, it is not expected that there will be any material change to the mineral resources.

ISA URANIUM JOINT VENTURE (QLD)

Interest: Summit Resources (Aust) Pty Ltd - 50%; Paladin Energy Ltd (Administrators Appointed) – 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 Valhalla Uranium Pty Ltd (VUL), each holding a 50% interest, with SRA managing the joint arrangement. VUL is a subsidiary of Paladin Energy Ltd (Administrators Appointed) (Paladin). Mt Isa Uranium Pty (MIU) Ltd assigned their interest in Isa Uranium JV to VUL on 8 June 2017. Ground subject to the IUJV covers 17km^2 at Valhalla and 10km^2 at Skal. These two areas lie within a much larger holding of tenements covering approximately 934km^2 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 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 2km^2. 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.

<u>**MOUNT ISA NORTH URANIUM PROJECT (100% Summit)**</u>

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 four contiguous EPM's and four MDL's covering approximately 934km^2 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 N40ºE-striking, 75ºSE-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.

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

When the Mount Isa North Uranium Project tenements were renewed in December 2014 it was done so with a more optimistic view of the likely uranium prices expected and as a consequence the work programme envisaged was significant. In the light of the continued very low uranium price a decision was taken to scale back the scope of the exploration programme planned to meet these commitments. A variation request was submitted to the Queensland Department or Natural Resources and Mines (DNRM) in May 2017 to substantially reduce the overall commitment on all four of the tenements (EPM's 17511, 17513, 17514 and 17519). Approval of the variation request was finally received by the company in August 2017. The company expects to complete the revised exploration programme by November 2017.

<u>WESTERN ISA BASE METALS JV WITH AEON METALS LIMITED</u>

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.

<u>ISA NORTH BASE METALS RIGHTS AGREEMENT WITH AEON</u>

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 pursuit of other priorities by AQR, work on the JV has been limited to desktop studies regarding the prospectivity of the area for base metals potential. To date there has not been any significant progress in this regard.

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. Its policy is to encourage further development of the uranium industry. As a result of this change in policy approval or prohibition of uranium mining is now a matter within the residual jurisdiction of each state government to decide and, as such, is now largely outside the domain of the prevailing Federal government.

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 FY2017. There were no material changes to the Company's Mineral Resources during the year.

Mineral Resources		30 June 2016 M tonnes	30 June 2016 grade % U_3O_8	30 June 2016 Metal t	30 June 2017 M tonnes	30 June 2017 grade % U_3O_8	30 June 2017 Metal t	Change M tonnes	Change 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 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 2017 (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.

The Directors present their report on the consolidated entity consisting of Summit and the entities it controlled for the year ended 30 June 2017.

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 1,974km² 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)*. 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 undertaken in 2015 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 U_3O_8, of which 84.3Mlb U_3O_8 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 $294,000 (2016: Loss $1,271,000).

On 3 July 2017, Paladin (ultimate holding company for Summit Resources Ltd) announced the appointment of Administrators to Paladin and other related companies. The appointment followed the demand from Electricite de France S.A. for approximately US$277 million due to it on 10 July 2017 under the Long Term Supply Agreement signed in 2012.

The attached annual report for the year ended 30 June 2017 contains an independent auditor's report which includes an emphasis of matter paragraph in regard to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. For further information, refer to Note 2(a) of the financial statements, together with the auditor's report.

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

Other than disclosed below, since the end of the financial year, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent years with the exception of the following.

Sale of Property
The Company made a decision to sell its property at 9 Clarke St, Mount Isa and on 17 June 2017 a contract was signed. The sale was completed and monies were received on 2 August 2017.

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:

David Berrie
Malcolm Randall
David Princep

PROFILE OF DIRECTORS (Qualifications, Experience and Special Responsibilities)

DIRECTOR (EXECUTIVE)

David Princep, *B.Sc, FAusIMM(CP)*

Mr. Princep, 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 or 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 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 Licensed Professional Geoscientist, an Affiliate of the Australian Institute of Company Directors and a Chartered Professional Geologist.

Special Responsibilities
Member of Audit Committee from 2016

DIRECTOR (NON-EXECUTIVE)

David Berrie, *LLB, B.Juris*

Mr Berrie, has over 26 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.

Mr Berrie is presently the non-executive chairman of Magmatic Resources Ltd (since 2017).

Special Responsibilities
Member of Audit Committee from 2006

DIRECTOR (NON-EXECUTIVE)

Malcolm Randall, *B.Applied Chem, FAICD*

Mr Randall, 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), Magnetite Mines (since 2006) and Argosy Minerals Limited (since 2017), and chairman of Kalium Lakes (since 2015).

Directorships of listed companies in last three years

Iron Ore Holdings Ltd from 2003 to 2014
MZI Resources Ltd from 2009 to 2016

Special Responsibilities
Member of Audit Committee from 2007

COMPANY SECRETARY

Ranko Matic, *CA, BBus*

Mr Ranko Matic is a Chartered Accountant with over 26 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 2017 and the number of meetings attended by each Director.

There were 3 Directors' meetings 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 were:

	Board of Directors		Audit Committee	
Name	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**
Mr David Princep	3	3	2	2
Mr Malcolm Randall	3	3	2	2
Mr David Berrie	3	3	2	2

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 David Princep	Director (Executive)
Mr David Berrie	Director (Non-executive)
Mr Malcolm Randall	Director (Non-executive)

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. There is no impact on services provided under the MTSA agreement due to the appointment of administrators to Paladin. 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 $499,391 (2016: $123,626) of which $52,070 (2016: $42,120) related to the provision of Key Management Personnel services and $323,307 (2016: $163,491) related to evaluation and expenditure costs that have been capitalised to the balance sheet.

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 which is still in effect.

REMUNERATION REPORT (continued)

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

Executive Directors

D Princep is 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 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 2013	30 June 2014	30 June 2015	30 June 2016	30 June 2017
EPS	A$(0.003)	A$(0.002)	A$(0.001)	A$(0.006)	A$(0.001)
Share Price	A$1.27	A$0.23	A$0.18	A$0.10	A$0.20

REMUNERATION REPORT (continued)

Compensation of Key Management Personnel

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

2017 Name	Short-term Benefits Salary & Directors Fees $	Other $	Post-Employment Superannuation $	Total $	Total Performance Related %
Directors					
Mr D W Berrie	47,000	-	4,465	51,465	-
Mr D Princep [(1)]	-	20,419	1,658	22,077	-
Mr M Randall	51,500		4,892	56,392	-
Total	98,500	20,419	11,015	129,934	-

2016 Name	Short-term Benefits Salary & Directors Fees $	Other $	Post-Employment Superannuation $	Total $	Total Performance Related %
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	-

(1) The amount set out above reflects Paladin's charge to Summit and its subsidiaries under the MTSA in respect of services rendered by D Princep during the year and B O'Hara in the prior year. The charge, based on time spent, is an allocation of D Princep's total compensation recognised by Paladin.

(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 2017 or 30 June 2016.

REMUNERATION REPORT (continued)

Shareholdings of Key Management Personnel

No Key Management Personnel held shares during the years ended 30 June 2017 or 30 June 2016.

Other Transactions with Key Management Personnel

There were no other transactions with Key Management Personnel during the years ended 30 June 2017 or 30 June 2016.

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.

D Princep, Executive Director

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.

There is no impact on services provided under the MTSA agreement due to the appointment of administrators to the Company's ultimate parent company, Paladin.

End of Audited Remuneration Report

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.

INDEMINIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, PricewaterhouseCoopers, 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 PricewaterhouseCoopers 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.

AUDITOR

PricewaterhouseCoopers 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.

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Summit Resources Limited for the year ended 30 June 2017, I declare that 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 period.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth
28 September 2017

NON-AUDIT SERVICES

There was $nil in non-audit services provided by the Company's auditor, PricewaterhouseCoopers for the year ended 30 June 2017.

Signed in accordance with a Resolution of the Directors.

Dated at Perth this 28 day of September 2017

David Princep
Executive Director

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2017

	Notes	2017 $'000	2016 $'000
Income	3	62	64
Expenses			
Employee related expenses		(31)	(35)
Directors' fees		(108)	(108)
Audit fees		(22)	(26)
ASX fees		(33)	(34)
Impairment expense	8	(65)	(1,096)
Evaluation and exploration expenditure		(30)	-
Other administration expenses		(67)	(36)
Net loss before income tax		(294)	(1,271)
Income tax expense	4	-	-
Loss after tax attributable to the ordinary equity holders of the company		**(294)**	**(1,271)**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable the ordinary equity holders of the company		**(294)**	**(1,271)**
Loss per share			
Loss per share attributable to ordinary equity holders			
- Basic and diluted (cents per share)	16	**(0.14)**	**(0.58)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2017

	Notes	2017 $'000	2016 $'000
CURRENT ASSETS			
Cash and cash equivalents	5	891	772
Other current assets	6	145	855
Other receivables		32	33
Assets classified as held for sale	7	215	-
Total Current Assets		**1,283**	**1,660**
NON CURRENT ASSETS			
Property, plant & equipment	8	1,109	1,574
Exploration and evaluation expenditure	9	45,668	45,112
Total Non Current Assets		**46,777**	**46,686**
TOTAL ASSETS		**48,060**	**48,346**
CURRENT LIABILITIES			
Trade and other payables		58	50
Total Current Liabilities		**58**	**50**
NET ASSETS		**48,002**	**48,296**
EQUITY			
Contributed equity	10	99,381	99,381
Accumulated losses	11	(51,379)	(51,085)
TOTAL EQUITY		**48,002**	**48,296**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2017

	Contributed Equity $'000	Accumulated Losses $'000	Total $'000
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**
CONSOLIDATED			
At 1 July 2016	**99,381**	**(51,085)**	**48,296**
Loss after tax	-	(294)	(294)
Total comprehensive loss for the period net of tax	**-**	**(294)**	**(294)**
At 30 June 2017	**99,381**	**(51,379)**	**48,002**

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

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	Notes	2017 $'000	2016 $'000
Cash Flows From Operating Activities			
Interest received		36	61
Rental income received		30	18
Payments to suppliers and employees		(263)	(209)
Net Cash Outflow from Operating Activities	5	**(197)**	**(130)**
Cash Flows From Investing Activities			
Exploration and evaluation expenditure		(393)	(351)
Net Cash Outflow from Investing Activities		**(393)**	**(351)**
Cash Flows From Financing Activities			
Funds received from joint arrangement partner		77	105
Loans to joint arrangement partner		(78)	(107)
Redemption/(Funding) of term deposit		710	(15)
Net Cash Inflow/(Outflow) From Financing Activities		**709**	**(17)**
Net Increase/(Decrease) In Cash and Cash Equivalents		**119**	**(498)**
Cash and cash equivalents at the beginning of the financial year		772	1,270
Cash and Cash Equivalents at the end of year	5	**891**	**772**

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

1. CORPORATE INFORMATION

The Financial Report of the Group for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 28 September 2017.

The Company is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange. The ultimate parent of the Company is Paladin Energy Ltd (Administrators Appointed) (Paladin) which owns 82.08% of the ordinary shares.

The Company's principal place of business is Level 4, 502 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) Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Group incurred a net loss after tax of $294,000 (30 June 2016: $1,271,000) for the year ended 30 June 2017. As at 30 June 2017, the Group had a net current asset surplus of $1,225,000 (30 June 2016: $1,610,000), including cash on hand of $891,000 (30 June 2016: $772,000) and term deposits of $145,000 (30 June 2016: $855,000).

Funding will be required within the next 12 months to address the Group's forecast net cash deficit position. Management has concluded that the Group will require equity funding and the ability of the Group to pay its debts as and when they fall due and thus continue as a going concern is dependent on Paladin, as the major shareholder (82.08%), or another shareholder providing the required equity funding.

On 3 July 2017, Paladin announced the appointment of Administrators to Paladin and other related companies (the Companies). The appointment followed the demand from Electricite de France S.A. for the repayment of approximately US$277 million due to it on 10 July 2017 under the Long Term Supply Agreement signed in 2012.

The Administrators currently propose to convene the second meeting of creditors on or before 31 January 2018 or any time during, or within five business days after. At that meeting they will present any proposals that they have received to restructure and recapitalise the Companies through a Deed of Company Arrangement and make appropriate recommendations to creditors on the merits of such proposals.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial report does not include adjustments relating to the recoverability or classification of the recorded assets amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

Based on the Company's expectation that additional equity funding will be obtained, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

(b) 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 other than assets held for sale which was recognised to measure the property at its recoverable amount. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The Financial Report is presented in Australian dollars which is Summit Resources Ltd's functional and presentation currency. 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.

(c) 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 2016.

From 1 July 2016 the Company has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2016. 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.

(c) New accounting standards and interpretations (continued)

(i) Changes in accounting policy and disclosures

Reference	Title	Impact
AASB 9	***Financial Instruments*** AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.	While the group has yet to undertake a detailed assessment of the classification and measurement of financial assets and financial liabilities, is not expected to have a significant impact on the classification and measurment of its financial assets and financial liabilities given the group only holds cash deposits greater then three months as financial assets at balance date. Furthermore, the group currently does not have and hedging arrangements. At this stage, the group does not intend to adopt the standard before its effective date which means it would be first applied in the annual reporting period ending 30 June 2019.
AASB 15	***Revenue from Contracts with Customers*** The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 whichcovers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modifies retrospectove approach for the adoption.	The Group currently has no revenue and does not expect the new guidance to have a significant impact on the financial statements. At this stage, the group does not intend to adopt the standard before its effective date which means it would be first applied in the annual reporting period ending 30 June 2019.
AASB 16	***Leases*** AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.	As at reporting date the group has no operating lease commitments and as the extraction rights on mineral property leases are not within the scope of this standard the group does not expect a significant impact on the financial statements. At this stage, the group does not intend to adopt the standard before its effective date which means it would be first applied in the annual reporting period ending 30 June 2020.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Summit Resources Limited and its subsidiaries as at 30 June 2017 (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 income statement and other 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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation (continued)

- 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.

(e) 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 of disposal 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 2017, 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. The Group assessed that no impairment was required.

(f) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Taxes (continued)

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.

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.

(g) 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 of disposal 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 inflows (cash generating units).

(h) 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.

(i) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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.

(k) 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.

(l) 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) <u>Loans and receivables</u>

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.

(m) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) 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.

(o) 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.

(i) Interest income

Interest income from investments in cash and short-term deposits is recognised in the consolidated income statement and other comprehensive income 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.

(p) 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.

(q) 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.

3. INCOME

	2017 $'000	2016 $'000
Income		
Interest income	31	48
Other	31	16
Total income	62	64

4. INCOME TAXES

(a) Numerical reconciliation of income tax expenses to prima facie tax payable

	2017 $'000	2016 $'000
Loss before income tax	(294)	(1,271)
Prima facie tax benefit at 30% (2016: 30%)	(88)	(381)
Non-recognition of deferred tax assets	88	381
Income tax expense	-	-

(b) Deferred Income Tax

	2017 $'000	2016 $'000
Deferred tax liabilities		
Capitalised expenditure deductible for tax purposes	(13,701)	(13,534)
Deferred tax assets		
Tax losses	25,585	25,368
Expenses not yet deductible for taxation purposes	605	571
Net deferred tax asset	12,489	12,405
Deferred tax assets not recognised	(12,489)	(12,405)
	-	-

(c) Tax Losses

At 30 June 2017, the Group has $84,283,000 ($25,585,000 tax effected at 30%) (2016: $84,545,000 - $25,364,000 tax effected at 30%) of tax losses that are available for offset against future profits of the Group. Net deferred tax asset of $12,489,000 has not been recognised in the Consolidated Statement of Financial Position as management concluded recognition of these deferred tax assets is not appropriate.

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

	2017 $'000	2016 $'000
Cash at bank and on hand	39	16
Short-term deposit	852	756
Total cash and cash equivalents	891	772

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.

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

	2017 $'000	2016 $'000
Net loss after tax	(294)	(1,271)
Add/(less) non-cash items:		
Relinquished exploration and evaluation expenditure	30	-
Impairment	65	1,096
Movement in operating assets and liabilities:		
Decrease in trade and other receivables	-	57
Increase/(decrease) in trade and other payables	2	(12)
Net cash outflow from operating activities	(197)	(130)

6. OTHER CURRENT ASSETS

	2017 $'000	2016 $'000
Other current assets	145	855

Other current assets are term deposits greater than 3 months.

7. ASSETS CLASSIFIED AS HELD FOR SALE

	2017 $'000	2016 $'000
Plant and equipment	215	-
Total assets classified as held for sale	215	-

The Company made a decision to sell its property at 9 Clarke St, Mount Isa and on 17 June 2017 a contract was signed. The sale was completed and monies were received on 2 August 2017. An impairment expense of AU$65,000 was recognised to measure the property at its recoverable amount.

8. PROPERTY, PLANT & EQUIPMENT

	2017 $'000	2016 $'000
Land & buildings – at cost	3,399	3,900
Less: Accumulated depreciation and impairment	(2,327)	(2,370)
Total land & buildings	1,072	1,530
Motor vehicles	195	195
Less: Accumulated depreciation	(195)	(195)
Total motor vehicles	-	-
Office furniture & equipment	343	343
Less: Accumulated depreciation	(340)	(340)
Total office furniture & equipment	3	3
Camp furniture & equipment	872	872
Less: Accumulated depreciation	(866)	(860)
Total camp furniture & equipment	6	12
Other equipment	87	87
Less: Accumulated depreciation	(59)	(58)
Total other equipment	28	29
Total property, plant & equipment	1,109	1,574

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 Consolidated Statement of Financial Position. No portion of the depreciation charge has been expensed in the Consolidated Income Statement and Other Comprehensive Income.

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
2017						
Carrying amount at start of year	1,574	1,530	-	3	12	29
Depreciation expense	(185)	(178)	-	-	(6)	(1)
Impairment of assets	(65)	(65)	-	-	-	-
Reclassification to assets held for sale	(215)	(215)	-	-	-	-
Carrying amount at end of year	1,109	1,072	-	3	6	28

8. PROPERTY, PLANT & EQUIPMENT (continued)

	Total	Land & Buildings	Motor Vehicles	Office Furniture & Equipment	Camp Furniture & Equipment	Other Equipment
	$'000	$'000	$'000	$'000	$'000	$'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 of disposal 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).

9. EXPLORATION AND EVALUATION EXPENDITURE

	2017	2016
	$'000	$'000
At cost		
Opening balance	45,112	44,587
Expenditure during year	556	525
Closing balance	45,668	45,112

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.

10. CONTRIBUTED EQUITY

	2017	2016	2017	2016
	Number of Shares		$'000	$'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.

	2017	2016	2017	2016
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

	2017 $'000	2016 $'000
Opening balance	(51,085)	(49,814)
Loss for the year	(294)	(1,271)
Closing balance	(51,379)	(51,085)

12. SEGMENT INFORMATION

The Group is solely involved in mineral exploration in Australia and management (the chief operating decision maker) 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 income is earned in Australia.

13. DIRECTOR & EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

(i) Directors

Mr David Princep	Director (Executive)
Mr David Berrie	Director (Non-executive)
Mr Malcolm Randall	Director (Non-executive)

The Executives are remunerated pursuant to the Management and Technical Service Agreement (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. 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. Other than indirectly pursuant to the MTSA, the Company does not pay remuneration to its Executives. Refer to Note 14(b) for payments made under the MTSA.

(b) Compensation of Key Management Personnel

	2017 $	2016 $
Short-term	118,919	127,229
Post-employment	11,015	11,928
	129,934	139,157

14. RELATED PARTIES

(a) Subsidiaries

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

(b) Ultimate parent

The ultimate parent entity is Paladin Energy Ltd (82.08% ownership) (2016: 82.08%).

Under the MTSA between the Company and Paladin dated 24 September 2007, the total transactions during the year amounted to $499,391 (2016: $123,626). The balance outstanding at 30 June 2017 was $34,570 (2016: $24,011), included in trade and other payables.

(c) Key Management Personnel

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

15. COMMITMENTS AND CONTINGENCIES

There are no outstanding commitments or contingencies, which are not disclosed in the financial statements as at 30 June 2017 other than:

	2017 $'000	2016 $'000
Tenements		
Commitments for tenements contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	246	-
Later than one year but not later than 5 years	539	1,434
More than 5 years	-	-
Total tenements commitment	785	1,434

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:

	2017 $'000	2016 $'000
Net loss attributable to ordinary equity holders of the Company from continuing operations	(294)	(1,271)

	2017 Number of Shares	2016 Number of Shares
Weighted average number of ordinary shares for basic earnings per share	217,981,769	217,981,769

17. EVENTS AFTER THE BALANCE DATE

Other than disclosed below, since the end of the financial year, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent years with the exception of the following.

Sale of Property
The Company made a decision to sell its property at 9 Clarke St, Mount Isa and on 17 June 2017 a contract was signed. The sale was completed and monies were received on 2 August 2017.

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 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 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:

	2017 $'000	2016 $'000
Financial assets		
Cash and cash equivalents	891	772
Other current assets[(1)]	145	855

[(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 loss or equity.

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	**<1 year**	**1-2 years**	**2-3 years**	**>3 years**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
2017					
Trade and other payables	58	58	-	-	-
Total payables	58	58	-	-	-

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

(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 carrying amount of financial assets recorded in the consolidated statement of financial position represents the consolidated entity's exposure to credit risk.

No receivables at the reporting date were past due or impaired (2016: 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.

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. Summit Resources (Aust) Pty Ltd (SRA) is manager and operator, holding a 50% interest. Valhalla Uranium Pty Ltd (VUL) holds the other 50% interest. Mt Isa Uranium Pty (MIU) Ltd assigned their interest in Isa Uranium JV to VUL on 8 June 2017. Paladin ultimately owns 82.08% of SRA and 100% of VUL. This is accounted for as a joint operation under AASB 11 Joint Arrangements.

20. AUDITOR'S REMUNERATION

The auditor of the Group for the year ended 30 June 2017 is PricewaterhouseCoopers (2016: Ernst & Young).

	2017 $	2016 $
Amounts received or due and receivable by PricewaterhouseCoopers for:		
Audit or review of financial reports and other audit work under the *Corporations Act 2001*	22,803	-
Total remuneration of auditors	22,803	-

	2017 $	2016 $
Amounts received or due and receivable by Ernst & Young for:		
Audit or review of financial reports and other audit work under the *Corporations Act 2001*	870	31,351
Total remuneration of auditors	870	31,351

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

(a) Information relating to the Company

	2017 $'000	2016 $'000
Current assets	1,082	1,692
Total assets	46,945	47,433
Current liabilities	25	23
Total liabilities	2,385	2,385
Issued capital	99,381	99,381
Accumulated losses	(53,764)	(52,664)
Total shareholders' equity	45,617	46,717
Net loss after tax	(1,100)	(186)
Total comprehensive loss	(1,100)	(186)

(b) Investments in Controlled Entities

Name	Country of Incorporation	Percentage of Equity Held by Consolidated Entity	
		2017	2016
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 2017 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(b);

(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 2017.

On behalf of the Board

David Princep
Executive Director

Perth, Western Australia
28 September 2017

Independent auditor's report

To the members of Summit Resources Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Summit Resources Limited (the Company) and its controlled entities (together, the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2017
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report, which indicates the need for the Group to raise additional capital to meet ongoing expenditure and existing commitments as and when they fall due. This condition, along with other matters set out in Note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates. The group is a mineral resources company whose operations include the exploration and exploitation of its portfolio of uranium exploration assets in Queensland, Australia.

Materiality

- For the purpose of our audit we used overall Group materiality of $483,200, which represents approximately 1% of the Group's total assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose total assets as the benchmark because the Group is not currently operating its assets and remains in the exploration stage. As a result, there are so sales and therefore profit related measures were not the most appropriate basis for determining materiality. The use of total assets as a benchmark provides a level of materiality which, in our view, is appropriate for the audit having regard to the expected requirements of users of the Group's financial report.
- We selected 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds in the mining industry.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The accounting processes are structured around a group finance function at its head office in Perth. We have performed our audit procedures primarily at the Group's Perth head office.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment for capitalised exploration and evaluation assets *(Refer to note 9) [$45.7 million]* As at 30 June 2017, the Group held capitalised exploration and evaluation assets of $45.7 million, relating to the Group's uranium assets in Queensland, Australia. Judgement is required by the Group to assess whether there were indicators of impairment of the capitalised exploration and evaluation assets, due to the need to make estimates about future events and circumstances, such as whether the mineral resources may be economically viable to mine in the future. The carrying value of capitalised exploration and evaluation assets was a key audit matter due to the magnitude of capitalised exploration and evaluation assets recognised in the consolidated statement of financial position as at 30 June 2017 and the risk of impairment of capitalised exploration and evaluation assets should the Group relinquish certain exploration or mining licenses or not meet its contractual obligations associated with these licences, such as minimum expenditure requirements, as it continues to assess future viability.	We performed the following audit procedures, amongst others, to identify potential indications of impairment: • Evaluated the Group's assessment that there had been no indicators of impairment. • Enquired of management as to whether there were any licences that were relinquished. • Tested whether the Group retained right of tenure for its exploration licence areas by obtaining licence status records maintained by the Queensland Department of Natural Resources and Mines (DNRM). • Interviewed key operational and finance staff to develop an understanding of the current status and future exploration intentions for each asset. • Considered the progress of management's current negotiations with the DNRM to reduce minimum tenement commitments and the implications of this in assessing the group's ability to maintain current tenure in the short term.

Key audit matter	*How our audit addressed the key audit matter*
	• Considered other available information, such as press releases made by the Group with the results of exploration activities. • Tested, on a sample basis, current year expenditure to source documents on the exploration licence areas. Where right of tenure was no longer current or had been allowed to lapse, we tested that the capitalised costs associated with that licence had been written off.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Directory, Operating Review Report, Corporate Governance Report, Director's Report and Supplementary ASX information included in the Group's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 14 to 17 of the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Summit Resources Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Ben Gargett
Partner

Perth
28 September 2017

SUPPLEMENTARY ASX INFORMATION

Pursuant to the Listing Requirements of Australian Securities Exchange Limited as at 28 September 2017:

1. TENEMENTS HELD IN QUEENSLAND

URANIUM PROJECTS

Project	Tenements	Interest %	JV Partner/s	Operator	Note
Isa North	4 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

1. The Valhalla and Skal uranium deposits lie within the Isa North tenement block within defined blocks of land (17km^2 and 10km^2 respectively) subject to the IUJV between SRA (50% and Operator) and Mount Isa Uranium Pty Ltd (50%).
2. 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.
3. 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.
4. 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%.

2. ANALYSIS OF SHAREHOLDINGS

There are 705 holders of fully paid ordinary shares listed on the Company's share register at 20 September 2017.

(i) Twenty largest security holders

ORDINARY SHAREHOLDINGS

Holder	No. of Shares	%
Paladin Energy Ltd (Administrators Appointed)	178,911,682	82.08
BNP Paribas Noms Pty Ltd <DRP>	22,079,462	10.13
Citicorp Nominees Pty Limited	10,578,290	4.85
JP Morgan Nominees Australia Limited	980,802	0.45
M & K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/C>	289,479	0.13
Tharanax Pty Lt <Future Spring A/C>	244,837	0.11
The Straits Nominees Pty Ltd <The Straits A/C>	232,500	0.11
HSBC Custody Nominees (Australia) Limited	215,142	0.10
Merrill Lynch (Australia) Nominees Pty Limited	166,801	0.08
Miss Janet Andrea Woolfe	148,107	0.07
HSBC Custody Nominees (Australia) Limited<Euroclear Bank SA NV A/C>	112,815	0.05
Mr Peter Harry Hatch	111,046	0.05
Raceland Holdings Pty Ltd <G & J Simon Super Fund A/C>	100,000	0.05
Dr Brian Trudinger	99,242	0.05
Canning Basin Petroleum P/L	93,800	0.04
Mr Robert Dobson	86,046	0.04
Mr Jonathan Sun-Yeh Chong	71,526	0.03
Mr John Robert Collinson	68,000	0.03
Mr David Schembri & Mrs Larissa Schembri	68,000	0.03
Monk Nominees Pty Ltd <Monk Super Fund A/C>	66,667	0.03
Total	**214,724,244**	**98.51**

(ii) Spread of security holders

ORDINARY SHAREHOLDINGS

Size of Holding			No. of Holders	No. of Shares	%
1	-	1,000	276	121,637	0.06
1,001	-	5,000	234	586,526	0.27
5,001	-	10,000	98	778,766	0.36
10,001	-	100,000	85	2,423,877	1.11
100,001	-	maximum	12	214,070,963	98.21
Total			**705**	**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 (Administrators Appointed)	178,911,682	82.08
BNP Paribas Noms Pty Ltd <DRP>	22,079,462	10.13

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